

THE COMMUNITY DEVELOPMENT READER

EDITED BY JAMES DEFILIPPIS AND SUSAN SAEGERT

SECOND EDITION

ROUTLEDGE

The Community Development Reader

The Community Development Reader is the first comprehensive reader in the past thirty years that brings together practice, theory, and critique concerning communities as sites of social change. With chapters written by some of the leading scholars and practitioners in the field, the book presents a diverse set of perspectives on community development. These selections inform the reader about established and emerging community development institutions and practices as well as the main debates in the field. The second edition is significantly updated and expanded to include a section on globalization as well as new chapters on the foreclosure crisis, and emerging forms of community practice.

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The Community Development Reader

Second Edition

Edited by James DeFilippis and Susan Saegert

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PREFACE

This second edition reflects the changes that have taken place in the world since the first edition was completed in 2007. The magnitude of the economic crisis, rooted in housing finance yet grounded in particular communities, has transformed the landscape of community work. It has also revealed the extent to which communities are globally interconnected. We therefore were glad to have the opportunity to review a whole new set of literature and revise the book accordingly.

The second edition therefore reflects the new and emerging scholarship that has developed in the last few years, both as a result of the crisis, but not just because of the crisis. As Newman notes, mortgages, not just homes, have become market commodities and the market has failed. While all sectors, countries, and neighborhoods are liable to be affected, the communities that are the focus of community development, low-income and disproportionately non-white communities, are hit hardest and have been recovering less well, if at all. The financial crisis and the foreclosure crisis have destabilized the production and management of housing, the mainstay of community development organizations for the last 30 years. The fiscal crisis echoes through all aspects from service provision to organizing to organizational operations. Within this context, the limitations of local responses to crises emanating from larger scales have become more apparent. These limitations were addressed in the first edition but now the scope of the challenges has become clearer. The effects on communities of the financial crisis magnify the extent to which the trends toward less government, decentralization, a shrinking safety net, and greater dependence on the private sector had given rise to community development institutions and practices since the beginning of the field. Just as community development corporations and the more recent waves of community organizing responded creatively to the urban crisis of the 1960s and 1970s, new organizational forms and approaches are appearing.

Each section of the second edition contains new material that reflects the increased maturity of scholarship on community development as it is practiced in the post-Fordist/neoliberal era. In Part I, Sites, Chaskin, and Parks offer a reframing of community practice for the 21st century. In Part II on community development institutions and practice, we can see the ironies of market embrace in a time of market failure. Immergluck takes on the problem of how communities can respond to the foreclosure crisis. Hoogendoorn and her colleagues analyze the burgeoning practices of social entrepreneurship. Mayer and Keyes examine how city government remains an important player in community development in partnership with nonprofit and for-profits sectors. New areas of focus have also arisen in community development. Schools have become an important partner in community development, just as community development schemes are often essential to improving educational outcomes for children (Chung, Chapter 14). Faith-based organizations play an increasing role in the community development sector. Owens offers insights into how their capacity can be increased to meet the scope of the challenges they address. Nested in complex global systems yet strongly shaped by national and local institutions and practices, food economies

(Dixon, Chapter 18) and environmental sustainability (Wheeler, Chapter 19) are growing areas of activity for community development practitioners.

In Part III, new chapters on community organizing and civic capacity add to the chapters from the first addition by viewing these topics more broadly in terms of historical periods, divergent goals, and organizational forms and practices (Fisher, DeFilippis, and Shragge, Chapter 21; Saegert, Chapter 24).

Part IV is a mostly new part on globalization that lays out both the underlying political economic trends and challenges to community stability wrought by global free trade (Williamson, Imbroscio, and Alperovitz, Chapter 29). Newman (Chapter 30) critically unpacks the financialization of housing and its role in the flow and accumulation of global capital. These community fragmenting and destroying forces have provoked new forms of organizing and provision of capital for the disenfranchised. The final three chapters illuminate migrant hometown associations as a form of internationally interdependent community development (Orozco and Rouse, Chapter 32), the complex interconnection of organizing in the global North and South known as solidarity organizing (Hermanson, Chapter 33), and the explosion of microenterprise first in the global South and then in the global North (Jurik, Chapter 34).

Additions to Part V, "Theoretical Conceptions and Debates" reflect a more global perspective on just what constitutes good community development (Sen, Chapter 37) and the ways in which the reproduction of privilege continues to be linked to the reproduction of communities in need of development (Squires and Kubrin, Chapter 40).

We believe all the changes in the book have not only made it more timely, but also, simply, a better book for practitioners, funders, teachers, and students to read and engage with.

ACKNOWLEDGMENTS

Like any academic endeavor, this book has benefited from the contributions of many people besides the editors. First we want to thank the authors who wrote the various chapters for their legacy of scholarship on community and community development. The chapters included here mostly have been drastically shortened to fit the book's purpose of being a broad overview of the field. The editing in many cases was so extensive that we strongly recommend that the interested reader consult the original work for the full argument, as well as citations of sources and references. Because of the substantial editing, we worked with the authors to ensure their agreement on our fidelity to their intent. This task was made much easier by the authors being so responsive and collegial. In some particularly excellent cases, the authors even took the time to edit down their own chapters for us. Second, we should thank Matthew Furleiter, who worked with us as an intern during much of the time the book was being prepared, doing a ton of editing, reading, copyright work, and other odd jobs. Jared Becker at the Center for Human Environments also provided support of all kinds in making sure the loose ends were tied up and last-minute emergencies gotten through. Third, several people took the time to look over various stages of the book – from the initial table of contents, to sections, chapters, and other contributions. In particular, Bob Lake, Kathe Newman, Randy Stoecker, and Bob Fisher, as well as our friends and colleagues at the Aspen Institute Roundtable for Community Change, gave thoughtful and productively critical comments about the book, and it is certainly better because of their contributions. The anonymous reviewers also gave us both useful encouragement and direction.

This book has emerged not just from our academic interests and relationships, but primarily from what we have learned from so many practitioners in the field of community development and from residents striving to improve their communities. To no small degree, the extent to which this book is useful to practitioners has come from the fact that we have been fortunate enough to work with so many thoughtful and dedicated people in the field. There are too many to name, but our gratitude is immense.

Finally, our families have been incredibly supportive of us while we have been putting this enormous volume together. We want to thank them especially. In particular, our daughters, Alexa Madeline DeFilippis and Laura Saegert Winkel, make us incredibly proud. This book is dedicated to them. May they always live in communities that enable them to continue to grow, develop, and prosper.

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CHAPTER 1

Communities Develop

The Question is, How?

James DeFilippis and Susan Saegert

INTRODUCTION

Over the course of its more than 40-year modern US history, community development has moved from a small-scale endeavor done by a limited number of organizations fighting seemingly quixotic struggles to improve the conditions and quality of life in a few poor urban neighborhoods to a mainstream set of practices and institutions. In doing so, community development has become a significant component of urban political economies in the United States. In many neighborhoods and cities, community development organizations are increasingly assuming the roles of local governments, and the organizations involved construct affordable housing, offer access to credit to low income people, provide education and other social services, and more generally try to build the community's capacity to gain resources, achieve goals, and participate effectively in the US political economy.

At the same time community development globally has grown in the scope of its practices and forms of organization. Huge, wealthy, and influential institutions like the World Bank, and the International Monetary Fund have played major roles in shaping community development in developing countries. Indigenous and global organizing projects have arisen to address the increasing and global speed of movement of capital and labor. In Europe, Third Way state-sponsored programs have created new community development initiatives that have been in sync with the devolution and privatization components of US community development but have a distinctively different mode of operating.

The capacities of community development organizations have been severely tested in the current crisis. As we write this chapter, in the summer of 2011, housing foreclosures, long-term unemployment, and state and local government cuts in services have all combined to make the work of community development both more important, and perhaps more difficult, than ever.

Rather than trying to define community development, elaborate on the practices that constitute it, or recount its long history, this brief introductory chapter will, instead, revert back to first principles and ask the prior question of why development is important in and for communities. To do this our argument will proceed in two steps, which are framed as questions. First, what role do communities play—both in the larger political economy and in the daily lives of people? Second, how can development improve and reinforce communities that lack the power and resources to be places of support and opportunity?

Communities in this Reader refer to places where people live and work, though not necessarily doing both in the same place. They are the people, places, and institutions we encounter in everyday life that provide opportunities and support for our activities, as well as barriers and constraints. In this sense, communities are places of interdependence, even if that interdependence can be limited and not always beneficial to everyone involved.

A peculiar thing about communities, as we are using the term, and their role in the

contemporary world is that, quite simply, they shouldn't exist. Social theorists like Tönnies, Simmel, Weber, Marx, Park, and Wirth, all argued that capitalist urbanization would inevitably disrupt the smaller-scale, inter-dependent social relations that had long been fundamental units of people's lives. Some lamented the demise of communities (notably Tönnies with his framework of contrasting *Gemeinschaft und Gesellschaft*, 1957 [1887]); others celebrated (notably Marx, who argued that capitalist urbanization had rescued "the population from the idiocy of rural life"—Marx and Engels, 1967 [1848]); while still others simply wanted to understand how capitalist urbanism had created new forms of social interaction which undermined community (Simmel, 1950 [1903]; Wirth, 1938). But all were in agreement that smaller-scale communities (assumed to be rural, since the urban, by their definitions, did not really include communities—at least not as durable social formations) had ceased to be important realms in capitalism. And as larger-scale forms of economic organization brought more and more people to cities, the density of people, the complexity of the division of labor in society, and the variety of social interactions, would combine with the lack of economic necessity of smaller-scale units to inevitably undermine community as an important realm in people's lives and the larger world. One of the most important results of this intellectual tradition is that it has left us in a position of struggling to envision the realm of community playing a progressive—that is, forward looking and thinking—role in social change. In short, how can a social realm that is understood to be dying and exists as a vestige of the past, be a central part in the creation of the future?

This European tradition of community as an historical "given," eroded by modern capitalism, contrasts with the American pragmatists' view of community as an emergent set of relationships holding the potential for growth and change (Bernstein, 1998). Within this second framework, community arises from the reciprocal relations among people, including those with unlike interests and ways of life. In this formulation, community is the matrix within which new, more democratic, and inclusive forms of society can emerge. The borders of the pragmatist concept of community are not fixed, nor necessarily spatially demarcated, but they do involve a marriage of first-hand experience of the world with a collective process of communication and disputation about the meaning and implications of experience, about even what counts as experience. Dewey most strongly equated the growth of community with the gradual, always imperfect progress toward a more democratic society (c.f. Dewey, 1916, 1954 [1927]). However, George Herbert Mead more fully worked out the dynamic relationship between the emergence of individual selves and the production of community (Mead, 1934). Both of these ideas found practical application in Jane Addams' work at Hull House (Bridge, 2004). This second tradition provides the grounds for the idea of community as a space for contesting the social costs of capitalism to working class and marginalized people.

Of course, neither the predictions of the demise of community, nor the hope of its democratic potential have been borne out. It is certainly true that the realm of the community has been irrecoverably altered by capitalist urbanization. And the spreading and deepening of capitalist social relations across the world and into the most intimate parts of people's lives, has changed how and why communities matter. But communities continue to play a vital role both in capitalism as a globalized, but historically specific, social system, and in the localized daily lives of people in urban spaces. In short, communities do matter. Perhaps the clearest evidence of this (albeit at the risk of making the argument somewhat circular) is that people continue to act as though they matter. Efforts to improve, transform, and stabilize communities are a staple of urban politics in the United States. As Tilly (1973, p. 212) put it,

> even in big cities people continue to act collectively at times on the basis of common territory: the people of a neighborhood resist

> urban renewal, white homeowners band together to resist black newcomers, disputes over the operation of schools bring geographical groupings clearly into view … their very existence identifies the need for a better understanding of the conditions under which collective action on a territorial basis occurs.

The first question for us here, therefore, is how do communities matter, which will shed some light on why people continue to act as though they do (and make it clear that such community-based action is not simply misdirected or misplaced).

WHY COMMUNITIES MATTER

While social theorists have clearly been wrong in predicting the demise of communities within capitalism, they were right in their understanding that realm of community can only be properly understood through a discussion of its place and role in the larger political economy. Thus our discussion begins with capitalism and the world economy. Place-based communities are necessary loci for the functioning and reproduction of global capitalism, just as they have been for earlier historical forms of political economy. Yet, as the early sociologists understood, these communities increasingly do not themselves control or contain the forces of either production or reproduction. Communities are therefore in the contradictory positions of being vital for the maintenance of the larger political economy, but significantly constrained in what they can achieve in terms of shaping or transforming that economy. We will briefly explore the roots and implications of this contradiction.

Whether European and American conceptions of community resonate in places outside these particular histories raises questions that perhaps will expand our understandings of community. AbdouMaliq Simone (2004) suggests that African communities are a combination of traditional relationships, old and new institutions that struggle to exist, and spontaneous makeshift connections that arise to do the work of community in a radically contingent and risky local and international environment. In some cases, "the community" may be an artifact of development policies and practice of first world and international organizations such as the Peace Corps, UNICEF, and the World Bank. Thus community remains based on interdependency but its scale as well as its practices and participants are increasingly mutable. These understandings have relevance for understanding community development in the first world as well.

Communities, whatever their form, are the realm in which social reproduction occurs. That is, communities are the sites for our housing, education, health care, daily convenience shopping, and the other activities that sustain us physically, emotionally, socially, and psychologically. Labor is a peculiar commodity in capitalism in that, unlike other commodities, it needs to replenish itself when it is not being used, and is needed to produce more labor to be purchased in the economy in the future. A worker simply cannot continue to work without having time for sleeping, eating, and maintaining his or her health. And the long-term functioning of any social system (including capitalism) requires, at the very minimum, the reproduction of the population through rearing of children. Communities thus play the vital role of reproducing the labor power that is needed for capitalism to survive. And they do so through structures and institutions that are very often based on commodity relations—that is, we reproduce ourselves through a set of transactions that are usually, and increasingly, based on the market. Domestic property (housing) is, in the US form of capitalism, most often understood as a commodity to be bought and sold. The provision of our daily bread, through neighborhood supermarkets, grocery stores, and bodegas, is unambiguously a set of commodity relations. And the practices of child care provision are increasingly commodified, as households—rich, middle class, and poor—are becoming more likely to purchase their child care provision.[1] Communities are the realm in which current workers maintain their health and well-being, and future workers are born, breed, and educated. And

they do so in ways that, often invisibly and intangibly, re-inscribe the market as the primary arbiter of social relations.

By considering immigrant and international communities, the global scale and flow of social reproduction comes into focus. While the concrete realities of housing, local employers, local schools, and neighborhood parks and stores remain significant for the quotidian activities of social reproduction, the families involved may be earning livings in one country, sending children to school in another, supporting aging parents in yet another.

Thus communities may not be the coherently, contiguously organized places of the modernist planner (Beauregard, 1991). But even in postmodern fragmented and mutating form, they are commonly traversed spaces where people meet face to face, sometimes coordinate their actions and purposes, and, on occasion, act collectively to change the way these spaces and relations enable or constrain collective purposes. Community in this more emergent and mobile form fulfills a range of human desires from shelter and nurturance, through safety at home and in one's daily rounds, to historically rooted, politically, and ecologically defined space in which individuals, households, and groups contest and cooperate with each other to make life possible.

How a community is situated in the larger capitalist political economy plays an enormous role in enabling or constraining the abilities of individuals and households to realize their goals and aspirations. How a community is situated in the global economy, in turn, is largely dependent upon institutions and a set of relationships that exist well beyond the community itself. Banks, and their mortgage lending practices, industrial corporations and their decisions to locate a plant in (or, more commonly in the United States, away from) a metropolitan area, and towns in other countries with soon to be emigrants to the United States are all very real examples of how communities are shaped by a host of economic relations that extend well beyond any one community. Therefore, rightly understood, it is a difficult and ambiguous question the extent to which problems *in a community* are *community problems*—given that so much of what produces communities are relations and decisions that exist well beyond any single community. And thus, this is the contradiction of the centrality and marginality of the community in capitalism.

But communities are not simply important because of their contradictory role in capitalism. Place-based communities are still important because people are finite creatures who have to live in real and limited times and spaces, and communities of face then ground our experience even as they do not fully cause or limit them. Even as people strive to find work, homes, investments, mates, schools for their children from menus of opportunity on the internet, social networks that may span continents, and institutional connections that may move them around the globe, everyday they are some place. They are buying their groceries from a green market, or a supermarket, or a bodega; their children attend a well equipped private school they pay a lot for, an excellent, mediocre, or poor public school, a parochial school of a certain quality and denomination, all based a great deal on the nature of their place-based community. And despite all the rhetoric of hyper-mobility and globalization in the last 20 years, most people are relatively place based. As Doreen Massey (1994, p. 163) put it, "Much of life for people, even in the heart of the First World, still consists of waiting in a bus-shelter with your shopping for a bus that never comes."

This rooting of people in places has significant impacts on people's personal development and growth, as well as their inter-personal social networks and relationships. People who share a space together build a common set of experiences, that, when accumulated over time and in different parts of life (common schools, places of worship, parks, etc.) form much of the basis of people's support networks in their daily lives. People in communities come to rely on each other for a variety of forms of support, from informal bartering of goods and services such as swapping child care responsibilities to providing intangible emotional

support when households are in times of stress and difficulty. This is particularly true in communities where households are not financially able to treat such services as commodities to be bought and sold, because they simply don't have enough money to do so. It is particularly complicated for people whose quotidian lives require actual relationships, support, and exchange of resources across different geographic locales.

As we already indicated, people's daily lives are, in communities, mediated through shared institutions in the political economy. A community's sharing of, for instance, a common position in a metropolitan area's real estate market (since, for instance, either housing abandonment or gentrification are *community*-level issues) forces people to try to work together to face these issues. Similarly, when a government disrupts a community, through either siting an unwanted land use or promoting a large development that will displace people, it is a threat to the lives and interests of many people in that community—and transcends any one person or household. People, in short, can and do form *communities*, by virtue of facing common sets of issues in their daily lives. This is particularly true when either the market or the state is creating a situation in which those daily lives are under some form of threat. These threats manifest themselves in particular places but to effectively challenge them may require spanning continents and engaging new forms of communities in the pursuits of change in a particular locale. Still, in communities, people experience intimately not only a surprisingly robust leftover *Gemeinschaft* but also form new ties as they share similar experiences with the structures and institutions of the larger political economy. Capitalist urbanization, in short, may have disrupted the older ties of social solidarity found in pre-capitalist villages and rural areas, but by virtue of its creation of spaces of common experiences, it has enabled new social ties to be formed.

Place-based communities anchor the way everyday life is planned, executed, and interrupted. Lives lived in communities now are not patterned by the coherent unity Tönnies attributed to community, nor by its supposed opposite of unmoored individualism. Communities are places where people encounter fragmentation, difference, challenge, and affirmation, cooperation, and support. Nothing in this introductory discussion, or the book itself, should be read as suggesting that communities are homogeneous realms of people with completely shared interests or perspectives. But, having said that, communities are certainly important realms in the shaping of people's political and ideological understandings of the world, and tend to generate substantial "neighborhood effects" (Agnew, 1987) on political ideologies and understandings. All the effects in everyday life that fall under the casually used rubric of globalization strain both *Gemeinschaft* and struggles for an ever more inclusive, democratic community. But the same forces of technology and flow of people and capital that promote the struggle also offer new roads to both goals.

WHAT COMMUNITY DEVELOPMENT SHOULD DO

The nature of place-based communities as sites driven by capitalism and required for survival lead to a particular set of strengths and weaknesses in the endeavor of community development. Community development occurs when the conditions of surviving and thriving in a place are not being supplied by capital. Thus community development emerges in the context of the current limitations of the capitalist political economy to fulfill the needs and desires of the community.

This is not a strategic decision made by people who start their struggle against the limits and constraints of their position in capitalist society on the basis of analysis. Instead, it is an effort people make to increase their options when only limited human, social, and economic capital are at hand. Some people do indeed martial the resources necessary to flee such places, which makes the struggles of those who remain always precarious. But many stay because of lack of options, commitment to

their local social networks, and ways of life. And not everybody who leaves cuts significant ties with the place that was left. Both have an interest in making the community provide better life chances in their own lifetimes and in those of future generations. Much of the work of community development then has been to find the tools, the strategies, the institutional arrangements that maximize what is a pretty weak resource base and find ways to gain access to the far greater resources, opportunities, and power that lie outside the geographic community.

The chapters have been selected to depict both the embattled communities foreseen by the German sociologists and the ameliorative, expansive, democratic communities imagined by Dewey and Jane Addams. The history and future of community development lies in the contested terrain between the two. This battle for this terrain consists in efforts to:

1. provide for the everyday needs of adults and children;
2. create institutions that more fairly and democratically allocate goods and resources; and
3. cultivate relationships among people that promote human and cultural development, effective citizenship, and political will.

The intent of this Reader on community development is to present both the challenges and struggles of people within communities to influence the shared landscapes in ways that enable not just surviving, but flourishing—and shelter people from the vagaries and threats of the larger world.

Drawing on the European notion of community as an inherited social formation that reproduces hierarchy, division of labor, and ideology, many of the chapters dwell on the limits, divisions, and contradictions of place-based community development. The struggles of community organizations for greater equity and inclusion are direct efforts to overcome these contradictions. The American pragmatist ideal includes a democratic community as a goal to be attained, as well as a notion of community. This notion of community as subject to growth and change in both its composition and as the grounds for individual identities implicitly underlies the ongoing efforts of community developers to find new institutional forms, and to promote new forms of association that will overcome the limits of existing communities, including those that are sociologically, economically, and geographically defined.

THE PURPOSE AND OUTLINE OF THIS BOOK

Thus the collection strives to be both critical and practice oriented. The critical components of the book come from our beliefs that clear-eyed analysis of what is being and has been done is vital for the field of community development if it is to continue to grow and affect positive changes in American cities. The practice-oriented components are not narrowly technical but instead provide a record of important, somewhat successful efforts to solve local problems such as the shortage of affordable housing for low- and moderate-income households, to develop new institutions to serve local needs such as Community Development Financial Institutions, to find ways to provide for the intergenerational welfare of families and communities stretched across national boundaries, and to promote the development of democratic, inclusive civic communities who are linked by genuine interdependencies through different approaches to community organizing.

The book is divided into parts. Part I is devoted to an overview of the history and challenges of community development efforts. Part II describes the institutional and programmatic forms community development has taken and how they work. Some of the chapters in Part II are focused on a particular organizational form (such as the chapters on community development financial institutions [CDFIs], religious institutions, and philanthropies), while other chapters are devoted to particular issues in community development practice (such as the chapters on economic development and

community-based social service delivery). Part III pulls together both theoretical and empirical work and is devoted to understanding community organizing (and its limits) in achieving collective goals. Part IV explicitly addresses the challenges of the tightening dependencies and weakening control over social reproduction and political efficacy occasioned by speeded up and unconstrained mobility of capital. It also looks at new forms of community development and organizing based on persistent social ties and political sympathies spread across big geographies. Part V is devoted to a set of unresolved issues and debates within the field of community development, and asks such basic questions as: What does community supply? What counts as development? How do the forces of oppression and differences in identity operate? What is the nature of property? What are the limits to community development efforts in the contemporary American political economy? The book ends with a concluding chapter that revisits some of the key themes, while pointing toward some emerging, and unresolved issues that will shape the field in this first part of the 21st century.

NOTE

1. As more low income women have left welfare, there has been a dramatic increase in the amount of low income children in publicly subsidized child care in American cities, in which child care is provided by workers who are paid by the government.

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PART I

History and Future of Community Development

CHAPTER 2

Swimming against the Tide

A Brief History of Federal Policy in Poor Communities[1]

Alice O'Connor

Community development is a time-honored tradition in America's response to poverty, but its meaning remains notoriously hard to pin down. The term has come to encompass a large number of different place-targeted interventions that have never quite added up to a coherent, comprehensive strategy. Nor have efforts to establish a federal community development policy been of much help. Instead, the historical evolution of policy has been disjointed and episodic, starting from ideas that first emerged in private, local reform efforts during the Progressive Era, moving through an extended period of federal experimentation from the New Deal to the Great Society, and devolving to an emphasis on local, public–private initiative beginning in the 1980s. The result has been a sizable collection of short-lived programs, which seem continually to replicate, rather than learn from, what has been tried in the past. Federal community development policy is notorious for reinventing old strategies while failing to address the structural conditions underlying community decline.

And yet, the push for place-based policy continues, as it has for the better part of the past 60 years. No doubt this has something to do with the geographic basis of political representation: naturally, members of Congress will support programs to stem decline and depopulation back home. In the wake of ghetto uprisings since the 1960s, federal aid for community development has also become a political quick fix, a palliative for communities on the verge of revolt. Equally important in keeping the idea alive has been a loosely organized grouping of grassroots activists, neighborhood groups, community-based providers, national "intermediary" institutions, and philanthropic foundations, a kind of community development movement that has made a business of improving poor places as a way of helping the poor. Geographically dispersed and internally conflicted though it may be, this movement has been largely responsible for keeping the idea of community development alive. It has had a significant effect on the shape of federal initiatives in poor communities and, despite recent decades of worsening local conditions and government retrenchment, it shows little sign of going away.

HISTORICAL PATTERNS IN FEDERAL POLICY: CONTINUITY AMIDST CHANGE

At first glance it may seem there is little to learn from a history of policies with origins in the New Deal political order. After all, policymakers are operating in a much circumscribed environment, now that the era of big government is over. And poor communities are struggling against much steeper odds in a globalized economy that values mobility and flexibility more than place. But the plight of poor communities does have instructive historical continuities. Like the abandoned farm communities and industrial slums of an earlier era, the depressed rural manufacturing towns and jobless inner-city ghettoes on the postindustrial landscape represent the products of economic restructuring and industrial relocation, of racial and class segregation, and of policy decisions

that have encouraged these trends. The historical record also points to recurrent patterns within community development policy, which help explain its limitations in combating the underlying causes of decline.

First, government works at cross-purposes in its treatment of poor places. Small-scale interventions are intended to revive depressed communities while large-scale public policies undermine their very ability to survive. Nowhere are these policy contradictions more clear-cut and familiar than in the case of central cities, which were targeted for limited amounts of assistance and renewal beginning in the late 1940s even as more substantial federal subsidies for home mortgages, commercial development, and highway building were drawing industry, middle-class residents, and much needed tax revenues out to the suburban fringe. Rural farm communities faced a similar plight during the Depression and post-World War II years, when federal aid for local readjustment paled in comparison with support for the large-scale mechanization, commercialization, and industrialization that transformed the agricultural economy.

More recent community-based interventions have also been undercut by economic policy, which has favored flexible, deregulated labor markets and left communities with little recourse against wage deterioration and industrial flight. Public policy was similarly instrumental in the intensification of racial segregation in residential life by encouraging redlining practices in mortgage lending agencies, maintaining segregationist norms in public housing projects, and by uneven commitment to the enforcement of federal antidiscrimination laws. Thus, having encouraged the trends that impoverish communities in the first place, the federal government steps in with modest and inadequate interventions to deal with the consequences—job loss, poverty, crumbling infrastructure, neighborhood institutional decline, racial and economic polarization—and then wonders why community development so often "fails." In its attempts to reverse the effects of community economic and political decline, federal policy has been working against itself.

A second pattern is that while the historical record is replete with examples of place-based strategies, they have always occupied a marginal position in the nation's antipoverty arsenal. In part this is because investing in declining communities runs counter to the dominant conventions of social policy analysis, which since at least the 1960s have been based on economic concepts and norms. Place-based policies are inefficient, even quixotic, according to conventional economic wisdom, in comparison with policies emphasizing macroeconomic growth, human capital, and individual mobility. Community investment also goes against the individualized model of human behavior underlying policy analysis, which presumes that people are principally motivated by rational self-interest in making life decisions. For those stuck in places with little hope of revival, the more rational choice is out-migration, according to economic calculation. Thus policy should promote "people to jobs," not "jobs to people" strategies. The analytic framework further denigrates community development for its inability to define and achieve clear-cut quantifiable goals and outcomes. After all, "building local capacity," "mending the social fabric," "cultivating indigenous leaders," and, most of all, "encouraging community empowerment" are amorphous objectives and difficult to measure. Nor does community development come out well in traditional cost–benefit analysis. Among other things, it takes time and experimentation, and its benefits are largely indirect.

Opposition to place-based programs is not simply analytic however; it is grounded in politics and ideology as well. Community development meets continual resistance from those reluctant to interfere with the "natural" course of economic growth. It has also generated animosity among local politicians when it threatens to upset the local power base. And the debate over investing in place versus people has become artificially polarized in the politics of fiscal austerity since the 1970s. In a system structured principally to meet the needs of families and individuals, place-based programs have routinely lost out.

A third pattern in the movement advocating federal community development policy has been its reliance on unlikely or tenuous political alliances for support. In 1949, advocates of public housing reluctantly lined up with downtown real estate developers to help pass urban renewal legislation, an alliance that proved disastrous for poor and minority neighborhood residents. Several years later, policy analysts in the Budget Bureau joined forces with a group of activists, philanthropists, and social scientists to make "community action" the centerpiece of the War on Poverty, only to discover that they had widely varying definitions of action and, especially, of "maximum feasible participation" in mind. Community development corporations took the idea from anticolonialist, anticapitalist ghetto activists and remolded it into a form of "corrective capitalism" with government and foundation support. When forged at the local level, these types of alliances have been praised as expressions of community-based consensus. At the national level, however, they reflect a basic political reality: the most likely constituency for community development policy—the resident base—is mobile, unorganised, and, especially as the two major parties compete to capture the suburban vote, diminishing in political power at the national level. Building national coalitions for change, then, has been a continual process of compromise with interests outside the community, often at the expense of the residents that community development seeks to assist.

A fourth pattern is that precisely because they cut across so many different policy domains, community development policies have suffered more than most from administrative fragmentation and bureaucratic rivalry. Even when administered by a designated community development agency, federal initiatives have drawn most of their funding from scattered sources, ranging from the Department of Housing and Urban Development to the Department of Defense, each with its own bureaucratic culture and priorities, and each eager to protect its turf.

This administrative fragmentation, to some extent a characteristic of the federal welfare state, also mirrors divisions within the community development movement. Integrated services, planning and economic development, infrastructure rehabilitation, and political organizing might in theory complement one another, but in reform circles they have historically been promoted as alternative if not competing strategies. Urban and rural development networks have also operated along separate intellectual and bureaucratic tracks, a division that has been heightened by the increasingly urban bias in antipoverty thinking throughout the postwar years.

A fifth pattern is that the American government is both federalist and associationalist in its way of meeting community needs. It relies on a complicated and shifting mix of national and local, public and private, legislated and voluntaristic activity to carry out its objectives. This method is often justified in practical terms, in acknowledgment that no single blueprint can possibly respond to the widely varying needs of American communities and in the hope of tapping into the rich voluntary tradition for which the United States is famed. But it also reflects ideological convictions about the proper role of the state in social provision: government power should be limited, private and market mechanisms are more efficient and always preferable to public mechanisms, and local government is more democratic and responsive to popular preference and needs. The role of the state, in the associational ideal, is not to provide directly but to work in what Presidents Hoover, Carter, and Clinton have celebrated as partnerships with businesses, volunteer groups, neighborhood associations, nonprofit organizations, and local governments to achieve the common good.

The reality, however, has been an interdependency and blurring of the lines between public and private, and a complicated system of public, private, local, state, and federal funding arrangements for communities in need. These arrangements in turn demand savvy grantsmanship—the entrepreneurial capacity to work the system—and flexibility. They also, in deferring to private sector provision and local

practice, leave objectives such as equity, redistribution, and racial integration largely unaddressed.

A sixth pattern is that in its treatment of poor communities federal policy has operated within the two-tiered system of provision that marks U.S. social policy. In this system poor communities, like poor individuals, are assisted through means-tested programs, while their wealthier counterparts are subsidized through essentially invisible, federalized, non-means-tested subsidies such as highway funds, state universities, home mortgage assistance, and tax preferences. Poor communities are targeted as places for public assistance—public housing, public works, public income provision—while the middle class is serviced by nominally private but heavily subsidized means. Thus the retreat from the public in all walks of life has been doubly dangerous for poor communities. It has brought not only a loss in funds but the stigma of having been designated as "public" spaces in a society that equates "private" with quality and class.

Finally, despite its race-neutral stance, community development policy has continually been confounded by the problem of race. Minorities were routinely excluded from the local planning committees established in early federal redevelopment legislation, and their neighborhoods were the first to be bulldozed as a result. The programs of the 1960s were subsequently caught up in the politics of racial backlash. Race is deeply embedded in the structural transformations that beset urban and rural communities as well. Poverty and unemployment are more concentrated in minority than in white neighborhoods, and poor minorities are more likely to live in high-poverty areas than are poor whites. Yet race is rarely explicitly acknowledged in community development policy, and then only when it can no longer be avoided: within the confines of racial uprising and violence in the late 1960s and again in 1992.

One lesson from historical experience, then, is that community development policy has been undermined by recurring patterns in the structure of policy. Internal contradictions, marginalization, weak political coalitions, fragmentation, associationalism, second-tier status, and institutionalized racial inequality have kept community development policy swimming against the tide. As a closer look at the historical record will show, these patterns are not the product of immutable ideological or structural forces but of the political processes through which policy choices have been negotiated and made. Many can be traced to the very beginnings of the community development movement in the decades before place-based policy had become a part of the federal welfare state.

Progressive Roots

Although officially initiated in the 1930s, federal assistance to poor communities drew from principles and theories that had their beginnings in Progressive Era social science and reform. And from this period emerged the guiding assumptions and principles of place-based reform, many of which have been revised and repackaged in succeeding generations of community initiative.

One principle is that social interventions should be comprehensive, and address the entire array of problems facing poor people rather than focusing narrowly on poverty as an income problem requiring cash relief. The model for this approach in the late 19th and early 20th centuries was the neighborhood settlement house, where low-income immigrant families could find services, job references, educational and cultural uplift programs, and, most important, all the moral and social benefits thought to derive from interaction with middle-class "neighbors" or volunteers. Comprehensiveness also informed efforts to improve physical conditions in poor neighborhoods through clearing slums, building model tenements, and creating playgrounds and parks. Although they were more narrowly construed than the settlement house movement, these early housing and neighborhood improvement reforms started from the same basic premise: poverty was not an isolated individual pathology but an all-encompassing social condition which led to delinquency, crime, vice, family disintegration, and other

forms of social disorganization that characterized urban industrial slums. Fixing the environment was a way of breaking the vicious cycle of urban poverty and physical decay. It would also, not coincidentally, help to protect and preserve the social peace.

For some Progressive reformers, efforts to improve neighborhood conditions were part of a broader agenda that included wage and regulatory reform. For the most part, however, settlement workers and tenement house reformers were more narrowly interested in physical and social rehabilitation, which they believed to hold the key to assimilating urban migrants into the economic, social, and cultural mainstream. The reformers acknowledged that immigrant neighborhoods served a vital function as a steady source of low-wage labor in the urban economy and were a kind of staging ground from which urban newcomers would advance into the American way of life. This assimilationist framework anticipated the social scientific concepts associated with the Chicago School of urban sociology and eventually became absorbed into the canons of policy thought. It was also based on assumptions about the nature of neighborhood change: that it is part of organic or natural economic growth occurring outside the realm of political choice, that it is part of a similarly organic ethnic succession as immigrants assimilate into the mainstream, and that social disorganization, isolation, and community competence are expressions of group adaptation, or lack thereof, to the economic and social demands of urban life.

This perspective had important implications for reform: the objective should not be to change individuals or even cultural practices so much as to establish effective social systems of integration so that immigrants would have access to the opportunities and cosmopolitan influences of the urban mainstream.

A second major principle with Progressive Era roots is that community interventions should be planned in collaborations between experts and citizens. Searching for a middle way between laissez-faire capitalism and state socialism, planners used a combination of technical expertise and citizen consultation in efforts to regulate or control urbanization and economic change. Such efforts were first manifest in the "comprehensive city planning" movement of the 1910s and 1920s. The architects, intellectuals, philanthropists, and engineers who pioneered the movement developed physical blueprints for the total urban environment that were meant to strike a balance between the demands of commercial, industrial, and residential well-being. Thinking of themselves as stewards for the interests of the community as a whole, the planners routinely looked to advisory boards of leading citizens (heavily chosen from business elites) to approve or help promote their blueprints, but rarely for advice on the plans themselves. In later years federal community development efforts would attempt to build on this model for local participatory planning, with equally limited representation of community residents.

A third principle that has informed community intervention since the Progressive Era is citizen or resident participation. By far the most troublesome and controversial concept in the history of community-based reform, participation has been interpreted in sometimes dramatically different ways. For settlement house workers and planners, resident participation was a way of improving and educating the poor while discouraging dependency by engaging them in local self-help activities. This idea of involvement later came under fire, however, from critics who charged that it treated local residents as passive and incapable, and used participation as a tool for co-opting them into conforming to the reformist vision of change.

The idea of local participation tapped into a more radical vein when expressed as a movement for indigenous control and self-determination. In the Chicago Area Project, a community-based anti-delinquency initiative that grew directly out of the research of the Chicago School, organizers employed workers from troubled neighborhoods as a direct challenge to social work professionals and outside expertise more generally. The project was governed by a neighborhood council, exclusively composed of local residents, who took control of setting the

agenda and mapping the strategy for community change, calling on experts when the community determined it was warranted. In this concept of indigenous participation, soon to be embodied in Saul Alinsky's Back of the Yards Neighborhood Council, the natural and by implication more legitimate form of leadership came from within. This model of resident autonomy was also incorporated in the movement for worker-run housing in the 1930s, which reached its peak with the creation of the Labor Housing Conference, a national advisory organization with a substantial grassroots network.

These two models of participation, the one emphasizing mere involvement and the other self-determination and control, would remain a continuing source of controversy and confusion in the federal interventions to come.

The core principles of community development policy first emerged, then, during the Progressive Era, a time of economic restructuring and demographic transformation equal in scale to our own. Just as important for the community development movement is to see how these principles have endured, despite the many unresolved tensions and, especially in retrospect, evident limitations within Progressive Era community reform. The tensions between private provision and public intervention, grassroots planning and outside expertise, resident participation and indigenous control continued to cause contention, even polarization, within the movement throughout subsequent decades of reform. More troubling are the limitations within the Progressive vision, which also endured in the later community development movement. First is its nearly exclusive focus on environmental improvements to the neglect of the underlying problems of poverty, low wages, poor labor market conditions, and lack of political power. Second, it almost completely avoided the problems of racial exclusion and interethnic conflict, even as the first large-scale migration of blacks from the rural South was transforming the cities that gave shape to the concepts and strategies of place-based reform. Housing reformers and settlement house workers confined their efforts to the white immigrant population. Meanwhile, the presumably race-neutral instruments of Progressive reform, such as zoning and participatory planning, were systematically used to reinforce local segregationist norms. Community development, at least in the sense of what gained quasi-official recognition from foundations and policymakers, remained a largely segregated enterprise until the 1950s and 1960s, a reflection not only of the segregated spaces within which communities were forming, but also of the segregated world of reform.

FOUNDATIONS OF FEDERAL POLICY: THE NEW DEAL AND BEYOND

The Roosevelt administration's New Deal made a massive investment in shoring up distressed communities with direct job creation, public works, and infrastructure building, while also recognizing the plight of displaced rural communities with land distribution and planned resettlement. At the same time, the New Deal also laid the foundations for an indirect form of community development in two of its most far-reaching measures: the mortgage insurance system that would later help underwrite the postwar suburban housing boom and the investment in regional economic modernization that would transform the political economy of the South. By the end of the New Deal these hidden forms of federal community investment were on the verge of major expansion, while most of the direct job creation, public works, and resettlement policies had either fallen to opposition or been allowed to die. In their stead was the combination of public housing assistance, cash grants and services, and localized planning that would constitute the foundation for federal aid to poor or declining communities for the next four decades.

Perhaps the most significant New Deal measure in terms of future community policy was not specifically place oriented at all. The Social Security Act of 1935 established the basic approach to social welfare provision that would regulate the federal approach to communities as well: individualized and

income oriented. This strategy implicitly rejected the environmentalist efforts of the community reform tradition. Despite a network of social work professionals in New Deal agencies, services were relegated to a relatively minor position in the Social Security Act. From the start, then, the federal welfare state created a fragmented administrative structure for providing cash and services and set up hurdles that future reformers would perpetually try to overcome.

In its reluctance to interfere with private markets, the Social Security Act also set the pattern for federal aid to communities. The Roosevelt administration was eager to work within and undergird the private enterprise system and, above all, to get the federal government out of the business of job creation and direct relief. Perhaps most important, the Social Security Act set the pattern for the two-tiered structure of federal social provision: on the top tier, a federalized, contributory, non-means-tested social insurance program for protection against income loss in old age and unemployment; on the bottom, a localized, means-tested system of public assistance for poor women and children. Poverty, whether addressed at the individual or community level, would hereafter be treated separately from the problems of old age and unemployment.

A second New Deal measure, the Housing Act of 1937, created the basis for public housing, a mainstay of federal assistance to poor communities for decades to come. It also established a complicated political infrastructure for housing programs, based on an uneasy mixture of private profit and public purpose that reflected the administration's hope of achieving several not always compatible goals at once. One, shared by most New Deal programs, was to put the unemployed to work. Federal housing programs were also used for slum clearance, which made them appealing to urban developers but generated criticism from advocates for the poor. Federal construction projects administered by the Public Works Administration managed to serve both goals directly, creating thousands of government jobs on construction sites located in cleared-out slum areas.

With the Housing Act of 1937 the administration moved from direct government provision toward a more decentralized system of market subsidy and local control. It also incorporated another major goal: stimulating the private construction industry. Under the terms of the legislation, local housing authorities were created to issue bonds, purchase land designated for slum clearance, and contract with private builders to construct public housing. Thus they provided the public with affordable housing, the unions with jobs, and the construction market with a subsidy from the federal government. Local real estate developers soon found that they, too, could get in on the benefits of public housing. They recognized that federal funds for slum clearance offered a rich public subsidy for potentially valuable downtown real estate that could be developed for more profitable purposes. Thus, by the end of the 1930s, public housing was tied into a broad-based constituency that included labor, urban interests, and reform groups as well as private builders and developers. Meanwhile, by tying public housing almost exclusively to the goal of slum clearance and leaving locational decisions up to local initiative, the act essentially guaranteed that public housing would remain concentrated in central cities.

The overarching goal of New Deal housing policy, however, was to promote homeownership among working- and middle-class Americans, a goal it achieved largely at the expense of poor and minority city dwellers and the neighborhoods they inhabited. In 1933 the Roosevelt administration created the Home Ownership Loan Corporation (HOLC) to protect homeowners from the threats of foreclosure and high interest rates. In 1934 homeownership got a bigger federal boost when President Roosevelt signed legislation creating the Federal Housing Administration (FHA). By insuring long-term loans made by private lenders, the programs stabilized the home mortgage insurance market, made mortgages and home improvement loans more accessible to the middle and working classes, and provided a

permanent stimulus for the private housing market. The benefits of these policies did not extend to slum dwellers, however, or to families with incomes too low to meet even subsidized mortgage requirements. Blacks and other minorities were also systematically excluded through officially sanctioned redlining, neighborhood covenants, and other forms of discrimination.

The New Deal established the foundations for federal aid to declining communities, but its legacy was decidedly mixed. For the next several decades politicians concerned about community deterioration could look to federal housing and planning programs for local rebuilding and development. New Deal policy also forged the political alliances that would help keep those programs alive. Perhaps most important the New Deal linked its efforts at local economic revival to the creation of stable jobs at decent wages. At the same time, New Deal policies laid the basis for a growing political, economic, and racial divide between middle-class and low-income communities. The insurance policies created by the Social Security Act provided economic security for millions. Mortgage subsidies put homeownership within popular reach. Their benefits were substantial but largely hidden, and they enjoyed a legitimacy that publicly subsidized welfare programs could never hope to achieve: social security because its benefits were partly financed by individual contributions; mortgage assistance because its benefits were mediated through the private market.

These benefits were simply unavailable to millions of marginally employed workers, tenant farmers, and minorities, who instead relied on visible, public, and regularly contested sources of federal support.

FROM SLUMLESS CITIES TO AREA REDEVELOPMENT: AID TO COMMUNITIES IN POSTWAR PROSPERITY

During the postwar decades the federal government made two massive investments in community development. Both relied on expansion of the hidden forms of federal subsidy initiated during the New Deal. One was the growth of suburbs, with the help of highway funds, business tax incentives, and homeownership subsidies now extended to returning war veterans as well as other groups. The other was the continued investment in defense and related industry that transformed once underdeveloped regional economies, particularly in the South. By the late 1950s the American suburb was the symbol of prosperity, while budding high-technology centers promised the triumph of American know-how during the cold war.

There were serious problems beneath the veneer of prosperity, however. Beginning in the 1950s, analysts raised fears that the distressed areas in America's older cities and rural communities were becoming permanent "pockets of poverty." Working within the New Deal policy framework, the federal response to these communities revolved around housing, local redevelopment, and subsidies for private industry, without significantly redirecting market forces. This response was reflected in two programs: urban renewal and area redevelopment, whose limitations contributed to the upsurge in community-based activism and reform in the 1960s.

Urban renewal came about in response to what journalists, academic urbanologists, and planners were beginning to refer to as a "crisis of metropolitanization" in the 1940s and 1950s. The combination of industrial decentralization, property blight, middle-class out-migration, and minority-group in-migration was changing the face of postwar cities, they warned, while newly incorporated suburbs were reaping the benefits of metropolitan growth. Municipal governments were powerless in this situation because they lacked the capacity to annex or to tax beyond their limited jurisdictions. One answer was to expand federal assistance for slum clearance, housing construction, and redevelopment in blighted inner cities. Urban Renewal, as the policy established by the Housing Act of 1949 came to be known, promised to clear out the slums and revive the downtown economy by attracting new businesses and middle-class

residents back to the urban core. Urban rebuilders also aggressively sought out federal subsidies for highway building, thinking to make the city friendlier to the age of the automobile along the way.

The strategy behind urban renewal emerged out of negotiations among public housing advocates, private builders, big-city mayors, and real estate developers who had been active in debates over the 1937 Federal Housing Act. Crucial to its operation was eminent domain, the power to amass land tracts for slum clearance, which the courts had determined was reserved for localities. Since 1937, eminent domain had been exercised by local housing authorities, which would buy or reclaim land and then contract with private developers to construct public housing. Following the Housing Act of 1949 it was exercised by local redevelopment authorities for purposes that went well beyond housing. In the debates leading up to passage of the act, developers lobbied for and won generous federal subsidies (two-thirds of the costs) of local land acquisition, and also demanded the flexibility to use reclaimed land for nonresidential purposes—all in the name of reviving the ailing downtown economy for the greater good of the community. Although skeptical of the motivation of developers, the public housing advocates were willing to go along with the arrangement as the price they had to pay for getting a public housing bill passed. They came to regret this decision, or at least their own failure to get enough in return. The 1949 legislation specified that a designated proportion of cleared land be used for residential purposes and that the bill include provisions for relocating displaced residents to "decent, safe and sanitary housing." In subsequent amendments the balance between housing construction and redevelopment was steadily shifted to the latter as Congress loosened the requirement that cleared land be used for housing construction. Evaluation studies also confirmed that requirements to help the displaced relocate were barely enforced.

By the late 1950s, public housing advocates had come to see the program as little more than a generous public buyout of land for private real estate interests. Among black urban residents, it became widely known as "negro removal." Highway building projects brought similar results, consistently displacing or breaking up low-income neighborhoods and encouraging rather than stemming the middle-class migration to the suburbs. After a decade, one conclusion was hardly contested: urban renewal was a boon for private developers and for the mayors who brought in the federal funds, and an unmitigated disaster for the poor.

While urban renewal focused on the blight brought about by decentralization and physical decay, the Area Redevelopment Act (ARA) of 1961 addressed joblessness in communities left behind by economic modernization and structural change. From the perspective of structural unemployment, depressed communities were suffering from a surplus labor problem, which, because it derived from macroeconomic shifts, demanded a coordinated national response. Furthermore, in the absence of federal resources and planning, state redevelopment agencies were simply competing with one another to lure existing businesses with the promise of tax breaks and cheap labor. The idea behind ARA, then, was to subsidize new job opportunities in declining communities. Watered down from five years of congressional negotiation, the final bill allocated only $375 million for four years, spread its resources to more than 1,000 urban and rural communities, and offered no leverage for regulating wage scales and benefits.

Once off the ground the Area Redevelopment Administration was subject to nearly continuous ridicule and attack as a Democratic party pork barrel. It also came under fire for some highly visible mistakes, such as funding enterprises that were nonunion, racially segregated, or simply not likely to survive. Having produced what by its own admission were limited results, the program was shut down in 1965 and replaced by the Economic Development Administration, which shifted the focus of policy to rural infrastructural development and regional planning. In at least one respect, the ARA did represent a significant step in the federal

approach to community development. Alone among federal programs, it focused on economic change and structural unemployment as the sources of community decline and recognized the plight of labor surplus areas that, without a national development strategy, were forced to compete against one another to attract industry and jobs.

Urban renewal and area redevelopment had few defenders and many critics by the time their results were apparent. For some, they offered classic examples of what went wrong when government tried to interfere with the workings of a perfectly adequate free market system and the basic fallacy of trying to save doomed communities when migration was the better response. For others, they revealed the flaws in what amounted to a trickle-down strategy for helping the poor. Still others could see them principally as failures of planning: too much bricks and mortar and too few services, too little coordination across the various agencies involved, or too little representation for the poor. Underlying all these critiques were questions about the assumptions embedded in the New Deal policy framework: that slum conditions were the cause rather than the consequence of poverty, that private profit could be made to work for public ends, and that communities, left to their own devices, would voluntarily create plans that would represent the interests of the poor. For all their internal flaws, however, the real problem for postwar programs to aid declining communities was that they were undercut by the more powerful trends public policy was doing so much to encourage. With the federally paved march to the suburbs at full tilt and programs of rural modernization well under way, central cities and rural towns were continuously losing population, revenues, and the hope of survival.

COMMUNITY ACTION, MODEL CITIES, AND THE SPECIAL IMPACT PROGRAM

Federal aid to communities entered a new phase in the mid 1960s, turning from the bricks-and-mortar focus of urban renewal to the "human face" presented by the problems of urban economic decline and from upholding the segregated norms of local residential patterns to a more forthright integrationist agenda. Supporting these policy shifts was an upsurge in liberal activism at the national level, which reached a height in the declaration of the War on Poverty by President Lyndon Johnson in 1964. Organized citizen activism was also on the rise, much of it inspired by the gains and innovative strategies of the civil rights movement throughout the 1950s and 1960s. Later in the decade, liberal policies also became caught up in the social turmoil of antiwar protest and racial unrest, symbolized nowhere more powerfully than in the use of federal troops to quell violence in the nation's ghettos. The popular imagery of poor places had taken on a new, more urban, and minority face by the late 1960s.

It was thus in a context of federal reform, citizen action, social protest, and heightening racial tension that the Johnson administration launched a rapid succession of federal programs and demonstration projects with the goal of comprehensive community renewal. These programs, including Community Action, Model Cities, the Special Impact Program, and an array of neighborhood-based service programs, attempted to push federal community policy beyond the New Deal framework by using federal power to alter existing political, economic, and racial arrangements in poor communities.

A centerpiece of the War on Poverty, the Community Action Program (CAP), was created during an intensive period of planning leading up to the Economic Opportunity Act of 1964, but the thought and action that gave it shape had been emerging at the local level for several years. Three local-level developments—relating to urban renewal, foundation-funded reform, and the civil rights movement—were of particular importance.

Urban renewal left a paradoxical legacy for liberal policymakers, for even as it bulldozed and undermined poor neighborhoods it strengthened local capacity for the

planning and grantsmanship cities would need to survive. In its own response to the postwar "crisis of metropolitanization," the Ford Foundation had invested in an ambitious program to build up local urban expertise, including grants to universities for urban extension services and training programs. The fruits of this confluence of philanthropic interest and official demand were apparent in cities such as New Haven, Boston, Detroit, and Pittsburgh. Having successfully raised foundation and federal money for renewal in the 1950s, these cities were among the first in line for community action grants. The experience of urban renewal was also important in convincing liberal planners, social scientists, and federal housing bureaucrats that the problem of urban poverty went beyond housing to include the services, opportunity structures, and political representation available to the poor. Local organizing around renewal was by no means confined to official circles, however. Opposition among low-income residents to local redevelopment plans was crucial in laying the groundwork for more expansive local activism in the later 1960s. When planning for community action, liberal officials and local activists could agree on at least one major point: if community development were to work for the poor, the local status quo would have to be shaken up.

The new Community Action Agencies were required to ensure the "maximum feasible participation" of the poor. They could also, much to the dismay of local politicians, be organized outside official government channels. Ultimately, the hope was to stimulate more permanent reform of the local bureaucracy while engaging the poor in their own rehabilitation. Acting in concert with the spurt of economic growth and employment economists anticipated from the tax cut of 1964, CAP was to break down what planners thought of as barriers to prosperity for America's poor.

CAP was initiated in a burst of activity and enthusiasm that was almost as quickly halted by the political controversy it caused. Suddenly denied direct access to the federal funding pipeline, urban mayors, whose loyalty was crucial to the Democratic party, threatened to revolt, earning CAP the enmity of Lyndon Johnson. Infighting among local organizations for control of antipoverty funds hurt the cause even further, and the meaning of "maximum feasible participation" remained subject to debate. CAP then suffered devastating blows in the summer of 1965 when the Conference of Mayors threatened to pass a resolution against it and congressional opponents claimed that the program was responsible for the racial uprising in the Los Angeles neighborhood known as Watts. Dissatisfaction also welled up from communities. Despite its innovations in services and service delivery, CAP could not deliver one badly needed ingredient for development: jobs for the residents of the low-income neighborhoods it served. The Johnson White House continually rejected proposals for a targeted job creation program for ghettos on the grounds that it was unnecessary and, as spending for the Vietnam War escalated, too expensive. Instead, seeking to stem its political losses and prevent further "long hot summers" like that in 1965, federal policymakers responded with two additional programs: Model Cities and the Special Impact Program, which were aimed principally at communities with concentrations of poor minorities.

On one level Model Cities was an attempt to make up for the failures of federal antipoverty initiatives: it combined services with bricks-and-mortar programs while giving control of local planning to city officials, thus avoiding the political liabilities of CAP. But Model Cities was also part of a long-standing movement involving urban legislators, liberal philanthropists, social scientists, and labor officials to establish a national urban policy. Despite several legislative setbacks, this movement achieved a major breakthrough with the creation of the Department of Housing and Urban Development (HUD) in 1965.

Emerging from the administrative task force appointed to create a blueprint for the new agency, Model Cities brought together many of the ideas that had been operating in the foundation experiments of the 1950s

and early 1960s. The plan called for massive slum clearance to make way for the most up-to-date design and technology in construction. It also envisioned a more integrated healthy environment in the inner city, with a full array of public and private services for a mixed-income base of residents. But the Demonstration Cities and Metropolitan Development Act was passed in 1966 with a more circumscribed mission. More narrowly targeted on poor inner-city neighborhoods, it relied on the familiar mechanisms of local planning and federal agency coordination for a comprehensive attack on physical, social, and economic problems. The legislation called for the creation of local demonstration agencies under direct supervision of the mayor's office and made them eligible for existing federal human service, job training, housing, and infrastructure-building programs on a priority basis. The demonstration cities were also eligible for grants and technical assistance to generate redevelopment plans in poor neighborhoods. Participation by the poor was strongly encouraged but not directly supervised by federal authorities. Nor was there any designated agency with authority to enforce cooperation and coordination among agencies at the top. In a repeat of previous experience, even this limited plan was watered down in the legislative process.

While the administration task force was working behind closed doors to grapple with the physical and social revitalization of poor urban neighborhoods, Senators Robert F. Kennedy and Jacob Javits were conducting highly publicized hearings on America's looming urban crisis, a term that had become virtually synonymous with the ghetto and the fear of racial violence it provoked. Pitched as an inquiry into the full range of urban needs, the hearings were designed to draw attention to what the administration seemed to de-emphasize in its own service-oriented programs: the absence of jobs in the inner cities. The hearings also helped lay the political groundwork for an initiative that had started with Kennedy's visit to Brooklyn's Bedford-Stuyvesant neighborhood in late 1965: amending the Economic Opportunity Act to create the Special Impact Program.

In its statement of objectives SIP resembled a streamlined version of the ARA. Its basic idea was to revitalize poor communities, primarily through economic development but with an intensive component of services and training as well. SIP was more specific about its geographic target, however: neighborhoods characterized by high concentrations of poverty and "tendencies toward dependency, chronic unemployment, and rising community tensions." And, unlike the ARA, which funneled its loans and grants through separate bureaucratic channels, SIP proposed to put development funds in the hands of the communities themselves. It provided block grants to community-based organizations, which would in turn design, finance, and administer their own comprehensive development strategies.

SIP modeled its local activities on community development corporations (CDCs), organizations whose origins in the movement for black economic self-determination distinguished them from the more traditional small business orientation of the ARA. Such corporations had been cropping up in black urban neighborhoods for several years, and in the early 1960s some of the most prominent were linked to indigenous efforts to establish an alternative to white capitalist control. Under government and foundation auspices, CDCs were deradicalized and professionalized, and they developed a keener eye for the bottom line. It was in this form that the CDC movement expanded and diversified in the 1970s and became the central institution for local development. Setting aside $25 million for the first year, legislators expected that communities would work in partnership with the private sector to raise additional capital, create new neighborhood jobs, and invest in homegrown enterprises. The profits, in contrast to ARA's trickle-down approach, would then be invested directly in community improvement.

SIP's community development strategy got off to a rocky start. As the first community organization to receive funds under

SIP, the Bedford-Stuyvesant Restoration Corporation provoked criticism and controversy when it established a parallel structure of corporations that dramatically, if unwittingly, replicated the very inequities the program was established to redress. One was run by blacks, community based, and designated to run the "inside" operations. The other was made up of prominent white business executives who signed on to generate private investment and deal with the "outside" financial world. The SIP program also met resistance from the antipoverty bureaucrats in the Johnson administration, who had invested most of their efforts in encouraging individual mobility and dispersal rather than local investment and development. Even CAP, for all its focus on strengthening local institutions, was primarily concerned with helping individuals and families to move up and out.

SIP program administrators encountered additional pressure from the OEO's research branch, which was dominated by economists with a taste for quantifiable program results and wary of the program's multiple, vaguely specified long-range goals. When judged according to traditional measures—the number of people lifted out of poverty—the program's impact appeared limited, or at best unclear. Nor could SIP-funded CDCs claim to have created a substantial number of new jobs. After a decade of federal and foundation funding, it was also apparent that CDC for-profit enterprises were not able to survive without reliance on outside, largely government, funding. Indeed, they had and would continue to enjoy most of their success in housing construction and real estate management, for which they, like commercial developers, relied heavily on government support. Thus the CDC movement was particularly vulnerable to government retrenchment during the 1970s and 1980s.

Despite the program's many setbacks and shifts, the ideas embraced in SIP did manage to produce important results. Within two years it had invested in 13 urban and rural CDCs, some of which are still operating. More generally, by pursuing neighborhood-based development as its central objective, SIP recognized the loss of local job opportunities that the next two decades of industrial dispersal would only make worse.

By 1967 the Johnson administration had amassed an array of policies aimed at poor communities: more, better, and integrated services; physical and human renewal; local economic development; community organizing; and empowerment. These policies in turn provided support for local activism and institution building, creating jobs and political opportunities for thousands of neighborhood residents and leaving community health centers, neighborhood service organizations, law centers, community development corporations, Head Start centers, and local action agencies in their wake. The initiatives also gave rise to a new network of nonprofit providers and intermediary organizations committed to community-based antipoverty intervention that would sustain the community development movement in decades to come. Expanding the scope of President Kennedy's antidiscrimination executive order, the Fair Housing Act of 1968 added another significant dimension to the federal capacity to combat place-based poverty.

For all their promise and ambition, however, the Great Society programs remained just that—programs—not a coherent community policy. They were too limited in scope and funding to alter the political inequities or combat the structural economic shifts that continued to segregate poor places as the "other America." Nor did policymakers overcome a basic ambivalence over whether their aim was to build up communities or help people leave them. The conflict between those two strategies would only become more sharply defined as local conditions deteriorated in the 1970s and 1980s.

THE ROOTS OF RETREAT: COMMUNITY POLICY IN THE 1970s

The 1970s brought dramatic changes in the economic and political context for community development policy. Unemployment and inflation rose sharply, while growth, productivity, and real wages stagnated.

Reviewing the prospects for urban revitalization at the end of the decade, President Carter's Commission on a National Agenda for the Eighties was bleak. The transformation to postindustrialism was "inevitable" and "ineluctable," its report began, "necessitating simultaneous painful growth and shrinkage, disinvestment and reinvestment, in communities throughout the nation." Developing a national policy for community revitalization was "ill-advised," the report concluded, because it would conflict with the overarching goal of national economic competitiveness. The prospects for national policy were further diminished by the politics of racial backlash, working-class resentment, and sentiment against big government, which moved the political center steadily to the right and undermined the New Deal urban–labor–civil rights coalition that had supported community development in the past. Equally important, changes introduced under the banner of Richard Nixon's New Federalism profoundly altered the infrastructure of policy, in effect abrogating the special ties between the federal government and poor communities that had been forged in earlier eras. The result of these changes was a renewed emphasis on localism, fiscal austerity, and neighborhood ethnic solidarity in community development policy. This emphasis was meant to broaden community policy's appeal to the white working class, but it also marked the beginning of a steady decline of federal government involvement.

Underlying these efforts was a distinctive philosophy of social provision, known as the New Federalism, that sought to give states greater power and responsibility and to lighten federal restrictions in determining how public funding would be spent. It also envisioned a more efficient federal bureaucracy, reorganized to eliminate government waste. But Nixon's reforms were also based on a more clearly partisan agenda through which he aimed to forge a new electoral majority based on white working-class resentment of the black welfare poor and free the federal bureaucracy of its New Deal influences by bringing it under more direct presidential control. Unveiling his New Federalist agenda in the summer of 1969, Nixon promised to get rid of "entrenched programs" from the past and replace them with a system based on "fairness" for the "forgotten poor" and working classes.

During the next two years the administration introduced measures to achieve the New Federalist agenda, with far-reaching consequences for community development policy. The OEO was the first target for reorganization, which was aimed at curtailing its community action division and eventually led to the elimination of the agency itself. Nixon's plans for decentralization proved even more consequential for existing community-based programs. They introduced a new, less redistributive and centrally regulated way of providing federal aid to localities. Revenue sharing, enacted in 1972, provided funds to states and localities automatically rather than through categorical grants. In this way Nixon sought to reduce the federal role in determining how funds would be allocated and to end the New Deal tradition of establishing direct links to poor communities to offset their political weakness in state and federal legislative bodies. The administration's adoption of block grants, which came to fruition in the creation of Community Development Block Grants (CDBG) in 1974, gave localities still broader discretion in allocating funds and brought the flagship programs of the War on Poverty to an end. By the mid 1970s, Model Cities, CAP, and SIP were slated to be replaced by block grants. The Housing and Community Development Act of 1974 similarly revolutionized federal housing provision, shifting the emphasis away from new construction and toward rent subsidies, thus reducing the extent to which public housing could be linked to creating labor union jobs.

Following the changes introduced during the Nixon and Ford administrations, actual spending levels for community development, while remaining less than 1% of federal expenditures, rose fairly steadily for the rest of the decade. These expenditures were spread over a much larger number of communities and used for a broader range of purposes, however. Revenue sharing and

block grants also brought a significant change in the overall distribution of funds, both within and between different kinds of communities, increasing funding in the suburbs and away from central cities and rural areas, providing more services and benefits to middle-class recipients, and moving a greater proportion of funds away from traditional Democratic strongholds in the Northeast and Midwest and toward the South and West. Meanwhile, the political relationship between federal government and poor communities deteriorated rapidly, symbolized nowhere more clearly than in the looming fiscal collapse of several major cities at mid decade, while Washington stood by.

Assuming the presidency after eight years of Republican control, Jimmy Carter initially raised expectations of renewed federal attention to the special plight of poor communities. Responding to pressures from urban and civil rights leaders, he announced in 1977 that his administration would develop a comprehensive urban initiative that would restore Washington's commitment to the health of American communities. The intense period of planning that followed involved nearly every domestic agency and dozens of community development experts who advocated such innovations as the creation of a national community development bank. Caught up in an increasingly polarized debate over people- versus place-based programs, the planning group created an unwieldy collection of small job-creation, tax incentive, housing, social services, anticrime, and even public arts programs that looked to observers like more of the same. All of this was to be coordinated by an Interagency Coordination Council, but its powers and responsibilities remained unspecified. And, at Carter's insistence, the programs would involve a minimum of new spending.

Carter's comprehensive reform never got off the ground in Congress, but the administration did take incremental steps to restore some of the redistributive aspects of federal policy. In 1977 it changed the revenue-sharing formula to target needy communities. That same year Carter also acted to make up for the losses experienced by older industrial cities by initiating the Urban Development Action Grant (UDAG) program. This program, like urban renewal, offered federal matching grants that could be used for commercial, industrial, or residential development in central cities in hopes of creating jobs for neighborhood residents and reviving downtown economies. But it was never established whether the jobs created by UDAG-funded redevelopment actually went to neighborhood residents, and most of the funding was used for commercial redevelopment. Despite these initiatives, Carter did not attempt to alter, and indeed embraced, the fundamental structural changes that had been ushered in by Nixon: a new era of decentralization and diminished federal responsibility was at hand. In the wake of his failed urban initiative, domestic policy drifted farther away from place-based reform.

For all the setbacks and reversals in national policy, the legacy of the 1970s was not necessarily one of defeat for the community development movement. The increased emphasis on local initiative pushed community-based organizations to strengthen institutional capacity, while the vacuum created by federal withdrawal from housing construction opened up a market niche for CDCs. Community activists used the momentum of the 1960s to launch a new phase of organizer training and national network building that could be applied to a diverse range of community-based consumer, environmental, and antipoverty concerns. Taking advantage of the emergence of attention to public interest issues among legislators and in the courts, these groups realized a major victory with the passage of the Home Mortgage Disclosure Act of 1975 and the Community Reinvestment Act of 1977. This legislation provided for public scrutiny of lending records and recognized the obligation of banks to lend in communities where they do business. Promoted as a weapon against discrimination and redlining, it also gave community groups a powerful tool in their own negotiations with local lending institutions. Although the successes of local organizations did not necessarily

make up for the losses in federal support, they proved increasingly important in the decade ahead.

THE END OF THE NEW DEAL ERA?

In the 1980s the Reagan and Bush administrations greatly reduced the already diminished federal presence in poor communities. Playing on anti-government sentiment and fiscal fear, Republicans eliminated revenue sharing, UDAGs, and most other remaining development programs, cut Community Development Block Grants in half, and left a much diminished welfare and services sector as the only source of direct federal assistance to poor communities. The resources and mandate for enforcing housing discrimination law all but disappeared. The Reagan revolution also introduced a much more radical framework of decentralization and privatization than the president's predecessors had envisioned—in fact, it threatened to dismantle the federal policy infrastructure for community building altogether. Judging from the reductions in place-targeted federal funding, the revolution was a success. But the expansion in the number and size of high-poverty neighborhoods during the decade tells a different story.

Two initiatives emerged from federal retrenchment, both premised on the belief that the absence of government was the key to community revitalization. The first, enterprise zones, promised to introduce free market principles and restore entrepreneurial activity to low-income communities through a combination of government deregulation and generous tax breaks for businesses. Reagan's proposals were consistent with the supply-side philosophy embraced in his economic policies: allowing entrepreneurs to keep more of their profits, the reasoning went, would stimulate new investment and eventually trickle down to community residents. In keeping with their anti-interventionist premises, the proposals also rejected the components of local planning and supplemental government assistance that had characterized programs such as area redevelopment. Despite repeated legislative attempts, however, the enterprise zone idea was never adopted as national policy. But it was adopted in a number of states during the 1980s, where the designated zones were assisted by substantial government investment and planning and came to resemble earlier development policies more closely.

The other major initiative to emerge from the free market framework was a proposal to privatize and promote residential ownership in public housing, this time in the name of individual empowerment in low-income communities. Like the proposal for enterprise zones, this proposal never got off the ground, due partly to the fallout from political scandals in the Reagan administration's Department of Housing and Urban Development.

The administration was unable to eliminate or privatize all the social welfare programs it targeted for attack. But the Reagan revolution did succeed where it mattered most—redirecting federal fiscal and economic policies—and the impact on low-income communities was devastating. In addition to the withdrawal of federal aid, the communities suffered from the increased income inequality, capital flight, labor setbacks, and crippling budgetary deficits that resulted from Reagan-era policies. Hit hard by recessions at either end of the 1980s, poor communities were politically marginalized as well. And the very idea of community development policy, premised as it was on collective well-being and supportive government policies, was challenged by a harsh, individualistic ideology positing that no intervention would work. Ironically, for the first time since the 1930s, federal policy in poor communities was actually in harmony with the direction of social and economic policy writ large.

Reagan era changes did not devastate the community development movement, however, and in at least one sense they could be turned into a source of strength. Pushed to do more with less, CDCs moved aggressively to become more efficient operators and to tap into local and private sources of development support. Foundations created

new intermediaries to provide support for existing and emerging community-based organizations, particularly in housing and economic development. The movement for comprehensive, integrated service delivery gathered momentum as a new generation of multi-service and systems reform initiatives got under way. And community organizers, galvanized by growing inequality and federal cutbacks, created training intermediaries and focused on strengthening national networks. Impressive as these achievements were, local initiatives were heavily absorbed in making up for lost ground and could only imagine what could have been achieved in a more supportive policy environment.

REVISING THE PAST: CLINTON'S COMMUNITY POLICY

Promising "a new way of doing business for the federal government," in 1993 the Clinton administration launched an initiative to revive declining communities. In December 1994 the administration designated 11 empowerment zones, each eligible for grants and tax breaks of up to $100 million, and 95 enterprise communities eligible for smaller grants and business incentives. In most places the initiatives were just getting under way as of the late 1990s.

The Empowerment Zone/Enterprise Community (EZ/EC) is different from past efforts, according to administration officials, in its rejection of old ways of thinking about the problems in urban communities. The program proposes to move beyond a focus on countercyclical grant-in-aid programs to an emphasis on enabling cities to compete in the global economy. It also seeks to invest in people and places, recognizing the old dichotomy as false. EZ/EC marks another innovation in its metropolitan framework for economic development. And unlike past efforts, it is "designed to foster locally initiated, bottom-up strategies that connect the public, business, and neighborhood sectors in community building partnerships for change."

In fact, as both its title and the rhetoric accompanying it suggest, the EZ/EC initiative contains much that is familiar to veterans of the community development movement. Like enterprise zones, it relies heavily on tax incentives to promote private sector investment—only this time the tax breaks are tied to hiring residents of the zone rather than realizing capital gains. Like Model Cities it draws on existing housing, education, job training, and service programs for most of the funds that will be given to the designated areas. Reviving a strategy employed by the New Deal-era National Resources Planning Board in response to funding limitations, it designates two tiers of recipient communities, presumably as a way of sharing the wealth. Community planning boards also figure prominently in the EZ/EC legislation, which combines the experience of CAP and Model Cities to require evidence of participation from all sectors in the community, including government and the poor. Federal coordination is another feature of the program, this time supervised by an interagency Community Empowerment Board headed by Vice President Al Gore. And operating within a Nixonian New Federalist framework, it offers waivers from categorical program requirements and channels all federal grants through the states. It even borrows a note from organizer Saul Alinsky in its rhetorical appeal to the consensus ideal. Most striking from historical perspective is EZ/EC's endorsement of "four fundamental principles" that restate the essential themes that have defined community development from the start: economic opportunity in private sector jobs and training; sustainable community development characterized by a comprehensive coordinated approach; community-based partnerships that engage representatives from all parts of the community; and "strategic vision for change" based on cooperative planning and community consultation.

Clearly, the EZ/EC plan rested on the hope that this time the federal government will be able to overcome interagency conflict, weak investment incentives, competition among local political interests, and racial inequity that have plagued community development policy in the past. In this

hope it is banking on the expertise of the people who have been working in low-income communities for decades and on the willingness of industries to locate and hire in areas they have traditionally stayed away from. Unfortunately, EZ/EC also repeats other patterns that have left many wondering whether it, like its predecessors, is promising much more than it can possibly deliver. Even supporters agree that the funding is inadequate given the size of the task. Its associationalist tenor leaves critics skeptical about how much investment or job creation can be expected from the private sector and the extent to which community residents will be able to expect corporate responsibility. Like past federal demonstrations, it begs the question of what happens to the thousands of communities not chosen for support, and what happens to the EZ/EC sites once initial funding runs out. It also smacks of symbolic politics at a time when poor urban and rural communities command little more than rhetorical attention on the national agenda. Most of all the plan represents a very modest investment in community revitalization, especially in the face of an overarching policy agenda that encourages footloose capital, low labor costs, reduced social spending, and persistent wage inequality, and that brings about "the end of welfare as we know it" with little thought for the policy's effect on communities.

CREATING A NEW POLICY ENVIRONMENT

The historical record offers important insights about the intellectual origins, political frustrations, and recurring patterns of federal policy, but the challenges it poses to the community development movement are even more immediate and direct.

The first is to make a case for investing in communities as part of an antipoverty policy that focuses on income inequality, job opportunities, and racial exclusion as well. Such a policy would strengthen the position of residents with better wages and training while taking steps to stem the geographic dispersal of industry and jobs. It would enforce antidiscrimination regulations to stimulate lending in poor neighborhoods and ensure access to housing and jobs. And it would challenge the myth that mobility and community development are either/or choices. Most of all it would begin with the recognition that targeted community development—no matter how comprehensive, well planned, or inclusive—cannot reduce poverty all by itself. This is not to suggest that community development is futile without these larger changes, but with them it stands a much greater chance of success.

The second challenge for community development is to reassert the importance of the federal government's participation. This is no easy task in light of historical experience or the current political climate. It begins from an understanding that past failures do not prove that revitalization is impossible; few programs enjoyed the funding, time, or sustained political commitment necessary to make community development work. Indeed, the federal commitment to middle-class and affluent communities has been much more substantial and comprehensive, including housing, infrastructure, and tax incentives among its forms of support. It is also unrealistic to expect a revival in poor communities without both federal resources and direct public provision. Two decades of federal withdrawal sent neighborhood poverty soaring. And past efforts to stimulate private market development have not trickled down.

The third challenge is to reconstitute and strengthen the political coalition behind community development policy. This will take collaboration with labor, civil rights, and other traditional allies, but it can begin by addressing the barriers to mobilization within the community development movement itself. Particularly important is to examine how funding practices affect political mobilization by tightening the tensions between outside providers and communities and discouraging the kinds of activities that can help community-based organizations become more effective politically. Foundations are rarely willing to provide the

long-term undesignated funding that organizations need to build capacity and institutional stability. Nor do they generally fund local organizing, advocacy, or coalition building among community organizations. Foundations also tend to compete with one another in developing their programs, leaving community-based organizations to steer among the divergent objectives, expectations, and even timetables of outside providers to meet their own organizational needs. The result is tension and mistrust, reflecting not only disparities in power and resources but a struggle for control over community-based initiative that is built into the funding practices themselves. As an initial step toward more effective political mobilization, then, foundations need to be willing to examine and alter these practices and organize themselves into a more coherent and persistent voice for changes in policy.

The fourth challenge is to acknowledge not only how race has contributed to the problems in poor communities, but to explore how it may be part of the solution. A race-conscious strategy would identify how race continues to shape the policy decisions affecting political representation, housing location, transportation, social services, and access to jobs. It would move beyond the simplistic black–white dichotomy to investigate how racial barriers operate across ethnic, class, and gender lines. And it would make an explicit commitment to ending institutionalized as well as individual acts of racial exclusion.

Perhaps the most important and overarching challenge from history is to reverse the policy contradictions that keep community development swimming against the tide. Meeting this challenge requires focusing not only on community interventions but creating the economic and political conditions within which community development can actually work.

NOTE

1. For a fuller historical account with citations of sources, see the much longer original chapter: O'Connor, Alice. (1999). Swimming against the tide: A brief history of federal policy in poor communities. In Ronald Ferguson and William Dickens (Eds.), *Urban Problems and Community Development* (pp. 77–138). Washington, DC: Brookings Institute.

CHAPTER 3

Community Control and Development

The Long View

James DeFilippis

INTRODUCTION

The histories of community control and development are varied and disparate, and it is the rather ambitious goal of this chapter to bring these histories together. The chapter begins in the 1960s and discusses the emergence of the current community development movement. It then presents the trajectory of this movement away from its organizing roots and toward greater degrees of institutionalization and professionalization. This professionalization has seen the goal of community control, and the radical politics that sometimes informed that goal get lost in the process, and we conclude by discussing the implications of this.

While there is a longer history to community control efforts that goes back to the early 19th century, community control reemerged as a broad set of movements in the mid 1960s. Broadly speaking, there were two different strands to this movement that are important for us here, the black power movement and the direct democracy movement. Together they yielded many institutional innovations and changes, but for the purposes of this book the most important institution to emerge was the "community development corporation" (CDC), which is the principle institutional vehicle for community development in the United States. But before we discuss the social movement roots out of which community development as a programmatic idea, and the CDC as its vehicle, emerged, we need to discuss the context of American politics that both fostered these movements and severely undercut their ability to effect systematic change.

FROM CAAs TO MODEL CITIES AND BEYOND

The Federal government enacted the Economic Opportunity Act in 1964 and, with it, began the well known period of, "The War On Poverty." This Act created, among many other things, a new vehicle for community-based organizing, planning, and activism, the "community action agency" (CAA). The heart of the CAA initiative was community empowerment and activism, and the underlying philosophy of the Community Action Program (CAP) was the "maximum feasible participation" of community members.

It is unclear, at best, if within three years the CAAs were able to generate substantial community-level mobilization efforts. Nonetheless, by 1967 "they were sufficiently threatening or persuasive to precipitate a [change in] national urban policy" (Fainstein, 1987, p. 328). This shift in policy had two particular components. First, the CAAs were to be reoriented toward economic development activities, and away from the political organizing goals of their initial inception. The legislative form this shift in priorities took was that of the passage of the Special Impact Program (SIP) amendment to the OEO. The SIP legislation targeted local groups for specifically economic development projects, and this program was supplemented by the Federal Community Self-Determination Act in 1969, which drove the creation of many community development corporations. Driven by federal support, it was after SIP, and the 1969 Self-Determination Act, that CDCs started to grow.

The second component of the shift in federal policies was the enactment of the Model Cities Program, which was designed to place the control over anti-poverty/neighborhood development policies back into the hands of city governments—and explicitly away from communities. As Halpern puts it: "Model Cities was to be community development decoupled from community action, or more specifically from community action's presumed tendency to engender conflict and disaffection" (1995, p. 118). This shift indicated the extent of how threatened many city governments were by the CAP. By funding CAAs directly, the CAP was enabling community organizations to bypass city governments and connect directly to the national scale.

These shifts in federal policies had profound implications for the practice of community organizing at the time. Groups had to choose between becoming more professionalized development organizations or maintain their political identity. But maintaining their political identity would mean the loss of the government funding they had come to rely on. Either way, the potential for community organizing and social change was significantly undercut. As Kotler observed, "The government wanted enterprise rather than political action in the neighborhood; it would move the people out of the meeting hall and put them behind cash registers" (1971, p. 7).

To some extent, therefore, 1960s federal neighborhood policy represented a very narrow window through which connections between community-level political organizing and community-based economic development and social service provision could be merged. But that window closed rather quickly and, in doing so, helped to solidify the divisions between organizing and development, which have come to be a dominant feature in urban politics in the last 30 years.

BLACK POWER AND BLACK CAPITALISM

One of the most powerful forces in driving issues of community control in the 1960s was the "black power" movement, which emerged from the larger civil rights movement. A significant strand of black power was the drive for "community control" (Carmichael and Hamilton, 1967), and this had two distinct components. First it dealt specifically with issues of government decentralization and black participation and control; particularly education and policing. Second, it addressed the control over economic relations between blacks and whites. It is the latter of these two which helped drive the creation of CDCs.

There was not a clear, unifying underlying rationale of the economic component of the community control movement, and instead there was a variety of programs, goals, and ideals. This, of course, echoed the long-standing debates by black leaders about how to structure, organize, and promote black economic development. The 1960s version of this argument included calls for direct community ownership by CDCs, cooperative ownership, and individually owned firms. Despite the debates about what form black ownership should take, some of its most visible proponents were decidedly ambivalent about it.

This ambivalence quickly led to the assertion of the central role of black entrepreneurialism and capitalism in the realization of power within the black community. Thus black capitalism became, through its promotion by OEO policies, the Nixon administration, and the lack of clarity by leaders in black communities, the dominant form of black economic "community" control by the end of the 1960s. Community control thereby became black capitalism, and advocates for both explicitly and implicitly conflated these two goals. The radical potential of demands for black economic power thus became co-opted into simply a debate about how best to reproduce capitalist practices in black urban neighborhoods. The road of collective *community* control and empowerment was not taken (Shipp, 1996). A substantial political opportunity was lost.

DIRECT DEMOCRACY AND NEIGHBORHOOD GOVERNMENT

While the community control argument was being presented by black power activists and theorists, a nominally comparable but substantively different argument was being presented by those advocating neighborhood control and governance. These activists and writers were advocating government decentralization as a means to politically empowering the citizens of urban areas. This movement was a 1960s incarnation of the Jeffersonian-liberal tradition of small-scale participatory government. As Jane Jacobs wrote,

> The governments of large modern cities are not only incomprehensibly complex today, but also their direct effects on citizen's lives are now so ubiquitous that they cannot help but fail when their functions are centrally organized. Many functions must be decentralized and brought under direct, continuing control of local communities.
>
> (quoted in Repo, 1977, p. 48)

Perhaps the strongest supporter of the neighborhood democracy movement was Kotler, the Executive Director of the National Association of Neighborhoods. He advocated for, "the radical politics of local control" (1969), as a rejection of both the centralized welfare policies of the New Deal/Great Society variety, and the central role of class in leftist politics. Both of these should be replaced, he argued, by an embrace of the Ancient Greek view of humans as almost inherently political beings mixed with a 20th century perspective on the declining ability of humans to act as such. He stated,

> True radicalism issues from a practical view of man's political nature, rather than a theoretical view of the state. Its object is to shape the state to fit the present purpose of popular struggle—local rule—not to reshape man to fit a theoretical state. For the left to engage in a politics of liberty requires that it free itself of the modern heritage of revolution and address the principles of local control.
>
> (Kotler, 1969, p. 96)

Thus, like the black community control movement, not only did the neighborhood government movement fail to address issues of capital and class relations, it embraced the capitalist political economy. This was, in short, a movement for localized democracy as an end in itself, not a movement to use the framework of local democracy for changes in the larger-scale, *or even local*, political economy.

OPPORTUNITIES LOST

The possibilities of connecting these separate movements, struggling for local control, albeit in different forms, were always fairly slim. In many ways they were fighting for different goals with different constituencies. But at the same time, they were conscious political efforts to create institutions in which local-scale actors had greater control over their lives. They also shared a rhetorical belief in "community" participation and control, and it was this goal that brought these activists together, on paper at least in the form of books written at the time (see, Benello and Roussopoulos, 1971).

At the same time, their understandings of capital and class were extremely limited and neither directly confronted capital nor even adequately theorized capitalism. In this way, the movements failed to appreciate the inherent importance of capital and class relations in the American political economy. As Katnelson (1981) argued, this failure to understand class led to movements sliding into the prefigured "trenches" of American urban politics in which *class* is dealt with at work, and *community* is dealt with at home—and both are dealt with inadequately. This set the community and neighborhood control efforts up to either disappear or become institutionally co-opted. And this is largely what happened in the 1970s and 1980s.

NEO-ALINSKYISM AND THE NEIGHBORHOOD MOVEMENTS OF THE 1970s

Local politics in the 1970s is best understood as having evolved from the 1960s,

particularly from the direct democracy strand of organizing, and they were dominated by what has been called "the neighborhood movement" (*Social Policy*, 1979). In truth, this was less a movement than a diverse set of localized responses to particular issues that largely stemmed from people's attempts to protect their neighborhoods from threats and encroachments from without. Accordingly, the politics of the organizations in this "movement" varied tremendously, largely in relation to the character of the threat from without and the perceived sources of that threat.

The 1970s also saw the emergence of a set of populist organizations that were large in scale and relatively unencumbered by an ideologically defined set of goals. The principal figure behind this movement was Saul Alinsky who had emerged nationally as a prominent critic of some of the explicitly socialist and race-based organizing efforts of the 1960s. Instead, he and his organization, the Industrial Areas Foundation (IAF), argued for a brand of organizing that assumed that the only long-term goal should be the mobilization of people to take power for themselves. Along with the IAF, there was the emergence of national groups such as the Association of Community Organizations for Reform Now (ACORN) and statewide groups such as Massachusetts Fair Share.

These groups were run by largely white, primarily middle-class staffs and organizers, and the model of organizing was basically the same in every locality: organizers from the national organization would meet with local people to discuss with them what their concerns were, and then work to mobilize larger numbers of people in those localities to address these concerns. The national organizer, therefore, brings no agenda to the locality but instead allows the issues, and the solutions, to be defined by those within the locality. The recipe, therefore, was for a situation in which the local IAF organizations, lacking any coherent ideological framework, became about neighborhoods "getting what they could." This left them poorly positioned to deal with larger social forces, processes, and changes.

This is not to say that politically progressive organizing did not occur in the 1970s, for that would be unfair and an oversimplification of community politics at the time. First, while the neo-Alinsky organizers were self-avowedly "non-ideological," their goals of increased participation in, and the democratization of, urban politics were certainly laudable. They also recognized that there are inherent conflicts in society, and understood that power is only appropriated through struggle. Second, there were important community-based efforts to prevent the displacement of low-income residents by the continued construction of roads through inner-city neighborhoods, and by the last remnants of the Urban Renewal program's demolition. Third, substantial political and legal victories were won by those who struggled against the practice of financial institution redlining. The efforts of these organizers yielded the Federal Home Mortgage Loan Disclosure Act (1975) and the Community Reinvestment Act (1977).

CDCs: PROFESSIONALIZATION AND A NEW GENERATION

But these disputes bring us back to CDCs. While the neighborhood movement was emerging in the 1970s, the older CDCs were facing uneven outcomes, as some grew while others failed. They shared a common experience, however, in which community control of the economy declined in importance and profit-making became the dominant goal. This was partly driven by the difficult realities of the markets these groups were operating within. But was also a function of the changing priorities of the OEO which was still the dominant source of funding for these "1st generation" CDCs. The OEO increasingly pushing profit-making above all other goals. The Nixon administration terminated the OEO, however, and CDC funding was significantly cut. The first generation CDCs were therefore left to deal with this loss of funding and they did so by becoming increasingly individualist and entrepreneurial in their orientation and goals.

Evaluations at the time indicate the extent to which community control had become less important relative to the goal of economic development. Kelly found that only 35% of CDC board members considered, "Providing opportunities for community-controlled ownership of businesses and property," to be *one of their three highest priorities* (Kelly, 1977, p. 25). And she plainly states: "the community economic development movement in no way opposes or contradicts the American tradition of individual entrepreneurship" (p. 21).

A "second generation" of CDCs was created in the late 1970s and the early 1980s, as neighborhood protest organizations became CDCs. In becoming CDCs, they transformed themselves from being confrontational in their dealings with city governments, banks, etc., to cooperative in those relationships as they became more immersed in the structures they were originally protesting against.

Shelterforce magazine observed that there tended to be a three-step process to the transformation of oppositional community organizations to CDCs in the late 1970s and early 1980s. First, the groups emerge out of opposition to something (redlining, displacement, etc.). Second, the groups become somewhat more proactive, and begin direct political lobbying of city halls to enact their agendas. Third, the groups realize the limits of public money, and begin working to fulfill their agenda themselves (Fulton, 1987). Importantly, this was not a process of political co-optation, but instead one of professionalization. These groups were not created to fundamentally transform the structures that govern the urbanization process. They emerged out of localized problems and conflicts and it was not ideologically inconsistent to deal with local-scale problems as a developer rather than an adversarial activist. These transformations were not, therefore, normative—they were merely programmatic.

NONPROFITS FOR HIRE: THE 1980s AND 1990s

The period of the 1980s and 1990s marked the coming of age for community development, as the number of CDCs grew rapidly, along with a heightened public awareness of them—and an increased set of burdens and expectations was placed upon them. This growth of activity has been evident both in the number of CDCs and in their average size. While only about 150 first generation CDCs were created in the late 1960s and early 1970s (and many failed within a few years), by the early 1980s another 500 to 750 second generation CDCs had been created (Peirce and Steinbach, 1987). The number of CDCs nationwide, therefore, essentially grew at modest, but significant, rate through end of the 1960s and the 1970s, and beginning in the late 1970s and early 1980s began to grow much more rapidly. This growth has continued to the present (see Introduction, this volume).

The growth of CDCs has been accompanied by changes in their structures, goals, and relationships with the public and private for-profit sectors. First, CDCs grew in spite of, and partially in reaction to, the shrinking desire of the public sector to provide goods of collective consumption—particularly affordable housing. Shrinking public resources left CDCs directly facing the impacts of these cutbacks. Local governments exacerbated this loss of federal money by increasingly withdrawing from the provision of social services and housing in the 1980s. CDCs thus filled the vacuum left by the state—both at the local and federal levels. And CDCs were not limited to just affordable housing, as they branched out into the areas of social service provision, education, etc.

The second transformation emerges from the first. Because of the decline in public sector support, funding for CDCs and CDC activities went from a "one stop shopping" toward more "creative" forms of financing, often referred to as "patchwork" financing (Vidal, 1996). CDCs increasingly found themselves putting together the funding for projects from a variety of sources, such as

private investments made to receive a Low-Income Housing Tax Credit (after 1986), financial institution loans made to satisfy CRA requirements, grants from foundations, etc. This patchwork financing has furthered the process of professionalization in community development, because the financial management capacities it requires greatly exceed those of the prior, single-source financing.

Such expertise has often come from the national intermediaries that were constructed in the late 1970s and early 1980s. In the space of four years, 1978–1981, the Neighborhood Reinvestment Corporation (NRC), the Local Initiatives Support Corporation (LISC), the Fannie Mae Foundation, and the Enterprise Foundation, were all created. Together they finance, provide technical assistance for, and generally shape the structure of the community development industry.

Together, this growing network of CDCs, foundations, and other not-for-profit organizations, have created a situation in which, in many poor neighborhoods, CDCs have functionally become "the Shadow State" (Wolch, 1990). They provide the goods and services that formerly virtually defined municipal governments. This role was embraced by the state, as it willingly walked away from the provision of these services, and looked to the community-based sector to fill in the holes it has left behind.

Most of whatever remained of the radical politics that were part of CDCs' histories, was lost, as they became increasingly part of the urban political machinery and political organizing receded further from their goals and mission. The Ford Foundation's definitive guide to community development in the 1980s put it:

> with rare exceptions, the 1960s are now as much history for them (CDCs) as for the rest of American society. One can't very well hurl his body into the path of an oncoming bulldozer when he (or she) is the developer.
>
> (Peirce and Steinbach, 1987, p. 8)

"NEO-LIBERAL COMMUNITARIANISM": COMMUNITY DEVELOPMENT TODAY

The community development industry in the 1990s and 2000s has progressed along much the same lines that had been established in the earlier periods. In the last decade the field has been dominated by various programmatic initiatives or trends focused on how to best go about "doing" community development. This has included discussions of "community-based assets," "consensus organizing," "social capital construction," and "community building," among others. Rather than discuss these initiatives individually, it is more useful to explain the perspectives and objectives that they all share.

First, they are unambiguously market based in their larger goals and programmatic details. This has probably been made most explicit by Michael Porter through his Initiative for a Competitive Inner City, who has argued that, "a sustainable economic base can be created in inner cities only as it has been elsewhere: through private, for-profit initiatives, and investments based on economic self-interest and genuine competitive advantage" (1997, p. 12). But Porter is far from alone in making these arguments, and the dominant understanding at this point is that for CDCs to be successful, not only must they adopt an explicitly entrepreneurial set of goals and practices, but they must also work with the corporate sector.

The second shared attribute is a promotion of non-confrontational forms of engagement and organizing. Community development is now a collaborative process, and the more conflictual ideals of black power, and neo-Alinsky organizing have been rejected. Michael Eichler, the president of the "Consensus Organizing Institute," described,

> the essential attribute of consensus organizing: instead of taking power from those who have it, consensus organizers build relationships in which power is shared for mutual benefit … Cooperation, rather than confrontation became the modus operandi for solving a neighborhood problem.
>
> (Eichler, 1998)

Within the current understanding of cooperation, there is almost contempt for past organizing efforts, and Grogan and Proscio state, "The community organizing and planning of that period (the 1960s) was soon squandered on divisive or extremist political tactics, including the in-your-face style of protest that Tom Wolfe famously dubbed, 'mau-mauing'" (2000, p. 66). Low-income inner-city residents are now understood to have a shared set of interests with the larger society they exist within, and organizing and development should be structured accordingly. Unequal power relations are completely ignored in this framework.

While it might seem a bit paradoxical, given the neoliberal market orientation described above, the current period in community development is also characterized by a powerful reassertion of the idea of *community*, and a particular version of *communitarianism*. This communitarian framework is one which posits a belief that there are shared interests among individuals in a community, and thus community development should be about creating the social relationships which allow those mutual goals to be realized. This thus mirrors the consensus organizing, in that the assumption is of shared interests—the difference is one assumes it for relations between people in the community and the rest of the world and the other for relations between people within a community. There are two principal figures in this understanding of community. The first is John McKnight, who has argued for a framework of community development centered around "community-based assets" (Kretzman and McKnight, 1993; McKnight, 1995). The second is Robert Putnam (2000), whose work on social capital has become axiomatic in community development theory and practice. Both argue that relations within communities tend to be largely "win–win" relations, and both take that framework one step farther to assume that *individual* gains and interests in the community are synonymous with *collective*, or community, gains and interests. Both also assume that communities are functions of, and defined by, the attributes and relationships of people within them. Thus not only does this particular form of communitarianism fit with consensus or non-confrontational organizing, but it also fits with the neoliberal, market-based perspectives and policies that govern community development activity.

Together these three perspectives, which dominate the theory and practice of community development, can best be described as a form of *neoliberal communitarianism*. This neoliberal communitarianism has, at its core, a belief that society is conflict free, and it gets this from both halves of its theoretical framework. It also represents the fruition of the depoliticization of community development that came with its split from community organizing in the late 1960s. This depoliticization also needs to be understood as both a product, and producer, of their support from the public sector. The political logic of CDCs in American politics has therefore come full circle. The federal government, which initiated the movement for community development by sponsoring often radical political organizations working toward community control and empowerment, now supports CDCs exactly because they are no longer connected to any political movement. And the goals of CDCs have also come full circle. Initially conceived as vehicles that would use the market as a means to the end of community control and development, they have now become vehicles for the market, in which the goal of community control is not even an issue.

SNAPSHOTS FROM THE FIELD OF CONTEMPORARY COMMUNITY DEVELOPMENT

There are significant problems that come with the dominant framework of neoliberal communitarianism. But rather than address those problems here, I will leave that to other contributors to this volume (see, in particular, Stoecker). Instead, I will simply highlight two "moments" that occurred at the end of the 1990s as indicative of what community development has become and where it is going.

The first is an extended memo in the *Neighborworks Journal* (the journal of the NRC) by the senior vice-president of the Fannie Mae Foundation. In it he issued a call for "A New Paradigm for Community Reinvestment." The new paradigm called for greater collaboration between community developers and outside investors and businesses. It included a promotion of the idea of place-marketing in which community development projects could take on names such "The Woodlands," "Celebration," and "Redwood Shores." He even stated, "some of these places could be treated as *urban blank slates*, where the development takes on an image the investors choose" (Carr, 1999, p. 21, emphasis added). In this new paradigm, the first role for government is to "assist private firms to *extract value from community assets*" (Carr, 1999, p. 22, emphasis added).

Finally, that summer I was at a meeting at the Urban Justice Center in New York planning a march from Washington, DC to New York City as part of the now international Economic Human Rights Campaign. In the course of the discussion one of the issues that arose was contacting other local organizations that might be sympathetic to the march in order to solicit their support. One of the people in the room suggested that we should contact the Association of Neighborhood and Housing Development (ANHD). ANHD is the principal trade association for CDCs in New York City. The response from the roomful of 30 local community and political organizers to the mention of its name was a unanimous, "who?"

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CHAPTER 4

Reframing Community Practice for the 21st Century

Multiple Traditions, Multiple Challenges

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"Community" in the 21st century seems to be everywhere and nowhere. The importance of renewing a search for meaningful definitions of community, and of initiating a broader conceptual remapping of community as a field of practice, becomes apparent when we consider the intellectual and practical costs of the current state of confusion. Recent theoretical critiques suggest that notions of local community retain little more than ideological utility within a social context marked by corporate globalization and social welfare retrenchment (e.g., Amin, 2005). Intellectual currents associated with postmodernism have spurred critiques of community as socially essentializing and politically conformist (e.g., Young, 2000). For community-level practitioners, a lack of conceptual clarity about the underlying structure of the field as well as an uncertain grasp of its history makes it difficult to navigate and communicate across different kinds of practice traditions and to relate efforts within different traditions to broader projects of social change.

Such a daunting picture suggests the need for re-articulation of intellectual signposts and strategic practices in relation to contemporary opportunities and challenges. This chapter undertakes such a task, attempting to make sense of the disparate tendencies and internal tensions among approaches to community practice in relation to the shifting political-economic and intellectual currents of our time. We begin by summarizing the broad outlines of the history of community practice or "community organization" in the United States, emphasizing both its multiple traditions and the enduring nature of its strategic dilemmas. Our effort to trace the evolution of these traditions is guided in general terms by regulation theory (Brenner and Theodore, 2002), which directs attention to how each of the community practice traditions responded to the successive challenges posed by Fordist and post-Fordist restructurings within the U.S. context. This historical retrospective builds toward an analytical discussion of the key intellectual and social challenges facing the field. We conclude by pointing to four "barrier-crossing" sites of activity that seem to cut across traditions and may represent emerging sources of innovation for community-based action.

HISTORY AND STRATEGY: REASSESSING "COMMUNITY ORGANIZATION"

"Community organization" has occupied an important position within the urban professions, social work, and urban planning in particular. Tracing its social-scientific research orientation and social-change impulses to the Progressive Era, community organization became a distinctive social-work practice area as early as the 1920s and 1930s (Fisher, 1994; Rothman, 1974). While initial conceptions of social organization were drawn from Chicago School sociological theories, post-World War II scholars and activists established core theoretical foundations and graduate-school specialization in community organization. The field's self-definition underwent further expansion following the 1960s, when

strategies of comprehensive planning, grassroots organizing, political mobilization, and local development became major touchstones in an increasingly heterogeneous field (Rothman, 1999).

Community organization is commonly seen as a multiple-paradigm field in which practitioners rely on a number of different competencies. Although it is possible to typologize these paradigms in a number of ways, Rothman's (1974) conception of three major approaches to community intervention has the advantage of clearly highlighting ideal-typical differences in theory and practice while also offering a certain historical applicability. These three approaches or modes—which we name here as *social planning*, *community organizing*, and *community development*—encapsulate in rough terms the major 20th-century traditions of community intervention (see Table 4.1).

Social planning approaches see community intervention primarily as a technical process of problem-solving focused on a substantive social challenge (e.g., delinquency, housing, mental health) that can be defined and addressed. Planning approaches were predicated on notions of communities as functional (ecological) subunits of an urban industrial society that was dynamic, assimilative, and progressive. Social planning efforts emphasize objective research and the functional integration of citizens through efficient access to services, and require professional experts who gather and analyze data, administer large-scale organizations efficiently, and enforce predictability

Table 4.1 Changing paradigms of community intervention

Traditional map of the community field (e.g., Rothman, 1974)

Social planning	**Community organizing**	**Community development**
• Communities as functional/ecological sub-units • Community intervention as technical/organizational, research-based process to solve social problems • Key challenge: tensions between controlled conditions conducive to knowledge production and implementation vs. unstable conditions typical of community-level social life	• Communities as political actors • Community intervention as the building of conflict-initiating democratic-action organizations to redistribute power and resources • Key challenge: constructing durable organizations that also continue to initiate and pursue conflict (i.e., avoiding the problems of co-optation vs. disintegration)	• Communities as participatory self-governing arenas • Community intervention as a process in which community members create accountable development and service activity • Key challenge: achieving sufficient capacity to make meaningful change while also retaining community-level accountability in the process

Late 20th-century Economic, Political, and Cultural Changes
to:
Shift from Fordist/New Deal Order (national mass-production industries, unionized labor, Keynesian economic policies, welfare-state expansion, liberal mass culture)
to:
Post-Fordism/Neoliberal Order (global production/services, flexible labor, neoliberal economic policies, welfare-state dismantlement, postmodern culture)

Flexible services	**Interest-group advocacy and coalition-building**	**Economic development and community-building**
Retrenchment and privatization encourage community-based providers to compete for resources and target services to operate more effectively and responsively; non-profits and private funders grow more influential; horizons become shorter term and many research agendas become narrower; new emphasis on collaboration and multicultural practice	Economic and political pressures push many organizations toward community development and pursuit of interest-group advocacy strategies to secure support; others seek to build new coalitions and movements (predatory lending, living wage, environmental justice) to promote new forms of social regulation	Drawing on complex arrangements from public and private sectors, certain groups focus on housing and economic development; others on building community assets or social-capital-centered development; still others embrace comprehensive initiatives or network-building to bring these together

of service delivery, while also understanding the complex conditions and requirements of community-level implementation (Warren, 1963). Many Fordist-era government and private social-service organizations (from settlement houses and health departments to child-welfare agencies) were based on social planning models of service design and delivery. Innovative practitioners in this tradition also contributed to what would eventually become rival traditions; thus certain seeds not only of community development but even social action community organizing (as Mobilization for Youth activism in the 1960s) often emerged, if indirectly, out of social planning type work (Selmi, 1998).

A central tension within this model was between, on the one hand, the kinds of conditions conducive to effective social-scientific knowledge production, bureaucratic organization, and service-delivery economies of scale (stability, predictability, etc.) and on the other, the actual conditions (often involving unpredictability, chronic instability, inefficiency, etc.) typical of community-level social and organizational life, particularly in disadvantaged communities. Hence, even under the historical conditions that were relatively conducive to the pursuit of this model in the United States (e.g., the New Deal or Great Society periods), contradictions between centralized planning and local implementation presented a host of challenges that were understood within this approach to be primarily technical or organizational but that were, of course, also political and social.

Community organizing approaches understand community intervention primarily as a process of organizing aggrieved or disadvantaged groups to make demands on the larger community for resources, recognition, or broader social change. Rooted conceptually in critical or radical theories of power and inequality, these approaches emerged from community organizing initiatives that were inspired by (and to some extent contributed to) 20th-century social movements in labor and civil rights. Defining "community" as a political (insurgent or transformative) actor, this tradition emphasizes strategies of mobilization linked in the short term to redistributing power or resources and in the long term to full democratic citizenship, movement building, and social transformation (Fisher, 1994). As codified in its best-known variant, the neo-Alinskyite model, these endeavors require professional community organizers who understand how to build democratic action organizations, train indigenous leaders, define and analyze political issues, mount organizing campaigns, mobilize participants, and expand the terrain of conflict (Alinsky, 1971). Historic successes within this broader tradition might be said to include major civil rights legislation and labor law, anti-displacement actions against urban renewal, and the community reinvestment mandates (Sugrue, 2004; Gotham, 1999; Squires, 1992).

A core tension of this approach has been the challenge of constructing durable community-based organizations that continue to initiate and pursue conflict (Piven and Cloward, 1999). Furthermore, while building such organizations was laboriously difficult work, success could be just as problematic as failure. In effect, the problem of co-optation—and, conversely, the marginalization of groups that turn their back on opportunities for co-optation—emerged as a perennial challenge for social action groups even under conditions in which conflict strategies were not outright suppressed. By the same token, this kind of community organizing at times has transcended its neighborhood-based origins, contributing to mobilization efforts as diverse as environmental justice actions, labor campaigns, and anti-globalization movements (Pellow, 2002; Simmons, 1994; DeFilippis, 2004).

Community development, finally, understands community intervention as a locally based process of self-directed regeneration. Its emergence as a distinct urban-community strategy gained momentum from 1960s demands by urban social movements for "community control" articulated first within visions of radical democracy (Breines, 1989) but more recently within communitarian conceptions of civil society (Sites, 1998). Regardless, notions of community development tend to define "community" as a participatory, self-governing arena in which

residents and stakeholders create services or development activities that remain accountable to this community. More than other approaches, this model contends that key internal assets (people, relationships, associations, etc.) need to remain at the center of strategies of revitalization if development is to be directed by, and benefit, members. Emphasis in this approach is on process goals—encouraging participation, enhancing community competency, promoting collaboration and partnership, developing leadership—within a strategy of incremental, consensual, and self-directed change (Blakely, 1979). The key tension recognized by the tradition itself has been that between achieving sufficient community capacity to make meaningful change and retaining community accountability in the process (Ferguson and Stoutland, 1999). This tension has led to criticism of community development organizations for their dependence on external resources, their tendency to substitute organizational goals for constituent interests, the struggle to "scale up" successful initiatives, and the slow pace of incrementalism (Stoecker, this volume).

Despite the differences between the models, all three took shape in tandem with—or in response to problems with—similar nation-centered social structures linked to the New Deal Order specific to U.S. Fordism (Fraser and Gerstle, 1989; O'Connor, this volume; Brenner and Theodore, 2002). Indeed, the community organizing and community development paradigms, in spite of their critiques of the undemocratic and top-down nature of the social planning paradigm typically supported by New Deal and Great Society liberalism, tended to assume that such liberalism would remain an established structural component of American society. Following the 1960s, however, changes in economic and political conditions posed further challenges to the three paradigms of community organization.

"POST-FORDIST" RESTRUCTURING AND THE SHIFTING TERRAIN FOR COMMUNITY

The final quarter of the 20th century significantly reshaped the economic and political landscape and, along with it, the prospects for effective community action. Beginning in the 1970s, an international economic crisis accompanied the crumbling of key domestic pillars of 20th-century Fordist capitalism, such as mass production industries, unionized labor, middle-class consumption, Keynesian fiscal and monetary policies, and welfare state expansion. These pillars, which had supported relatively stable economic growth and rising standards of living for most citizens, gave way to new strategies of corporate-led growth based on greater capital mobility, service sector expansion, flexible non-unionized labor, niche consumption, and neoliberal state policies (Bluestone and Harrison, 1982). Growing social diversity emerged alongside these shifts, as the post-1965 wave of immigration, largely comprising non-European immigrants-of-color, transformed urban communities. These changing conditions created significant challenges and opportunities for community approaches, as residents looked to community organizations and strategies either to resist the dominant sociopolitical changes or to fill in for downsized state institutions.

FROM SOCIAL PLANNING TO FLEXIBLE SERVICES?

Social planning was not easily made congruent with late 20th-century conditions of privatization, flexible services, and recurrent fiscal stress. One prominent response, centering on market solutions to social problems, redefined community from a functional/ecological unit to a market/demographic category or service niche. Likewise, models of organizational practice shifted from large-scale bureaucracies to principal/agent contracting relations in which entrepreneurial agents compete for markets (Smith and Lipsky, 1993). If proponents

pointed to better-targeted, more cost-efficient delivery, the challenges nevertheless included endemic financing gaps, overspecialization, growing numbers "falling through the cracks," and an overwhelming emphasis on short-term-oriented services. Overall "planning strategies," meanwhile, were still guided by government policies even when demands for flexibility came from local communities (Smith, 2000; Marwell, 2004). The core practice dilemma of this tradition—the tension between research-based knowledge and institution-based practice—has been significantly exacerbated, as "market" demands of short-term entrepreneurialism often run directly counter to the careful knowledge-building, institutional predictability, and comprehensive approach required for effective implementation. In certain respects the enterprise of social-scientific research itself has actively facilitated these tendencies (O'Connor, 2001).

FROM COMMUNITY ORGANIZING TO INTEREST GROUP PRESSURE?

Post-1970s globalization, political realignments, and state-supported neoliberalism all served to undermine social action type community organizing. The enhanced capital mobility of the post-Fordist economy and the detachment of Democratic Party politics from institutional bases in unions and communities reduced federal urban/community assistance, weakened labor law and consumer safety, reformed welfare, and privatized public housing. Even locally, "progressive city" regimes failed to institutionalize community-oriented policies or sustain broad action coalitions over time (Sites, 2003).

Certain community organizing groups, seeking to take advantage of market and state-sponsored opportunities, pursued community development projects that, over time, replaced older action strategies. Others, confronted by less "concessionary" elites and by their own organizational instability, became more careful in their use of confrontation. Interest-group advocacy strategies (lobbying, ad hoc coalition-building, sporadic grassroots mobilizations) became the norm, whereas groups committed to movement-building found themselves financially strapped or increasingly dependent on churches and foundations (Fisher, 1994).

In this sense, the old social action challenge—how to avoid both co-optation and marginality—intensified, and groups sometimes struggled to develop a new identity. Both "community" and "organizing" now were being redefined—the former to speak for a variety of overlapping constituencies, the latter to focus on leadership-centered, institution-based (rather than grassroots) kinds of organizing. As neo-Alinskyite efforts relied increasingly on established institutions for funding, normative bearings, and organizing structures, their strategic moderation and partnerships led to concerns about leadership and accountability in an interest-group arena (Warren, 2001). Despite these challenges, community organizing did survive, and even took on new issues, such as environmental racism, predatory lending, transportation equity, immigrant rights, and the living wage (Luce, 2004). In certain cities, organizers rearticulated neighborhood-based mobilizing strategies to confront displacement or employment loss, as well as to demand community benefits in the form of jobs, affordable housing, and public space (Parks and Warren, 2009). These activities also introduced social action organizations to new (or long-forgotten) coalition partners, such as environmental public-interest groups and labor unions (Fine, 2005).

COMMUNITY DEVELOPMENT: TOWARD ECONOMIC DEVELOPMENT OR COMMUNITY BUILDING?

The post-1970s socioeconomic conditions that undermined the social action model posed both challenges and opportunities for the community development field. Although cutbacks in federal urban aid restricted access by lower-income community residents to non-market resources, expanded

low-income housing tax credits and block grants subsidized a growing number of community-based housing providers. A community development industry established itself, and in the process the archetypal community development corporation (CDC) redefined the community development model (Stoutland, 1999). Though earliest examples were designed to address community revitalization holistically, CDCs over time emphasized the *development* in community development (e.g., bricks-and-mortar projects), shifted from community participation and accountability to entrepreneurial inventiveness, and redefined community from lower income or minority to mixed income (Halpern, 1995). Not surprisingly, turf or inter-organizational rivalries became common, though as this competitive "industry" matured it also succeeded in building practice partnerships and advocacy coalitions as well as intermediaries that provided funding and technical support. Perhaps more frustrating to CDC proponents has been the long-term problem of moving beyond housing to other kinds of economic development, especially small businesses and stable, well-paid employment (Lemann, 1999).

The central tension of this model endures, as CDC-style bricks-and-mortar development has not lifted neighborhoods out of poverty or preserved them from gentrification even while struggling to sustain grassroots participation and accountability. Partly in response, "community building," inspired loosely by communitarianism and supported by foundations, made social networks and institutional collaborations a central hub linking together both physical redevelopment and group empowerment (National Community Builders Network, 2000; Beck and Eichler, 2000). This more *socially* focused community development paradigm promised to enhance community-level capacity to make meaningful change while anchoring accountability in community-based institutions.

Yet *how* such agendas might be implemented in the face of neoliberal economic structures and government policies was often unclear. Implementation was further complicated by the ambiguities and constraints built into community building efforts, including the reliance on broad principles rather than articulated theories of change, the contrasting priorities of stakeholders, and the fickleness of funders (Chaskin, 2005). These dynamics produced a set of inherent tensions—between capacity building and development outcomes, between long-term and short-term change, between broad community change ambitions and aligning expectations with the scale and nature of interventions supported (Chaskin, Brown, Venkatesh, & Vidal, 2001). In the meantime, the community development field experienced pressure to resemble traditional social planning approaches (e.g., an increased focus on data-driven and "evidenced-based" practice) but with less tolerance for notions of long-term system change.

GLOBALISM AND POSTMODERNISM: RECENT INTELLECTUAL CHALLENGES

Beyond these structural and strategic difficulties, there were also two major intellectual developments that threw into question long-standing notions of community organization shared by all three traditions. One such challenge was posed by *theories of globalization*, which have problematized nation-state-centered conceptions of community, emphasizing instead the potentially new kinds of communities that emerge at (or connect across) international and regional scales. Such notions undermine at least two conceptual moorings of the social planning tradition: the nation-state as a stable arena and actor in social development, and social and political assimilation as an unquestioned trajectory for immigrant populations (Castells, 1997; Portes, Guarnizo, & Landolt, 1999). Conceptions of globalization challenge the other two traditions as well. For community organizing, transnationality questions the primacy of national citizenry as the ideal activist subject, shifting attention instead to the political potential of transnational advocacy networks, cross-national publics, and global

democratizing projects (Smith, 2001; Khagram, Riker, & Sikkink, 2002). For community development, the challenge of globalization is that new forms of community detached from (or stitched between) local or neighborhood places might be better understood through conceptions of regional or translocal development. More generally, notions of globalization make clear that all three paradigms have assumed a certain kind of urban spatial structure and locus as the natural setting in which community practice was conducted—the "inner-city" neighborhood or community of concentrated neglect—that now needs revision.

A second intellectual challenge to 20th-century traditions of community organization has been posed by *postmodern conceptions* of community and identity. These conceptions tend to argue that traditional ideals of community—emphasizing unity, shared consciousness, and face-to-face relationships—dissolve or essentialize internal differences between members, enshrine deceptive notions of full presence and understanding, and rest upon the exclusion of outsiders (Young, 1990, 2000). Rather than a fixed and autonomous subject, community for postmodernists is a fluid and relational form of identity and community building involves the capacity to accommodate oneself to strangers (Young, 1990) or the construction of complex solidarities across multiple oppressions (Kelley, 1997). To some extent, these conceptions are echoed within the practices of organizers, social workers, and planners who recognize differential power and social identity (Weil and Gamble, 2005; Gutiérrez, Lewis, Nagda, Wernick, & Shore, 2005). Efforts to embrace multiple identities and constituencies within particular communities through governance mechanisms and simultaneous translation at community meetings (e.g., Medoff and Sklar 1994), or through design elements responsive to multiple ethnic and cultural traditions in development projects (e.g., Robinson 2005), are also examples of this recognition. Yet radical postmodernism continues to challenge the use of power in traditional notions of community organization—whether that is the power to define and "fix" communities that is claimed by *social planning* experts, or the micro-power of the community organizer to "manipulate the masses" implied in Alinskyite *community organizing* models, or the discursive power to speak for "the community" that is often claimed by *community development* practitioners.

Taking globalism and postmodernism seriously may point each model toward new modes of engagement. Globalism draws attention to opportunities for transnational planning, cross-border organizing, and international community development. Globalism also highlights the importance of cross-national comparative research in order to understand the conditions for community action in, or across, multiple contexts. Postmodern theory, for its part, may suggest ways in which different modes of community practice can be deepened through a more rigorous encounter with the social construction and valorization of difference. Social planning needs to grapple with its own historic role in the "regulation" and "surveillance" of social groups. Community organizing, through its confrontation with "identity politics," may come to better understand coalition building as a longer-term process of inter-group recognition, overlapping interest-building, and respect for autonomy. Community development, informed by postmodern critiques, might more easily grasp the exclusionary elements in communitarian visions that ask certain groups to give up who they are in order to participate in broader collectivities. At the same time, such critiques could also push multicultural practice to move beyond superficial designations of group characteristics in order to understand how a given community may embrace multiple traditions of community self-definition and self-organization.

FUTURE OF COMMUNITY PRACTICE: SUSTAINING TRADITIONS, CROSSING BOUNDARIES

Multiple models of community organization and practice remain relevant to contemporary conditions. Indeed, basic precepts from

each tradition offer important signposts for 21st-century community practice. Core insights of the social planning tradition continue to be crucial elements to any community practice that seeks to address social disadvantage in an informed, effective manner. Key insights from the community organizing tradition remain fundamental to generating power from below in a society marked by growing economic and political inequality. Important insights from the community development tradition are still valuable lessons for building a robust civil society in which citizens gain the experience needed to debate, design, and govern their own institutions. None of these traditions can we afford to do without.

If it is important to recognize the distinctive contributions of each model, though, then what unites this disparate field of endeavor? The ultimate power of community, or of any community practice, lies not in its status as a distinct sector of activity but in the extent to which it contributes to social justice (Fainstein, 1999, 2005). Of course, each mode of practice is positioned to make its contribution in a unique way. Within the social planning tradition, community offers a crucial mode of understanding and differentiating social needs so as to respond to them in ways that effectively improve material and psychological well-being. For community organizing, community designates any number of spaces or collectivities that can be leveraged to challenge dominant forms of social power. For the community development tradition, community furnishes a recognition that all forms of modern social activity—even those dominated by supposedly "self-regulating" markets and large-scale political institutions—depend on certain communal ties, values, and modes of social regulation in order to function cohesively. What unites community organization across the various models, therefore, is not simply a common field or site of practice but a larger *social project* or *mission*.

Even while reflecting on the importance of a broader social mission, we believe that it remains useful to sustain the three traditional paradigms as conceptual frames that orient community practice. It is important, however, not to focus on these paradigms and their boundaries to the exclusion of opportunities for innovation that come from other theories or from emerging practices in the field. In closing, we suggest four sites of "transgression," where new ideas, or new realities, are encouraging practices that cut across the sorts of traditional community barriers that too often reflect structures of inequality and division.

The first type of useful boundary-crossing concerns the bridging of *social* divides, such as those between immigrant and native-born communities or between classes, as a way of forging common initiatives, extended networks, or broader coalitions. Many community organizations have been engaged in deliberately multi-racial organizing efforts that bring African American and immigrant residents together, especially in rapidly changing demographic contexts. A number of service-sector unions are pursuing such strategies as well, often drawing upon community partnerships to broker connections between workers (Parks, 2006).

The second site of productive transgression relates to the crossing of *spatial/political* boundaries, as in efforts to link communities across cities and suburbs or to connect local projects cross-nationally. Certain progressive regionalist initiatives seek to organize metropolitan-wide coalitions in support of state-level redistributive policies (e.g., on health care or housing) that have historically foundered because of suburban-centered resistance (Sites, 2004). Meanwhile, innovative cross-national initiatives at the community level range from the organizing, networking, and support of local producer cooperatives to the transnational advocacy work of activists, NGO networks, and others around such issues as indigenous rights, debt relief, and environmental justice.

A third area concerns the crossing of *sectoral* boundaries, as when traditionally discrete areas of service or action (e.g., housing and social welfare, or labor and community) are brought together. Many recent comprehensive community initiatives, for example, have sought to connect development strategies and activities across sectors in an effort

to promote integrated social, economic, and physical community change, either through multi-faceted project implementation or through supporting interorganizational collaboration (Chaskin et al., 2001). Cross-sector mobilization around living-wage policies targeting private-sector jobs reflects the carefully coordinated organizing activities both of labor unions and of community organizations. The most successful community benefits agreements across the country similarly reflect campaigns initiated and diligently carried out through labor and community partnerships (Parks and Warren 2009).

Our fourth site of productive barrier-crossing relates to the traversal of *scalar* boundaries, as in shifting initiatives to more promising venues (e.g., scaling up or down) or building organizational connections that bridge local and extra-local arenas. The World Social Forum, for example, which began as an international counter-summit to the one held regularly by global corporate elites, has spawned over time an array of regional and local "social fora" that facilitate interconnection between an enormous number of economic and social justice organizations (Köhler, 2005).

While hardly exhaustive, this typology provides at least a preliminary sense of certain directions that innovations in practice may be taking. These four areas tend to mark new "spaces" of community practice without dictating the type of practice that is appropriate—i.e., they point to the "where," but not the "how" of new community practices. The *how*, of course, is always in part a strategic question—hence, the enduring importance of bringing to bear insights derived from a reassessment of the traditional community strategies and from the efforts of contemporary organizers, developers, and planners themselves.

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PART II

Community Development Institutions and Practice

CHAPTER 5

Introduction to Part II

James DeFilippis and Susan Saegert

This part of the book covers the breadth of the institutions and practices of community development in the United States. The chapters share several characteristics that we think are important for this book. First, there are no case studies here. All of the chapters are discussions of general organizational forms or kinds of community development practice. This was a conscious choice, because the purpose of this part is to present the broad universe of community development. Case studies can be useful, in terms of appreciating the complexity and messiness of practice. But they can also be limiting, in terms of their ability to generate generalizable knowledge—and it was this form of knowledge that we are valuing for this part of the book.

Second, none of the chapters are celebratory. That is, none of them celebrate community development, and the kinds of organizations they are discussing. Some purposefully foreground the questions of difficulties in the field, while others include discussions of the problems involved in community development in their general descriptions and analyses of the field. But none of the chapters are written in promotion of community development. Too often literature in this field is written by those interested in singing its praises. But we find this troubling for two reasons. The first is that fully understanding community development means being able to appreciate the difficulties and contradictions in the field. Glossing over difficulties only renders difficulties more troublesome when they arise. The second is that the best way to "promote" community development is to present it in such a way as to have its potential and limits most clearly understood. Community development efforts do not benefit from having the expectations of them raised by those who celebrate them—in fact, the opposite is more likely true, as they suffer from being unable to meet expectations that are unrealistically high.

The part begins with two chapters on community development corporations (CDCs) which are the most important organizational form taken by community development efforts. CDCs, as shown in Chapter 3, have grown dramatically in their numbers, size, and activities since the early 1980s. These CDCs are justifiably best known for their production of affordable housing. But CDCs do more than just construct housing. They also engage in a range of activities from small business development, to workforce training, to social service provision. This range is thoroughly described by Glickman and Servon in their chapter. But the growth of CDCs has not occurred without a whole set of problems and difficulties. CDCs can, and sometimes do, fail. The question of what can be learned from these experiences is taken up in Rohe, Bratt, and Biswas' chapter, so the problems can be avoided or mitigated elsewhere and in future practice. Given the importance of housing to communities, and community development work, the book devotes an extended chapter (by Stone) to the different forms in which social or not-for-profit ownership of housing can, and does, occur in the United States. Housing, however, has clearly been at the heart of the current foreclosure crisis, which, at the time of this writing

(summer 2011) shows no sign of abetting. Thus, we have a chapter from Immergluck devoted specifically to how communities have responded to the foreclosure crisis and what can be, and is being, done in the face of such epic problems.

From there the part shifts gear to focus on issues of finance and economic development in community development. The first chapter is about community development financial institutions (CDFIs) and their role in financing community development work. CDFIs take several different forms, from large banks to very small microenterprise lenders, and these are discussed in the chapter by Benjamin, Rubin, and Zielenbach. The issue of finance capital in community development logically brings up the issues and practices involved in community economic development (CED). CED has become increasingly important in the last 20 years, and the various types of practices, and the assumptions that inform them, are the topic of Wiewel, Teitz, and Giloth's chapter. Finally, an important, and growing component of economic development work in community development comes in the form of social enterprise or social entrepreneurship. This takes several different forms, and the chapter from Hoogendoorn and her colleagues describes these forms and what they mean for community development.

The next chapter is about service provision in community development. As the public sector has increasingly contracted out the provision of services to people in American cities, the role of community-based not-for-profits has correspondingly increased. The chapter by Levanthal, Brooks-Gunn, and Kamerman, focuses on social service provision to families and children, and the importance of *community* in the outcomes that come from their provision and consumption.

The cluster of chapters that follow highlight a set of different institutional actors or partners in community development efforts. The first, by Chung highlights the ways in which public schools—already central institutions in the lives of communities—can be, and are being, brought more directly into the fold of community development work. Owens then addresses the often vital role of religious institutions in community development. Faith-based institutions have long played a central role in American civic life—particularly at the local level—and this is certainly true today. Questions remain, however, about the basic capacities of congregations to play more active and productive roles in community development. This is followed by Brown, Chaskin, Hamilton, and Richman, as they discuss philanthropy and ask the vital question of how foundations can be more productive and supportive in their work with community development organizations. Finally, the roles of local governments in community development in Mayer and Keyes' chapter. Emphasis is placed here on a set of "best practice" local governments and the ways such local governments are productive partners in their local community development industry systems.

Finally, the last pair of chapters asks the related questions of the role of food and food production systems in communities and the increasingly important question of the role of sustainability as a concept in community development work. Dixon's chapter foregrounds the political economy of food production and distribution in communities, while Wheeler's takes on the various ways in which sustainability has been understood and operationalized in community development.

The organization of the chapters into discrete groups is not meant to imply that community-based efforts can so neatly be divided. In practice, different organizational forms come together—for instance, larger organizations have been known to contain both a CDC and CDFI. In fact, in many places, where the community development field is firmly entrenched, there can emerge a "community development industry system" (Frisch and Servon, 2006; Yin, 1998), in which there is a whole inter-locking network or web of organizations, intermediaries, churches, and government agencies involved in community development. Thus the pieces of the field, represented as chapters here, need to be understood as inter-connected rather than distinct, in both analysis and practice.

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CHAPTER 6

More than Bricks and Sticks

Five Components of Community Development Corporation Capacity

Norman J. Glickman and Lisa J. Servon

INTRODUCTION

The extent to which community development corporations (CDCs) perform their tasks successfully is known as *capacity*. Although CDCs and funders stress the importance of capacity, it remains imprecisely defined. The ambiguity results in confusion over what CDCs "do" and how they do it. Capacity must be delineated more specifically before the term can be useful to CDCs, funders, policy makers, and the general public.

CDCs wrestle with systemic, structural problems in the economies of cities. Quite clearly, most long-term economic trends are beyond the control of neighborhood groups. This makes their jobs especially daunting. Intermediaries have been created as vehicles to help CDCs deal with this array of problems. Several funders have established community development partnerships (CDPs) and collaboratives—intermediaries that operate at the local level. These CDPs bring together the human and financial resources of community-based organizations, national and local foundations, for-profit corporations, and governments to help rebuild low-income neighborhoods. In this chapter, we look at the activities CDCs and CDPs undertake to build the capacity of CDCs. We present a framework that operationalizes notions of capacity into five components. We believe that this more concrete way of thinking about capacity will be particularly useful to practitioners, funders, and policy makers.

DEFINING CAPACITY

The literature on capacity is uneven. The term is often defined narrowly, usually in terms of housing production and economic development. For example, many practitioners hold that a CDC that builds 100 units of housing a year has more capacity than one that builds 20. However, this definition oversimplifies a complex concept and process; the result is an understatement of the capacity of CDCs. New research highlights how capacity extends beyond housing production. An overemphasis on production distracts from the image of community building as a social, not merely a physical, process (Rubin, 1994). In order to be useful, capacity must be defined both more broadly, to take account of the wide array of CDC activities, and more specifically, to include the details of CDCs' work to rebuild poor communities. There is no simple or unified definition of capacity, and we believe working toward one would be an exercise in futility. We have therefore divided the definition of capacity into five major components: resource, organizational, network, programmatic, and political. Examining the separate elements makes the concept as a whole more manageable.

The following sections treat the components of capacity separately in order to illustrate what CDCs need and what strategies they implement in order to build capacity. We recognize, however, that this is overly simple: changes that affect one component of capacity directly reverberate to the other components. For example, a funder's decision to stop supporting a CDC

affects its resource capacity directly, but it also may indirectly diminish the CDC's programmatic and organizational capacity. Figure 6.1 illustrates these interaction effects as a pentagon of forces at work. The specific ways in which changes in one component of capacity affect the other components vary from one CDC to another, depending on the particular context in which each operates.

One other critical aspect of capacity cuts across all five components—flexibility. Flexibility has two sides: responsiveness and resiliency. Responsiveness refers to a CDC's ability to change focus and direction in response to shifts in the environment in which it works. Resilience refers to a CDC's ability to rebound from setbacks and continue the pursuit of its mission even when the environment in which it works is uncooperative. A resilient CDC has staying power.

RESOURCE CAPACITY

The ability to increase, manage, and sustain funding is central to a CDC's ability to build capacity: it is often the foundation for capacity building in the other components we have identified. Resource capacity includes raising funds, managing them, and deploying them appropriately. Table 6.1 documents these aspects of resource capacity and shows how each relates to the needs and strategies of CDCs. *Long-term operating support.* Healthy CDCs require a sufficiently stable funding environment to initiate operations and expand them over time. Vidal (1992, p. 12) found that "the single most important constraint on the growth of CDC activity is the need for additional capital," with one of the three most necessary types of capital being general operating support. There are several strategies that CDCs and partnerships pursue to help raise funds in this area.

One is obtaining multiyear operating support for the CDCs' work. Multiyear support enables CDCs to formulate and implement long-term planning (McGrath, 1995; Vidal, 1992). Ford- and LISC-sponsored operating support programs (OSPs) are good examples of this. OSPs typically commit to three or more years of technical and financial assistance for CDCs, filling a critical gap in CDC support. Long-term support also frees the CDCs to plan and execute programs without having to worry about meeting monthly payrolls and constantly chasing other funds.

Funding agencies, public and private, often designate the use of funds toward the

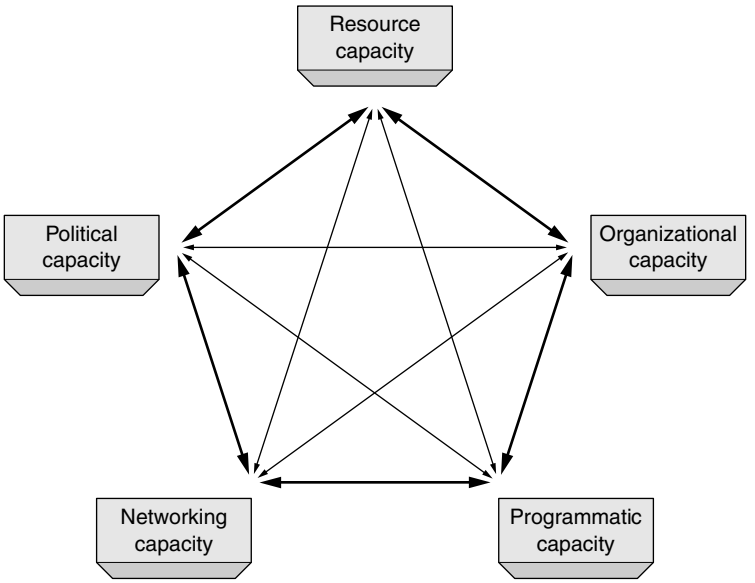

Figure 6.1 Interaction among capacity components

Table 6.1 **Resource capacity**

Capacity-building needs	Capacity-building strategies	Effects on CDCs	Potential limits and problems
Long-term operating support	Devote major effort to securing flexible, multiyear support Allocate fund-raising efforts between support for operating costs and program costs	Capacities in all areas of activity increased	
Resources for stabilization and expansion	Attract and maintain multiple funders	Funding diversified	Possible dilution of CDC mission; CDC could grow too quickly
	Attract multiyear support	Enhanced ability to leverage additional funds	Patchwork financing difficult to manage
	Allocate sufficient staff hours to researching and pursuing new funding sources	New funding sources identified, solicited, and possibly attracted	
Development capital	Obtain funds from public sector		Funding declining in real terms
	Raise funds through low-income housing tax credits		Technically difficult procedure
	Obtain funds from national foundations	Tap pool of nonprofit funds	
	Charge development and other fees	Able to plow funds back into other programs and reinvest in additional housing	Funds not available until projects are complete
	Develop mixed-income/mixed-use projects to generate fees		Simultaneous challenge to keep rents low and need for fee income; convincing public finance entities/ lenders to allow nonprofits to charge development fees comparable to those charged by market developers
Access to funders	Train development staff in grant-writing techniques	Up-to-date knowledge may increase possibility to build resources	
	Advocate to funders regarding the importance of long-run operating support for CDCs	Long-run sustainability established; additional funding/support received	This is often a political exercise as well as a resource capacity issue
	Create and participate in networking opportunities, conferences, social events, etc.	CDCs better able to solicit funding from more sources	
	Obtain joint funding with other CDCs to collaborate on projects	Economies of scale achieved	Poor performance by one partner may adversely affect other partners
	Initiate and participate in matching grant programs		
	Establish arrangements for sharing space, labor, and technical assistance	Provide CDCs with access to expertise, funding, labor, and information	
Balanced portfolio risk	Diversify project types to reduce dependence on single categories of housing production	CDCs less vulnerable to market forces that may adversely affect their portfolios	CDCs tied to low-income communities, making locational diversification difficult to achieve

program side, leaving a much smaller pool of funds for operating needs. Successful CDCs put sufficient effort into securing these scarcer resources.

Resources for stabilization and expansion. As CDCs grow, they require resources for the stabilization and expansion of their activities. This requires broadening and deepening their funding base. The funding environment for CDCs can be erratic, and successful CDCs cannot afford to rely heavily on one or two funders without agreements of long-term support. Reliance on multiple funders can also lessen the effect of changes in the funding environment and increase a CDC's autonomy (Vidal, 1992, p. 56). At the same time, however, multiple backers may also place conflicting demands on CDCs, and patchwork fund-raising can be complex and tedious. Inconsistent and multiple reporting requirements by different sources also mean time-draining work for CDCs. In addition, CDCs that pursue support from multiple sources run the risk of spreading themselves too thinly. Finally, embryonic CDCs sometimes accept more funds than they can manage; CDCs that grow too quickly may be unable to support that growth over the long term.

Development capital. Money for projects typically comes from several sources, including the federal government (e.g., CDBG, HOME), intermediaries (for predevelopment), some CDPs, and some state and local programs. For affordable rental housing, CDCs engage in the technically difficult process of structuring low-income housing tax credits (LIHTC), which requires lawyers and financial experts. CDCs often receive development and management fees for their projects and services to help pay for their up-front costs in development projects and for the ongoing management. CDCs also negotiate conventional and special financing arrangements with financial institutions for construction and permanent mortgages.

It is generally more difficult for CDCs to obtain capital for economic development than for housing. CDBG funds are more limited, but other federal grants from the Office of Community Services (OCS) or intermediaries may provide predevelopment funding.

Access to funders. One way for CDCs to obtain resources is to train development staff in effective grant-writing techniques. In addition, partnerships and CDCs may initiate matching grant programs with other funders. Matching grant programs can greatly expand a CDC's funding base. Also, some partnerships encourage the CDCs they work with to collaborate on projects. Collaboration has become increasingly necessary as funding decreases and resources are spread thin. Linking up with other CDCs both expands what community groups can accomplish and broadens the range of funders to which a CDC has access. However, turf issues remain thorny and a poor performance by one partner can adversely affect other partners.

CDCs have the most difficulty getting unrestricted risk capital that allows them to act quickly on development opportunities. Some CDCs have positive fund balances, and have been able to fund initial investment in new projects without needing to apply to external sources for risk financing. The majority of CDCs, however, are too lean to support a cushion.

Balanced portfolio risk. CDCs try to balance their portfolio risk by diversifying by project and type to reduce dependence on a single market. However, CDCs are limited geographically in their ability to diversify because of the neighborhoods they target.

Interaction among the components. Resource capacity is clearly connected to the other components in critical ways. Sufficient resources, for example, enable a CDC to build organizational capacity by hiring staff with necessary skills, compensating them appropriately and continuing to train them. Resource capacity also abets programmatic capacity by giving CDCs the freedom to run programs that meet community members' needs. Finally, a CDC with resources can command political power.

ORGANIZATIONAL CAPACITY

Organizational capacity comprises the depth, skills, and experience of board and staff members (Table 6.2). Without the ability to coordinate and work through problems strategically, CDCs work inefficiently, while increased organizational capacity allows a CDC to get more from its resources. Scarce resources and extensive needs mandate that CDCs strive continuously to perform at maximum efficiency. Ongoing skill development is therefore essential. Because funding is increasingly based on performance, good organization is critical.

Effective executive director. Leadership by the executive director is central to organizational capacity (Kelly, 1977; McGrath, 1995). CDC leadership requires vision and a blend of interdisciplinary skills that include entrepreneurship, talent in negotiations, and aptitudes for communication, development, finance, public relations, and management. Executive ability at the top of the organization is crucial to success and succession of leadership is difficult. Because of low salaries and benefits, CDCs are extremely vulnerable to sudden losses of key people, but continuity of leadership is closely linked to a CDC's goal attainment. To bolster this leadership and maximize the organization's efficiency, CDCs try to create clearly defined objectives and to divide responsibility among the board, executive director, and staff.

Competent and stable staff. In addition to a competent executive director, the rest of the staff must be of appropriate size, talent, and structure. To build a competent organization requires staff training and, sometimes, the employment of outside consultants. However, CDCs face large barriers to gaining access to adequate training, including lack of funds and time for it.

Long hours, low pay, and inadequate fringe benefits contribute to a high burnout and turnover among CDC staff. The effort to continually recruit, orient, and train new people takes away from a CDC's ability to meet its goals and maintain a stable organization. CDCs try to compensate employees with competitive salaries, benefits, and pensions, but small budgets make it difficult for many CDCs to hire and retain staff (Vidal, 1992). A lack of appropriately skilled applicants may also hinder CDCs. Many CDCs, therefore, hire consultants for specialized functions in lieu of permanent staff. Although this gives CDCs more flexibility, outsiders seldom have the knowledge of the community or the organization that permanent employees have.

Effective fiscal management. While sound fiscal management is important in any kind of organization, it is particularly important for nonprofit organizations that often run on shoestring budgets (Nye and Glickman, 1996). In order to deploy their dollars most effectively, CDCs allocate sufficient staff hours to accounting and budget management. Emergent CDCs may fill this need with non-specialists and part-time consultants. CDCs and CDPs increasingly recognize the value of management information systems (MIS) and are building capacity in this area.

Board development and leadership. Leadership is important on a CDC's board, as the board carries the CDC's long-range vision for the neighborhood and provides the continuity for the organization. Board members are chosen for a variety of reasons: they are recognized community leaders and live in the neighborhood; they have specialized talents (architects, lawyers, bankers, etc.); or they have good contacts with funders and businesses. An effective board helps create a clear vision of the CDC's future, aids the CDC's strategic planning, and participates in determining how the nonprofit is managed. There is sometimes tension, however, between board members and CDC staff. Staffers may feel that board members interfere with their duties to run the organization on a day-to-day basis, or board members may feel that they are being ignored by staff and are not given room to play their fiduciary roles.

Managed growth. Strategic planning encourages CDCs to think reflectively and plan for the long term. The role of local partnerships in this process is often critical because CDCs rarely have the time or

Table 6.2 **Organizational capacity**

Capacity-building needs	Capacity-building strategies	Effects on CDCs	Potential limits and problems
Effective executive director (ED)	Hire person with range of skills necessary to lead internally and advocate on behalf of organization externally		
	Ensure that ED maintains good relations with board, community, and political figures		
Competent and stable staff	Ensure that ED hires competent staff to support all aspects of the organization	Managed growth	
	Train key employees		
	Employ technical consultants when necessary		Technicians may lack a personal history in community work
	Compensate (salaries, benefits, and pensions) employees commensurate with skills, experience, and commitment to CDC	Employee turnover lowered	Higher salaries are perceived as contrary to the mission of serving very low-income people
Effective fiscal management	Allocate staff hours to accounting, budget management, and fiscal planning		
	Train relevant staff using up-to-date fiscal management skills		
	Employ management information systems and train CDCs to use them	Increased efficiency and effectiveness	
Board development and leadership	Select board with diverse talents and connections		
	Recruit board members with expertise and external contacts	Increased resources and skills	
	Create vision with clearly articulated objectives	Shared vision obtained	
Managed growth	Review organizational performance regularly		
	Assess operational needs, sometimes change programs		
Project management	Monitor time and cost efficiencies of construction		
	Use management information systems to control costs and ensure quality and affordability of projects		
	Contract out to professional property managers		
	Plan strategically	Reflexive thinking encouraged	
Evaluation	Build evaluation into funding requests		
	Participate in funder's evaluation design	Ensure that data gathered are appropriate	

resources to set aside for strategic planning, and so CDPs often build it into their relationships with CDCs. Partnerships also use the goals set by the strategic plans to judge the progress of CDCs.

The uncertain funding environment coupled with the changing nature of community needs makes managing growth a difficult task for CDCs. Embryonic CDCs face a steep learning curve with respect to organizational capacity. Emerging CDCs are better able to manage growth and create a structure that allows for more specialization of staff, and this stage may involve shifting to a more hierarchical structure, a difficult step for organizations built on a consensual foundation. Mature CDCs find ways to introduce change and allow for reflection on their work.

Project management. Effective project management is another important aspect of organizational capacity. To manage projects effectively, CDCs must try to continuously monitor time and cost efficiencies of construction. By keeping track of these elements, a CDC tries to control costs to ensure the quality and affordability of its projects. CDCs sometimes contract out to professional property managers when appropriate and when funding permits. Most CDCs, especially newer organizations, usually have to make do with in-house expertise because they cannot afford consultants.

Evaluation. In order to plan for the future, CDCs draw on the knowledge of what they have—and have not—done well in the past. CDCs therefore try to build evaluation into their funding requests. To avoid conflicts, CDCs and partnerships need to work together in evaluation design. Evaluations designed solely by the funder may fail to capture CDCs' accomplishments, and miss not easily measured outcomes. There is also a widespread feeling in the field, though rarely discussed in print, that CDCs often exaggerate their successes in evaluations that have consequences for their funding.

Interaction among the components. Increasing organizational capacity helps CDCs build capacity among the other components as well. It enables CDCs to devote sufficient time to fund-raising, which pays off in the form of increased resource capacity. Also, a CDC that is managed and staffed well will be better able to programmatically offer the services that the community requires. Finally, a CDC with sufficient organizational capacity will help build political capacity because it will likely be better connected to the local political system, and more effectively create linkages with other organizations.

PROGRAMMATIC CAPACITY

CDCs engage in a wide variety of programs, including building and managing housing, economic development, family services, crime fighting, and job training. The typical CDC is active in three program areas: (1) housing; (2) either commercial real estate development or business enterprise development; and (3) one noneconomic development program area, typically some type of social service or advocacy work. Capacity building in these diverse fields requires great organizational dexterity, and successful CDCs take on new programs only after extensive strategic planning and careful deliberation.

Types of programmatic capacity building differ for CDCs at different stages of development. For instance, embryonic CDCs usually focus on a single activity—often housing—so as not to become stretched too thinly too quickly. Often the initial activity is tied closely to the availability of funds—a link that continues throughout the life of the CDC. New CDCs try to obtain training in all areas of their chosen activity and begin to network with other organizations and institutions that can help them become established. Emerging CDCs often begin to expand to new program areas as new needs arise—and as funding becomes available. Mature CDCs try to recognize and attend to new community needs. The first part of this section focuses on skills related to specific program areas: housing, commercial development, economic development, and organizing. The second part deals with aspects of programmatic capacity that apply to all

Table 6.3 **Programmatic capacity**

Type of capacity	Capacity-building needs	Capacity-building strategies	Effects on CDCs	Potential limits and problems
Skills related to specific program areas	Skills related to housing	Provide training and technical assistance in all skill areas	Increased production skills	
		Do predevelopment planning	Better understanding of the production process; costs kept down	
		Do site selection, and market and feasibility analysis		
		Gain better understanding of housing finance, marketing, and program regulation		
		Strengthen property management skills		
	Skills related to commercial development	Develop same construction and management skills for housing		
		Develop retail or office properties	Fulfill other community needs	
	Skills related to economic development	Provide training and technical assistance for entrepreneurial and business development		
		Participate in public and private economic development projects	Private funds leveraged; expertise from for-profit firms gained	
		Conduct employment training and/or referrals	Increased skills of community residents; higher wages in neighborhood	
		Promote education of residents to reduce unemployment and increase wages		
		Encourage development of community-based financial institutions and greater responsiveness of private banks		
		Target job and employment programs that keep money in the community		
		Engage in or promote microlending activities and other investment in small, local businesses	Neighborhood economy strengthened	
	Skills related to organizing	Learn different methods of organizing		
		Become affiliated with a local organizer or hire a professional organizer to do this work		Funding is difficult to obtain
Skills that apply to all CDCs	Responsiveness to changing community concerns	Continually reassess community needs and incorporate into CDC mission		
		Hire staff with knowledge of, and a strong commitment to, the community		
		Hire residents	Ensures critical connections to the community	

CDCs regardless of their programmatic agenda.

Skills related to housing. Housing continues to be the dominant focus of CDCs. In order to build housing efficiently, most CDCs work to develop skills and engage in training, in such diverse areas as predevelopment planning, site selection and feasibility analysis, market analysis, housing finance, marketing, construction management, permitting and zoning, property management, and government program regulations—in addition to training construction workers. As CDCs acquire larger portfolios of housing, they seek training in asset management for the long-term needs of their projects.

Skills related to commercial development. Commercial development consists of building and rehabilitating structures for nonresidential use. Many of the skills required for building and managing housing are transferable to commercial development, making it a logical step for CDCs wishing to expand. However, commercial development entails substantially greater risks. Close attention to market analysis and feasibility, and businesses' needs for facilities, is critical. On the positive side, most of the activities associated with commercial real estate development "have relatively low start-up costs and are reasonably inexpensive ways to provide visible benefits to residents" (Vidal, 1992, p. 71). CDCs also engage in commercial development because it indirectly helps to fulfill economic development goals, such as providing jobs, needed goods and services, and luring resources into target neighborhoods.

Skills related to economic development. CDCs, whose missions include economic development, connect their constituents to the local and regional economies. They do this in several ways. First, CDCs help match people with jobs by providing them with, or referring them to, appropriate training programs. Second, CDCs make linkages to local businesses and negotiate employment agreements to ensure that residents will have access to jobs in the community and regionally. Third, community organizations educate constituents about the forces driving unemployment and low wages, which can give residents the motivation they need to organize and fight those forces.

CDCs also foster the creation, stabilization, and expansion of small businesses within the community (Bendick and Eagan, 1991) by providing training and technical assistance for business development. This strategy has the potential for job creation and for keeping money circulating in target communities (Servon, 1998). To this end, some CDCs have begun to experiment with microenterprise and alternative financial institutions. Although these strategies operate on a much smaller scale than traditional economic development strategies, they provide participants with critical skills ranging from economic literacy to effective time management (Servon, 1997).

Skills related to organizing. Many CDCs carry out community organizing, and organizing is a natural adjunct to CDCs' primary activities because it builds support for them. Organizing, however, requires its own set of skills and resources. Some CDCs become affiliated with local organizers, such as the Industrial Areas Foundation; others hire an organizer to do this work in their community. One potential downside to community organizing, however, is that CDCs may have difficulty balancing the multiple interests that surface as a result. For example, organized tenants may demand better housing conditions than the CDC is able to afford with the available housing funding. In addition, CDPs sometimes hesitate to dedicate resources to it because of concern that organizing is too "political" and the results are difficult to measure. Finally, organizing can alienate potential partners in city hall and elsewhere. On the other hand, effective organizing can garner respect for community organizations from those same powerful forces.

Responsiveness to changing community concerns. Successful CDCs continually reassess whether their resources and activities are appropriately focused on current community needs. As these needs grow and change, CDCs try to incorporate them into the CDC mission and phase out those activities that are no longer a priority. A changing program mix generally signifies

responsiveness, but some CDCs claim that funders pressure them to shift to new activities that, although they may be currently "hot" or trendy, may not be best for the community. Wide-ranging community participation in strategic planning can help ensure that a CDC continues to serve its constituents in a way that responds to changes in the community without compromising the stability of the organization. Effective CDCs hire staff with knowledge of and a strong commitment to the community. Hiring residents is a particularly good way to ensure that critical connections to the community are maintained.

Mutually supportive programs. Successful CDCs also tend to structure and operate their programs in ways that make them mutually supportive. A CDC that already engages in building housing, for instance, is more likely to expand into a related area, such as housing management or housing advocacy, than to enter into a completely new area, such as business development. Because all CDCs work in an environment of limited resources, it is critically important that they recognize and capitalize on ways that they can make existing resources and skills do double duty.

Interaction among the components. Programmatic capacity helps build resource capacity because a CDC that delivers successful programs will attract funders more easily. Programmatic capacity and organizational capacity are also tightly linked—one is hardly possible without the other. Programmatic capacity is connected to political capacity in that a CDC that is managing successful programs is in a strong position to command attention from political actors and to obtain participation from community residents.

NETWORKING CAPACITY

The ability to build networks with other organizations is an important aspect of capacity building among CDCs. CDPs often play important roles in helping CDCs to create these networks—partnerships, by definition, are linking mechanisms. Keyes, Bratt, Schwartz, and Vidal (1996) argue that "capacity is shaped not just by the competency of each individual nonprofit group, but by the strength of the nonprofit's institutional network" (1996, p. 203). Networking serves a number of purposes: it connects institutions (CDCs to private firms, nonprofits, etc.); it also helps bring individuals closer to each other and to institutions both inside and outside the community. These networks involve financial, political, and economic relationships and help community organizations achieve their goals more quickly and efficiently. The elements of this dimension of capacity are building stronger relationships with other organizations, moving organizations' agendas forward, creating mutually supportive programs, and increasing political leverage (Table 6.4).

Relationships with other organizations and institutions. CDCs often work most effectively by developing networks and partnerships with others to bring new stakeholders to the neighborhood. CDCs develop coalitions, thus brokering relationships with other institutions, and decision-makers from the private and philanthropic sectors. Also, when a CDC recognizes a new need in its community, it can fill this need by partnering with another organization rather than filling it itself. Relationships of this kind boost CDC efficiency by allowing them to specialize. Partnerships also serve as intermediaries between CDCs and various "downtown" actors—especially local governments and corporations. Central here is the education of people and organizations outside the CDC community about the abilities and importance of CDCs. Finally, there are networking opportunities such as conferences and community and cultural events. These events allow CDCs to promote their accomplishments, and connect with each other and share valuable information about funding sources.

Promotion of CDCs' agendas. CDCs try to bring external actors into community development activities. They educate banks, local governments, and employers about neighborhood concerns, and provide powerful stakeholders with a better understanding of the community development process.

Table 6.4 **Networking capacity**

Capacity-building needs	Capacity-building strategies	Effects on CDCs	Potential limits and problems
Strong relationships with other organizations and institutions	Broker relationships between CDCs that complement each other	Makes them more efficient by allowing specialization	Opportunity cost in time spent outside CDC's specific mission
	Partner with other CDCs to fulfill unmet community needs		
	Pressure other organizations to make activities complement CDCs and agenda		
	Support/work in coalitions	Relationships with other relevant actors built	
	Partner with public and private groups to carry out housing, real estate development, and economic development projects	CDCs gain expertise and partners learn about the community	
Promotion of CDCs' agendas externally	Broker relationships among CDCs that complement each other		
	Partner with other CDCs to fulfill community needs		
	Pressure other organizations to make activities complement CDCs' efforts		
Access to non-financial resources	Create and participate in networking opportunities, conferences, and social events	CDCs showcase their accomplishments and connect with each other to share information	
	Disseminate regular updates of CDC activity to existing and potential funders	Improved relations between CDCs and funders; increased awareness among parties	
	Create links to other CDCs, job training, and other service providers in area		
Mutually supportive programs	Choose new program areas that draw upon existing skills		
	Establish partnerships with other programs to extend CDCs' reach		

CDCs also look for opportunities to partner with public and private groups to carry out housing, real estate, and economic development projects.

Access to non-financial resources. The parts of CDC agendas that require non-financial resources can also be supported by networking. To this end, CDCs create links to networks of other CDCs, job-training programs, workforce development specialists,

and other service providers in the area (Harrison and Weiss, 1998). Neighboring CDCs can establish arrangements for sharing space, labor, and technical assistance and for cooperating on program activity. These relationships provide CDCs with access to expertise and information. We are cautious about drawing firm conclusions regarding the relationship between the number of partnerships and CDC capacity—we do not believe that more partnerships necessarily translate into greater capacity. CDCs must be strategic about the specific organizations with which they partner and about the kinds of arrangements into which they enter.

Interaction among the components. Networking helps embed CDCs in the life of the city and region in which they operate. It can help with resource capacity building by putting community organizations in front of funders. Network capacity also builds programmatic capacity, because it enables CDCs to do more and to extend their reach beyond what they could do on their own. Network capacity is the external analog to organizational capacity; it defines the ways the organization can do business as it faces outward to the rest of its community. Finally, it affects the political capacity of the CDC through the creation of relationships with political actors at all levels.

POLITICAL CAPACITY

Although political capacity manifests itself in many ways—community participation, political leverage, educated constituents, and conflict management—this component of capacity primarily refers to two elements (Table 6.5): CDC's influence with government officials at all levels; and CDC's legitimacy within the community it serves. Both types of political capacity help a CDC build other types of capacity.

Building political capacity is not easy. In many ways, it is the trickiest kind of capacity building that CDCs negotiate. Although CDPs, by and large, agree that political capacity is important, some collaboratives are uneasy about trying to build the political capacity of CDCs. Although the CDCs need their local governments' help for tax abatement, letters of support, and so forth, funders tend to shy away from supporting direct political action because it seems too much like lobbying to them.

Community participation. Without a strong and active constituent base, CDCs face difficulty arguing their cause outside the community. Newer CDCs must gain trust and a common vision for change in their communities, and maintaining these remains an important task throughout the life of the CDC. Mature CDCs, with their greater experience and visibility, position themselves as political players to support their efforts. To maximize community participation, CDCs try to hold community meetings at convenient times and places, and often provide transportation and child care. CDCs also engage in community planning exercises, share development plans, and seek out community residents for CDC committees and neighborhood events. Many community organizations involve key community leaders in their decision-making and agenda-setting processes. Sharing real power with community members increases participation because the larger community is more likely to believe that its interests are being represented. Organizing also builds participation because it turns community members into stakeholders.

Community representation in CDCs is an important aspect of participation. Without it, government officials, funders, and the community at large may be skeptical of the CDC's ability to be effective or to speak for the neighborhood. To obtain community representation, a CDC can try to ensure that its board and staff reflect the makeup of the community (Gittell, Gross, & Newman 1994), and can train active residents for positions of increasing responsibility. Successful CDCs provide education, training, support, and confidence building for leaders within the community.

The CDC's internal structure should be democratic to maintain an adequate level of accountability to the community. An elected board and an involved membership create clear lines of communication between the organization and the neighborhood.

Table 6.5 **Political capacity**

Capacity-building needs	Capacity-building strategies	Effects on CDCs	Potential limits and problems
Community participation	Hold community meetings at convenient times, places		
	Include community representatives in setting agenda		
	Encourage community organizing and support		Conflict among multiple interests
	Ensure that board and staff are representative of the community	Community needs effectively addressed	Process may become bogged down because of factionalism
	Encourage community input in CDC activities	CDC perceived as part of community	
	Employ an internal democratic structure	CDCs become more accountable to the community	
	Establish clear lines of accountability between CDC and community	CDC respected and trusted within community	
Political leverage	Advocate with, and educate public and private officials about, community needs	Increased citywide visibility	Some funders neither approve of nor fund advocacy; run risk of violating 503(k)3 rules
	Broker relationships between local public officials and community	CDC legitimacy increased	Change in political administration may hurt CDC
	Undertake outreach to downtown business and other community groups		
	Facilitate voting in community elections	Community development policy influenced	Possible backlash from government if change in administrations
	Create opportunities for constituents to take on positions of responsibility citywide		
	Train staff in negotiation/ conflict resolution	Arbitration skills developed	
Educated constituents and partners	Disseminate information on government policy, activities, and economic forces that affect residents	Residents made more aware of issues that affect them	
	Develop leadership within the community		
	Make information about CDCs' activities readily available to community	Increased awareness of activities and strategies of CDC	
	Educate banks, local governments, and local employers about their customers and potential employees	Greater understanding of community on the part of critical actors	

Table 6.5 Continued

Capacity-building needs	Capacity-building strategies	Effects on CDCs	Potential limits and problems
	Partner with public and private groups to carry out housing, real estate development, and economic development projects	CDCs gain expertise and partners learn about the community	
Conflict management	Heighten sensitivity to the multiple interests of the community, businesses, and governments		
	Mediate conflicting interests from within and without community		
	Maintain strong and regular communication with all stakeholders		

However, tension sometimes develops as CDC staffs clash with community activists. CDCs therefore worry about the costs of being "too" democratic—that is, there is a trade-off between maintaining an open process and the need to make a decision and get something done.

Political leverage. In order to increase their political leverage, many CDCs work on building relationships with, and educating, local officials. CDCs often seek to increase public services to low-income neighborhoods. Cities where local government involvement in community economic development is substantial show higher levels of CDC activity than other cities (Vidal, 1992, p. 14). However, organizations that become too connected to one political administration may fall quickly out of favor when that administration changes. They also run the risk of being co-opted by the administration. An additional problem is that patronage from local elected officials can insulate CDCs from pressures to manage themselves efficiently (Ferguson and Stoutland, 1996).

Educated constituents and partners. A CDC is enhanced by educated constituents who vote, and articulate, and argue for their own needs. CDCs therefore disseminate information on government policy, government activities, and economic forces that affect residents. Educating community members in this way helps them feel more in control of the forces that influence their lives and encourages them to participate politically to effect change. Training community members also helps increase CDCs' political legitimacy.

Conflict management. Awakening participants' political consciousness can give rise to political schisms. Disagreements with other community actors—over issues such as race and ethnicity, or owner versus renter—can be a drain on time and resources. CDCs must balance the demands of an array of widely divergent actors. CDCs therefore try to understand and communicate with the multiple stakeholders and interests of the community, businesses, and local government. Partnerships can help CDCs manage conflicting interests by acting as a mediating party, and providing training for CDCs in conflict resolution.

Interaction among the components. Political capacity builds and is built by the other four components of capacity. A CDC that has political clout is better able to command other kinds of resources. Conversely, organizational capacity and programmatic capacity enable a CDC to obtain greater political attention. And to the extent that political capacity equals legitimacy and participation, organizational and programmatic capacity are enhanced as a result. Probably more than any of the other categories, increases in

political capacity are dependent on the success of CDCs in creating networks with other community development players.

CONCLUSION

CDCs selectively use the strategies identified with each component to move their community building activities forward. No CDC employs all the strategies discussed in this chapter. But many are trying to work on all five components simultaneously, to the extent possible. Partnerships help them to extend their reach and balance their efforts across the five components; they also try to persuade them to work on areas that have been neglected. In the end, CDCs build capacity by increasing their ability to do the following:

1. think through strategic plans to help themselves;
2. raise funds to build and manage housing and economic development projects;
3. demonstrate effective leadership and vision;
4. better organize themselves internally by hiring, training, and retaining the best staff possible;
5. organize members of the community to participate in activities that improve their neighborhood;
6. develop networks of CDCs and other service providers.

Tensions in the capacity-building process exist because the power relationships between CDCs and funders are uneven. CDCs do not always like the prospect of changing programmatic course when funders' interests change, for example. There has been some tension over the directions that some funders are taking—work force development, regional job strategies, and so on—which some CDCs feel do not build on the capacity that they have developed over time. Other CDCs question whether becoming more comprehensive is necessarily a good thing; some prefer to further develop their capacity in "bricks and sticks."

At the same time, funders argue that some CDCs are inefficient and unwilling to make necessary changes in their operations. CDCs are different from other kinds of nonprofits in that they must maintain their ties to their neighborhoods. This elevates the importance of the capacity relating to the training of local citizens and the participation of residents. A key question remains: Can neighborhood organizations become more financially and technically efficient and retain their ties to the people they represent?

It is also important to better understand the potential comparative "weightings" of the different types of capacity. The categories presented here are of different levels of importance to community organizations. In addition, it is useful to understand the trade-offs between different kinds of capacity. All efforts involve the cost in lost opportunity of not pursuing some other kind of capacity. We also need more accurate assessments of the role of collaboratives in their communities, and of the CDCs' contributions to neighborhoods. These assessments, in turn, will provide more useful evaluation tools and concepts and lead to better strategic planning by these groups. We expect that CDCs will be able to use the results of this investigation in their ongoing work.

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CHAPTER 7

Learning from Adversity

The CDC School of Hard Knocks

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When East Side Community Investments, Inc. experienced financial crisis and ultimately failed, it was a wake up call to all who care about community development corporations (CDCs) and the work that they do. East Side had been one of the biggest and most productive CDCs in the country.

Previous studies of CDCs focused on their rapid growth and success across the country. However, the time has come to take a close look at the failures and to learn from them. East Side Community Investments was not unique. Our research into CDC failure led us to examine more closely four other organizations that failed or were forced to downsize, and to draw lessons from their experiences so that other CDCs could avoid their fate.

MILWAUKEE: COMMUNITY DEVELOPMENT CORPORATION OF WISCONSIN (CDCW)

In the late 1980s Milwaukee's leaders in both the public and private sectors saw a need for a large developer of affordable housing. CDCW was created in 1989 to develop small- to medium-sized apartment complexes in the predominantly African-American Northside area. Northside has the highest poverty rate in the city and many older housing units in need of repair. Facing political pressure from the city, its major funder, CDCW also took on properties from other CDCs that had gone out of business. Many of these properties needed repair and had problem tenants and low occupancy rates. CDCW staff spent considerable time turning these developments around.

By 1997 CDCW had developed 21 separate housing projects with a total of 722 units, and was the property manager for its own and other developers' rental complexes. The organization had a staff of 25 and an annual operating budget of more than $1 million.

But financial problems also began to surface in 1997. For some time CDCW had been losing money on its property management operation because of soft demand for housing in the Northside area, inadequate tenant screening, and personnel problems. Unable to compete effectively with the higher salaries and better working conditions offered by private management companies, CDCW was having trouble keeping competent management staff. The financial losses did not create an immediate crisis because the organization was able to cover the deficit with funds generated from its multifamily development work.

In 1998 CDCW's development activities were also affected by changes in city policies. CDCW was staffed to rehabilitate multifamily developments using the Low-Income Housing Tax Credit (LIHTC) program, but the city decided to focus its resources instead on the purchase, rehabilitation, and resale of single-family homes. The city allowed neighborhood organizations to determine how Community Development Block Grant funds would be spent in their areas, and these groups drastically reduced the funding for affordable housing. CDCW was unable to keep up with the rehabilitation of single-family units and had trouble selling units once they were rehabilitated. This combination of problems

severely reduced CDCW's operating income and the red ink began to spread.

CDCW belatedly sought assistance, but was unable to secure funding. City officials felt that the organization was too far in debt and was unlikely to overcome its problems. CDCW asked its lenders to restructure their loans, but without city support the lenders were unwilling to do so. In March 1999 CDCW filed for bankruptcy and closed its doors.

MINNEAPOLIS: WHITTIER HOUSING CORPORATION (WHC)

The WHC was an offshoot of the Whittier Alliance, which was created in 1978 to revitalize Minneapolis' Whittier neighborhood. For the next 12 years the alliance pursued its mission by sponsoring a variety of neighborhood improvement activities, including buying and rehabilitating multifamily housing developments.

In 1990 the Whittier Alliance was chosen to participate in the Neighborhood Revitalization Program, which provided $20 million a year for neighborhood development and improvement projects in Minneapolis. The Alliance developed a plan that provided additional affordable rental housing and social services for the area's lower-income residents. But homeowners and private apartment owners got wind of the plan, orchestrated a takeover of the Alliance, and developed a plan that did not include rental housing. The new board had little interest in continuing to own and manage the multifamily properties the Alliance had developed during the 1980s, so WHC was established as a separate organization and the properties—seven leasehold cooperatives with 16 buildings and 158 units—were transferred to it.

Many of these buildings needed further renovation. WHC sought assistance from the Interagency Stabilization Group (ISG), a consortium of the city's major funders of CDCs. But the ISG would not provide funding without seeing a stabilization plan; when WHC complied, the plan was judged inadequate. Eventually, the ISG provided some support, but it was not enough for extensive rehabilitation. WHC staff also had difficulty finding effective property management companies and the buildings continued to decline. At its height WHC had a staff of three—a director, a co-op organizer, and a secretary—and contracted with private asset and property managers. In 2000, after a final attempt to secure additional equity investments from the National Equity Fund, WHC went out of business.

SOUTH DALLAS: OAK CLIFF DEVELOPMENT CORPORATION (OCDC)

OCDC was formed in 1987 by the housing outreach program of a local Lutheran church in response to an overwhelming demand for affordable housing in the South Dallas area. Since its inception OCDC has focused on developing homeownership projects for low- and middle-income families with support from the region's financial and philanthropic institutions. In 1993 OCDC was made administrator for the Dallas in-fill housing program, which enabled the organization to focus on new construction of single-family homes. With adequate administration fees for the expanded services provided by the contract, OCDC hired additional staff. At its peak, OCDC had over eight full-time staff members.

But even as OCDC flourished, several experienced staff members moved on to better positions, leading to project delays. The organization also had to contend with vocal community opposition—accompanied by unfavorable media and political attention—to its Independence Park Project, a planned development of 112 new homes. The most significant factor leading to the organization's downsizing, however, was the loss of the in-fill housing contract and the subsequent reduction of OCDC's operating budget.

The city elected not to renew OCDC's in-fill housing program contract when it expired. Caught unprepared, OCDC unsuccessfully appealed the decision. During this

time holding costs and legal fees drained the organization's reserves. Housing production suffered greatly, cutting into OCDC's income from developer fees. OCDC also was unsuccessful in finding alternate sources of operating support, and was forced to reduce its staff to an executive director and one part-time employee, greatly diminishing its production capacity.

PHILADELPHIA: ADVOCATE COMMUNITY DEVELOPMENT CORPORATION (ACDC)

ACDC was founded in 1968 and was among Philadelphia's first CDCs. The organization, which completed its first housing project in 1971, also developed an area master plan that led to positive changes in public policy, including more financial resources for target neighborhoods. ACDC also undertook several larger housing projects and led a successful effort to designate the Diamond Street area the city's first historic district. By 1998 ACDC had completed 365 houses.

Throughout these years, the organization received widespread recognition for its work and was well supported by funders. Much of the organization's success is attributed to the charismatic leadership of its founder, who served as president of the Board of Trustees until 1996. She was also de facto executive director; for most of her tenure ACDC did not have an executive director. During these years, the number of permanent staff members was kept to four or five. The organization relied on consultants and contract employees to supplement its staff.

ACDC began facing challenges when its founder developed health problems and was unable to devote the same time and energy to day-to-day activities. Staff members could not handle the complexities of development projects. After the founder resigned, the board found it difficult to provide leadership, especially after several other members resigned. Communications with funders suffered and ACDC lost much of its operating support, which led to staff layoffs. Several development projects stalled and became community eyesores.

The search for a new executive director was not easy for ACDC. The first two choices did not work out, and the third's tenure was cut short by illness. Development of new projects decreased, along with developer fees. Without adequate operating support the ACDC was forced to downsize its staff. Existing plans went unfinished, and for several years virtually no new projects were started.

DRAWING LESSONS

These four examples lead us to several suggestions for avoiding downsizing and failure.

1. Develop and periodically revise strategic plans. Changes in local housing markets and city policies were two major problems faced by the downsized and failed CDCs. Strategic planning can help anticipate and respond to these changes. In Milwaukee the weakening demand for housing in CDCW's target area was at least partially responsible for the unexpected turnover and vacancy rates in the organization's rental housing portfolio. Similarly, a soft rental market in the Whittier neighborhood in Minneapolis did not allow for rent increases that were needed to cover rising maintenance and repair costs. CDCs need to read the market and position themselves to remain competitive.

   Unanticipated changes in city policies also played an important role in the failures of CDCW and WHC and in the downsizing of OCDC in South Dallas. Strategic planning that assesses the political environment may help organizations anticipate, influence, and effectively respond to changes. CDCs need to be involved in formulating, reviewing, and commenting on city policies that may affect them.

   Strategic planning is neither cheap nor easy and many CDCs will need financial support and technical

assistance to implement this critical exercise.

2. Diversify activities, geographic areas served, clientele, and sources of funding. CDCs must tread a thin line between diversification and specialization; a strategic plan should address how much it should do of either. Specialization requires a narrower range of staff expertise, which is deepened with each new project, but also makes an organization vulnerable to changes in funding priorities and community desires. Diversification makes an organization less vulnerable to those changes but may lead to performance problems caused by a lack of staff expertise or financial resources.

   CDCs that failed or were downsized tended to have narrowly focused missions in terms of activities, geographic areas served, clientele served, and funding sources. For example, OCDC specialized in in-fill housing and WHC specialized in multifamily development. They had little to fall back on when local support for these activities evaporated.

   Also, CDCs that targeted small and/or homogeneous geographic areas were vulnerable to changes in market conditions in those areas. The units owned and managed by both CDCW and WHC were concentrated in neighborhoods where the demand for housing decreased significantly. Rents could not be raised to meet higher operating costs and financial problems ensued. A larger, more diverse target area allows a CDC to diversify the location of its properties and reduces the organization's vulnerability to market weakness.

   Housing very low-income households typically requires deeper subsidies that are difficult to come by these days, and CDCs that focus exclusively on these households may increase their financial vulnerability. In Minneapolis all of WHC's housing developments served very low-income households that could not afford the rent increases necessary for proper building maintenance. A portfolio that includes housing for moderate-income households may provide enough revenues to cross-subsidize developments for very low-income households and generate more community support.

   CDCs that mostly rely on one funding source seem to be particularly vulnerable. Abrupt changes in the policies of city agencies, foundations, or other principal funders can leave CDCs with little time to find replacement funds. The CDCs in Milwaukee, Minneapolis, and Dallas were all heavily dependent on single sources of funding which left them in serious financial crises when that funding was interrupted. Diverse funding sources also provide CDCs more autonomy and some protection from the dictates of funders who want CDCs to adopt certain agendas or programs at the expense of local concerns.

   The decision to diversify should be approached cautiously and should involve both residents and the local CDC support community. It is also likely that diversification is not possible or desirable for very small CDCs that are just beginning to gain expertise in a given area. Becoming proficient in delivering or carrying out the group's core set of activities is important for all young CDCs. There also may be risks associated with increased diversification that are not evident in our case studies; if not done carefully, and with sufficient resources, it may lead to poor performance and loss of funder or community support.

3. Work hard to earn and maintain the support of residents. A lack of community support for various CDC activities was an important factor in the failure or downsizing of three of the organizations studied. In Minneapolis vociferous community opposition to the Whittier Alliance's focus on rental housing for very low-income households led to the "takeover" of the Alliance and the creation of WHC. Similarly, OCDC's plan in Dallas for a new 122-unit subdivision of

affordable homes generated considerable community resistance and contributed to the loss of city funding.

Board members and staff need to build support for CDC activities by opening up a dialogue with community residents, involving them in the review of proposed activities and inviting them to join committees. The board should periodically convene general meetings with the larger community and hold social events in those areas where projects are being developed. CDCs also must ensure that the properties they own or manage are well run and maintained.

4. Pay more attention to training and retention of board members and staff. Project development problems were implicated in all four case studies, including inaccurate financial projections leading to cost overruns, overly optimistic underwriting assumptions, inadequate cost control and accounting systems, and poor quality construction. Property management problems also consistently appeared among the four CDCs, including inadequate procedures to screen and evict tenants, inadequate property maintenance, and lack of social support services for tenants. Passive boards were another factor in organizational decline.

   These problems may have been avoided if staff and board members had periodic training to provide strategic leadership and set policy guidelines for staff. We need to better understand why many staff and board members are not taking advantage of national initiatives to increase CDC capacity, and ensure that they receive the training they need. In particular, what may be needed is access to tailor-made on-site consulting help. Outside experts, who could be sent to a CDC to work with the board or staff on a range of issues, or who could help sort through issues with funders, may be the most important type of assistance that is needed.

   Many organizations found it difficult to retain experienced staff because city agencies and private sector companies pay substantially higher salaries. Organizations need to offer better staff salaries and benefits to increase retention, and must plan for leadership transitions. Of course, public agencies and local and national nonprofit intermediaries can ensure competitive salaries and generally support CDCs by instituting programs that provide funds to cover core operating expenses. This support can be contingent on standards of productivity and professional competence.
5. Maintain frequent and open communication with support community and respond quickly to problems as they develop. Communication problems played an important role in all four case studies: between executive directors and their boards, between executive directors and funders, and between executive directors and city officials or politicians. When CDCs are undertaking potentially controversial projects, they would be wise to inform and involve local political leaders early in the process. This is particularly true of CDCs that rely heavily on support from local government.

Identifying and acknowledging problems as they arise is also important. CDCW management did not ask for help in addressing property management problems until the organization was in deep financial trouble. Similarly, several of those interviewed in Minneapolis felt that WHC's problems should have been dealt with sooner and more decisively. Funders also should have stepped in sooner, either to provide the necessary support or to find other organizations to take over the units.

The cases presented here signal some important warnings. Strategic planning that assesses the opportunities and threats in the local political and economic environment, and that assesses the organization's mission in light of changes, should be a standard practice among CDCs. Staff training and retention also helps create effective and financially sound organizations. Ongoing communication with both the residents of

the service area and funders is also critical to maintaining political and financial support. Finally, if CDCs do get into trouble, it is important that they identify the problems quickly and reach out to their local CDC support communities for assistance. For their part, communities need to respond positively by helping CDCs work through problems so they can continue providing vital services to their communities.

CHAPTER 8

Social Housing

Michael E. Stone

Community development has emerged as a field in part because of the demonstrable inability of the mainstream, for-profit housing sector to provide decent, truly affordable housing for low-income people. To redress this inability, a large and increasing share of housing must be treated as a social resource rather than as a commodity yielding private windfalls. Since all housing contains both social and individual rights and interests, differing only in the nature and extent of their social characteristics, it is thus appropriate and useful to conceptualize a continuum of housing ownership forms. As discussed in this chapter, "social ownership" encompasses that portion of the spectrum where the overriding social interest is to ensure security of tenure and permanent affordability.

Social ownership of housing and land may be traced back to neolithic villages and Native American cultures. Within the capitalist era, various alternatives to the commodification of material life were put forth during the 19th century, and many European countries have accepted the notions of social ownership earlier and have gone much farther toward their realization than has the United States (see Harloe, 1995; Stone, 2003). Even in the United States, significant strands of nonspeculative and social ownership have emerged, despite the ideological domination and political force of the purveyors of unfettered private ownership. They amount to a little over four million housing units, about 4% of all housing in this country. Their accomplishments and potential provide encouragement and hope, while their limitations and contradictions provide lessons on the dilemmas of partial and piecemeal reform.

The chapter begins with a definition of social ownership. The bulk of the chapter then examines the nature and scope of existing models of social ownership, grouped into two major categories: socially owned rental housing, consisting of public housing, nonprofit rental housing, and mutual housing associations; and nonspeculative homeownership, consisting of limited-equity cooperatives, ownership with community land trusts, and some resale-restricted individual ownership. The models are evaluated in terms of differences in the degree of social control. The chapter concludes with identification of various routes through which the amount of social housing can be increased.

THE CONCEPT OF SOCIAL OWNERSHIP

Housing is defined here as socially *owned* if it meets all of the following criteria:

- it is not owned and operated for profit;
- it cannot be sold for speculative gain; and
- it provides security of tenure for residents.

Social ownership embraces the notion that housing should be permanently removed from the possibility of resale in the speculative private market. This means that once the original cost of producing or acquiring the housing is paid off, the only costs would be for operations and any additions,

alterations, and capital improvements. Even if nothing else were to change, the substantial expansion of such a "social sector" of housing would, over time, mean a sizable reduction in the housing costs for a growing proportion of the population. It would also mean slowing and eventually reducing the growth of mortgage debt as the mortgages on existing housing are paid off once and for all.

There are many different forms that "social housing" can take, including:

- ownership by public agencies, such as local and regional housing authorities;
- ownership by private nonprofit organizations; and
- ownership by residents themselves, individually or collectively, with resale restrictions that permit, at most, a "limited-equity" return on investment.

The unifying concept is not the particular type of entity owning the housing but the existence of enforceable provisions preventing the housing from being sold in the speculative private market. Indeed, for housing to be fully social, these provisions should apply "permanently," "forever," or "in perpetuity."

SOCIAL RENTAL HOUSING

Public Housing

Public housing is by far the most extensive and most maligned form of social ownership in this country. As of 2001, local housing authorities owned two million housing units (U.S. Census Bureau and HUD, 2002, Table 1A–7), about 2% of all housing: 1.3 million of these under the federal program (U.S. Department of Housing and Urban Development, 2000)—a reduction of about 100,000 from the early 1990s (Dolbeare, 1991)—the remaining 700,000 under various state and local programs. In addition, the Department of Defense owns and operates about 400,000 family housing units, the "other public housing program" (Hartman and Drayer, 1990; Twiss and Martin, 1999). Given the focus of this book is on community development, only a few points will be made about public housing. First, the real estate industry from the outset attacked public housing ideologically and constrained it operationally through restrictions on design, location, and management as well as funding, making virtually inevitable the well-publicized problems with some public housing (Bratt, 1986). Second, despite these problems and the too-successful attempts to discredit the concept of public housing (and social enterprise generally), more complete and balanced examinations reveal that for the most part public housing has had a remarkable record of success in providing physically decent, nonspeculative, mortgage-free, and cost-effective housing to poor people (Bratt, 1986, 1989).

Third, public housing remains a vital resource despite its checkered history and reputation (Fuerst, 2000). Many housing authorities have more people on their waiting lists than are currently living in their developments. Some have closed their waiting lists because the wait is as long as 20 years. Fourth, while giving priority for public housing to the most needy households is quite appropriate in a society where low-cost housing is scarce and housing is not a right, the deepening concentration of the poorest households in public housing added fuel to attacks on the very idea of public housing, blaming public ownership and management (and/or the residents themselves) for the poverty of the residents.

Fifth, in some cities, large public housing developments are situated in areas where, in recent decades, urban redevelopment and gentrification have raised land values, making the sites ostensibly too valuable for poor people. Thus, since the 1980s, there have been increasingly strong forces working to reduce the amount of public housing, through density reduction in existing projects, wholesale demolition, sale to private developers, and conversion to mixed-income (including market-rate) housing. The prevailing public housing policy of the 1990s and into the new millennium—known as HOPE VI—largely embodies the principles of public housing

replacement, with substantial displacement and loss of units even where local housing authorities retain ownership (Pitcoff, 1999; Vale, 1999; Keating, 2000; National Housing Law Project et al., 2002).

While prevailing current sentiment gives little encouragement, public housing is an essential ingredient in addressing the housing crisis, in part because it is unequivocally outside the speculative market and also because it includes an established, operational infrastructure for producing, financing, and managing housing, including the power of eminent domain.

Nonprofit Rental Housing

Unfortunately, there are few precise figures on how many housing units are under ownership by private nonprofits, due to the ambiguity of definitions, overlap of categories, and lack of any entity (public or private) that has been given or assumed responsibility for compiling and disseminating such information. Nonetheless, I estimate that as of the early 21st century, there are about 1.3 to 1.7 million rental units in nonprofit ownership. This consists of about 1.1 to 1.3 million subsidized rental units, plus roughly 200,000 to 400,000 other rental units in nonprofit ownership that have received no government subsidies or possibly just capital assistance from nonfederal public or private sources.[1] This is a significant number, but it is just slightly over one-half the number of units owned by local public housing authorities, and about 1.5% of all housing units in the United States.

In the late 19th century, moral righteousness and enlightened self-interest on the part of some capitalists stimulated a modest move toward "philanthropic housing." Nonprofit projects were developed in a number of cities in the early part of the 20th century, totaling several thousand units (Abrams, 1946, p. 170ff). By eliminating development and rental profits, the housing was slightly less expensive initially than speculative new housing. But with construction costs to be paid off from rents, the units were still more expensive than the tenements occupied by poor and working-class people, so the residents were mostly of middle income. Had these developments remained out of the speculative market, by today, they might be debt-free social housing and hence much less expensive than speculatively owned apartments of the same vintage or newer. However, most were eventually sold. As Charles Abrams aptly put it (1946, p. 175), "Philanthropy could no more solve the problem of housing than it could solve the problem of poverty."

In the modern era, private nonprofit housing has evolved and expanded through several phases, in which the lessons of this historical experiment have been learned gradually and unevenly but sufficiently to hold the promise of an increasingly important role in the growth of the social sector of housing.

The most clearly identifiable and longest-lived component of modern nonprofit ownership consists of federally financed and subsidized Section 202 housing for the elderly and handicapped, a program created in 1959 as the first of a series of subsidized housing production programs for private development and ownership. Unlike all subsequent programs, though, 202 has from the outset been restricted to development and ownership by nonprofit (and public) entities. The result has been the emergence over the past four decades of a set of organizations specializing in such housing, although some regional and community-based nonprofits have included 202s among their broader housing repertoire.

Section 202 housing was financed through below-market direct federal loans until changed to capital grant financing by the Housing Act of 1990. Projects built since 1974 also receive Section 8 rental subsidies. In addition, an owner may not sell the housing into the speculative market, at least during the 40-year term of federal financing and regulation. And even in the rare instances of foreclosure, Section 202 projects have been transferred to other nonprofit owners. These features, together with the capital grant financing and supportive services provided by the 1990 Housing Act, make the 202 program a premier model of privately owned nonspeculative housing.

As of the late 1990s, there were about 200,000 units of Section 202 housing (U.S. HUD, 2000).

Unfortunately, there does not exist a well-established model of nonelderly housing that embodies all of the attractive features of 202 housing. During the 1960s and early 1970s, socially motivated nonprofit developers did produce nearly 200,000 housing units under the FHA Section 221(d)(3) and 236 interest-reduction programs that had been created primarily for profit-making developers. (Nonprofit production comprised over one-fourth of the total under these programs [Clay, 1987, p. 9].) However, many ended up defaulting on their mortgages (as did many profit-motivated owners). The housing was taken over or resold by HUD, in some cases to speculative owners, so this experience does not offer the encouragement provided by the Section 202 program. Also, apart from weaknesses in the federal programs themselves, nonprofit owners had to contend with inadequate resources, lack of experience, an unsympathetic HUD, and the challenges of trying to serve and empower some of the neediest populations and communities (Bratt, 1989, pp. 185–191). Nonetheless, approximately three-fourths of these units remain in some form of nonprofit ownership.[2]

Beginning in the late 1960s, another type of nonprofit housing model was emerging, one that has proven much more successful at producing and operating housing under the government subsidy programs. However, in order to be successful, these housing providers have had to buy into many of the rules of profit-making development and stretched the meaning of nonprofit ownership. Community development corporations, regional housing development corporations, and "intermediaries" providing technical assistance have been set up, with staffs that attempt to combine training and experience in business and finance with social concern. While these entities are themselves nonprofit corporations, and their housing commitment almost always is to permanent nonspeculative ownership, in order to benefit from the financial incentives provided through the Internal Revenue Code (notably the Low Income Housing Tax Credit), they have to enter into partnerships with profit-motivated investors.

When a nonprofit organization needs to market its housing plans to potential investors and also meet the underwriting criteria of mortgage lenders to obtain financing, the needs of prospective residents may at times have to be compromised. Once the housing is occupied, in order to maintain investor confidence in the development and the organization, the housing may need to be managed quite conservatively in terms of tenants' rights and rent levels. Even though these tensions may be mitigated with deep, income-determined subsidies, a nonprofit owner can face disturbing role conflicts between its obligations to the residents and the investors. Furthermore, because the tax benefits are of finite duration (typically 15 to 20 years, depending upon the type of tax benefit), down the road the investors will want to bail out when they no longer have any financial incentives. Unless the deal has been structured so that they can fully recover their initial investments as well as their profits from the tax shelters, the investors will expect to be bought out at this point—necessitating sale of the housing to owners who might turn it into market-rate housing, unless financing is available for the nonprofit or the residents themselves to buy out the investors.

In sum, the current prevailing model of nonprofit development and ownership might more properly be understood to be "quasi-nonprofit" or even "compromised nonprofit" ownership. Only if social financing replaces dependence on profit-motivated investors can the growing number of these community-based and regional nonprofit housing providers have a viable alternative to partnerships with profit-motivated investors and thus be able to achieve true social ownership.

MUTUAL HOUSING ASSOCIATIONS

There is one other, more fully social model of nonprofit ownership—the mutual housing

association (MHA)—that began in Europe over a century ago but has only emerged in the United States over the past two decades (Goetze, 1987; Bratt, 1990). One version, the federated MHA, consists of a group of resident-controlled limited-equity co-ops (see below) or nonprofit developments (Krinsky and Hovde, 1996, p. 10). The other version, referred to as an integrated MHA, has been promoted since the late 1970s by the Neighborhood Reinvestment Corporation (NRC) and differs from other models of social ownership in several significant respects.

First, the NRC mutual housing approach has deliberately eschewed outside profit-seeking investors in order to avoid role conflict and possible pressure to sell the housing when the tax shelters run out. Second, NRC MHAs try to finance nearly all acquisition and development costs through upfront capital grants, although often they have had to use some debt due to limited availability of grant resources. Third, residents are expected to make a modest initial capital contribution (often waived for low-income people), which is recoverable with interest upon moving out but cannot otherwise grow and is not a marketable property interest; the goal is for residents to put up 5% of the total cost, with capital grants covering the rest. Fourth, a portion of each resident's monthly charges is supposed to go into a fund that will provide part of the capital grants for additional units, although generally only middle- to high-income residents pay high enough monthly charges to contribute to the capital fund. Fifth, the membership of each NRC mutual housing association consists of residents, prospective residents, and local public and community officials. A majority of the governing board consists of residents and prospective residents, so the housing is largely owned and controlled collectively by residents. Sixth, organizational development is emphasized as much as the physical development of the housing, with residents required to participate and expected to take care of minor maintenance of their units, even though professional management is an integral part of the model. Finally, residents have lifetime security of tenure, as long as they meet their financial and other membership obligations and do not violate the rights of others. They may designate a family or household member as the successor to their unit but may not sublet; this ensures that every resident is an association member who is expected to participate in the organization.

Because of the experimental nature of this mutual housing model and because it has attempted to operate outside prevailing government programs and financing mechanisms, it has grown slowly and remains limited in scale despite early interest and enthusiasm. As of late 2002, there were only 11 NRC mutual housing associations that together owned about 8,300 occupied units (NeighborWorks Network, 2003). Nonetheless, an encouraging analysis found that MHAs would be more cost-effective to the federal government than nearly any other approach in assisting very low-income households on a long-term basis (Bratt, 1990). Thus, despite its extremely small scale so far, there are compelling economic as well as social advantages to the mutual housing model. It is an emerging approach that comes quite close to realizing many of the goals set out here for true social housing.

RESIDENT SECURITY, POWER, AND CONTROL IN SOCIALLY OWNED RENTAL HOUSING

People who reside in housing owned by public agencies, nonprofit organizations, and integrated MHAs are legally tenants. Some people regard this as a fundamental weakness of these forms of ownership, as residents ostensibly have no opportunity to realize any of the psychological, social, and economic benefits of homeownership. It is important, though, to challenge the notion of a sharp binary polarity between rental and ownership.

Even in the private housing market, neither tenancy nor homeownership is a unitary concept. An alternative form of tenure under social ownership, in combination with no debt costs, can yield resident

benefits that are competitive with conventional homeownership. Of greater subtlety and more immediate relevance, though, concepts of residential property have been undergoing considerable evolution so that the diverse forms of ownership, as well as their combinations and modifications in practice, have produced virtually a continuum on the dimensions of security of tenure, resident control, and economic benefits.

For example, even in private rental housing the history of tenant organizing, legislation, and litigation reveals that there are significant objective differences among tenancy-at-will, lease tenancy, tenancy with formal resident organization and collective bargaining, and tenancy with statutory and regulatory controls on conditions, evictions, and rents.

Within existing subsidized rental housing, the history of public housing certainly demonstrates how low-income residents can be disenfranchised, abused, and degraded almost as much by public as by private landlords. Yet in public housing organizing and advocacy led to legislative and administrative redefinition of the scope of residents' power and rights and the meaning of public ownership, even if some of these rights have been undermined since the late 1980s. Public owners have enforceable legal, constitutional, and financial obligations to residents greater than can be imposed on private owners. Thus, resident ownership is not necessarily the only or best route to greater power, security, and control.

For tenants in private nonprofit housing and MHAs, the legal leverage and claims on public resources are, of course, less than for public housing residents. However, the organizational circumstances are usually quite different as well. Certainly, some of the socially oriented nonprofits that developed subsidized housing in the 1960s and 1970s lacked the financial capacity and organizational ability to sustain their social commitment to their tenants.

In contrast with many of the early nonprofits, some community development corporations and all MHAs have explicitly involved residents in decision-making and, in some cases, management and operation of the housing as an integral part of the philosophy of the organizations. In such situations, there is not only objective resident power and security of tenure but also a considerable sense of "ownership" in the psychological sense even if in formal legal terms the residents are tenants. In addition, while residents do not build up any wealth through their housing, resident-savers can on average do as well financially as conventional owners depending upon the financing and cost structure of the housing.

Furthermore, residents of participatory nonprofit rental housing can in principle have as much autonomy to fix up and change their units as do residents of physically equivalent limited-equity co-ops or condominiums. Finally, what must be weighed against some formal differences in legal status between participatory social rental and nonspeculative homeownership are differences in financial risk. In the contemporary situation of ownership by a community development corporation, MHA, or regional nonprofit housing corporation, the ownership entity transcends not only the individual unit but also the particular building or development and usually is connected to an infrastructure of intermediaries that have provided financial and technical assistance. This means that the residents, most of whom are low-income people, do not have to carry fully by themselves the cost burdens of unanticipated housing problems or changes in their own economic circumstances or of their fellow residents, in contrast with individual private ownership.

Along most dimensions, being a tenant in socially owned rental housing is not necessarily inferior to being a nonspeculative homeowner—or speculative owner. It may have real advantages and attractions not only for those of low or moderate income but for many with higher income as well.

NONSPECULATIVE HOMEOWNERSHIP

Limited-Equity Cooperatives

As of 2003, there were approximately 1.2 million housing units under cooperative

ownership in the United States. About 425,000 of these are limited-equity or zero-equity co-ops, of which over one-half are in New York. The remaining 765,000 are market-rate cooperatives (National Association of Housing Cooperatives [NAHC], 2003). The latter group includes 550,000 conversions from rental housing, mostly in New York City, similar to condo conversions in other parts of the country. The other 215,000 market-rate co-ops are mostly middle-income developments that originally had resale restrictions but in most cases now permit members to sell their shares at the market price.

During the 19th century, programs for cooperative ownership of workplaces and residences were integral parts of the utopian and revolutionary critiques of capitalism in the United States as well as in Europe. However, the earliest U.S. co-ops (in New York between 1876 and 1885) did not embody this radical vision but were instead a form of homeownership for high-income urbanites, presaging modern luxury co-ops and condos (Siegler and Levy, 1987, p. 14).

It was not until the 20th century that the first nonspeculative, socially oriented co-op housing was developed. Most of these were in New York City and under union auspices. In the early part of the century, several workers' housing cooperatives were developed (Abrams, 1946, p. 181; Siegler and Levy, 1987, p. 14), but most did not last. In the late 1920s, New York State passed a limited-dividend housing law that, among other things, facilitated co-ops for moderate- to middle-income people (Siegler and Levy, 1987, p. 14). One of the first was the Workers Cooperative Colony in the Bronx developed by the Amalgamated Clothing Workers. With the first units completed in 1928, it grew eventually to 1,400 units and still remains a co-op. However, despite state tax exemptions, the co-ops developed by labor groups in New York were affordable only to higher-paid workers. During the 1930s, depression conditions led to increased national interest in co-ops, but postwar era ideological and economic conditions shunted co-ops to the margin of housing policy (Leavitt, 1995).

While these early housing cooperatives were structured to assure continued affordability to members of the affinity group, there is nothing intrinsically nonspeculative about cooperative ownership. In any co-op, the housing is owned by a corporation made up of "cooperators," with each share in the corporation corresponding to either a particular dwelling unit or a proportion of the square footage of the entire building. Unless explicitly defined otherwise, a share is a marketable commodity that may be sold for whatever the owner can get. In addition, unless the co-op agreement requires the owner of shares to be a resident of the unit, an owner may sublet the unit and charge whatever the market will bear.

Within this framework, the distinctly limited-equity form of co-op emerged as a housing strategy for helping to maintain long-term affordability and resident control for people of moderate if not low income. In a limited-equity co-op, the share price is set by formula, not by the market, in order to restrict or eliminate any speculative gain. The co-op corporation retains a first-option right to purchase a departing member's share at the formula price. In addition, occupancy and share ownership are generally coterminous—apart perhaps from approved temporary subletting—in order to prevent "landlordism" and to ensure that residents are people who have a legal and financial stake in the housing.

Interestingly, the growth of interest in the limited-equity co-op model over the past two decades does not simply hark back to the early co-ops. It also rests upon a substantial but little known historical foundation of several hundred thousand co-op units developed in the three decades prior to 1980. The great majority of these were unsubsidized, middle-income cooperatives, with federal or state government mortgage insurance or financing. In addition, an entire infrastructure evolved to undertake development and provide technical assistance, services, and training for co-op housing (Siegler and Levy, 1987, pp. 16–19; NAHC, 1990). Indeed, after World War II, some progressive housers advocated a large-scale co-op program as part of urban

redevelopment, to complement public housing for households who could not qualify for the latter and as a model for eventual conversion of public housing to resident control (Abrams, 1946, pp. 179–187). However, as indicated above, from the mid 1950s until the mid 1960s, interest in co-ops by middle-income households waned in the face of "anti-collectivist" ideology and the suburban triumph.

In the late 1960s and the 1970s, several factors led to renewed interest in nonspeculative housing cooperatives, within a rather different political and economic context. The emphasis on community control and resident empowerment in the federal antipoverty program contributed to the eligibility of co-ops for federal housing subsidies. About 60,000 co-op units were created under the HUD Section 221 and 236 programs between the mid 1960s and mid 1970s (NAHC, 1990). Also, the emergence of the modern women's movement rekindled interest in co-ops—integrally connected with supportive services, as in the 19th century feminist notions—as a residential model especially well suited to the needs of single women (young and elderly) and women as single parents (Hayden, 1984; Novac and Wekerle, 1995).

In addition, wholesale disinvestment and abandonment of vast amounts of housing in major cities across the country led to some spontaneous, grassroots building takeovers of unoccupied buildings and resident operation of occupied buildings. Especially in New York City, where effective title of many thousands of buildings passed to the city, the movement demanded not only rehabilitation but also title to the buildings as limited-equity co-ops (Leavitt and Saegert, 1990). However, since the late 1970s, the limited-equity co-op movement has been impelled rather less by the housing needs of the very poor than by declining opportunities for conventional (or even condominium) homeownership among moderate- to middle-income people. Over this period, about 150,000 additional limited-equity co-op units have been developed, with more than one-half of these being in New York City (NAHC, 2003).

Ironically, the ideal of resident control in a limited-equity co-op includes the risk that the residents may at some point reorganize as a market co-op. Because cooperatives are legally autonomous corporations, this possibility is real and has been occurring. Only if the co-op incorporation documents preclude such dissolution, or if there is an entity that has some legal leverage and a broader public interest, can this risk be avoided. Where there is public involvement—through, say, mortgage insurance, publicly donated land, or public grants, loans, or subsidies—then contractual requirements or deed restrictions can protect the limited-equity requirement indefinitely. The strongest legal protection of permanency, though, is through ownership of the land by a government agency or broadly based community land trust (described in the next section). Under such an arrangement, the co-op corporation owns the structures but leases the land, with the ground lease stipulating retention of the co-op's limited-equity character.

Nonspeculative co-op units have been created through both new construction and building conversions. Most have involved multifamily structures, but some, such as the Route 2 Co-op in Los Angeles, include one-family houses. While income mixes vary, including some low-income and some higher-income people, the middle range prevails. Although some public programs and public funds in the form of land, loans, and grants have often assisted, financing has generally come from quasi-public mortgage lenders (such as state housing finance agencies and the National Cooperative Bank) that offer terms slightly below market. Each co-op has tended to be unique, not only in the circumstances that led to its creation but also in the resident mix, the financing sources and terms, and the limited-equity formula (Heskin and Leavitt, 1995). While this uniqueness reflects an encouraging creativity and resourcefulness, it also makes more difficult policies that could facilitate more rapid expansion of the model.

Ownership with Community Land Trusts

While the origins of most of the other models of nonspeculative ownership are

primarily urban, the community land trust (CLT) has rural roots. These traditions include Native American concepts as well as several 19th century movements, most notably utopian socialist experiments in common ownership; Henry George's notions of land as the principal locus of unearned wealth and social exploitation; and aristocratic support for nongovernmental nature preserves and parks.

Yet, despite its roots, the land trust movement that began in the 1960s and has been growing at an accelerating rate since the late 1970s does not seek to restore a vanished past or opt out of modern society. It operates within, while seeking to transform, contemporary real estate law. It is concerned with the active productive uses of land, including but not limited to residential use, in opposition to speculative holding and use of land. It is, in this sense, concerned with issues of responsible and active land use and planning, rather than preservation per se and resistance to development. And it seeks to use land tenure as the organizing locus for the expansion and realization of democratic decision-making (Institute for Community Economics [ICE], 1982; Davis, 1984; Krinsky and Hovde, 1996).

The model vests title to the land itself in a nonprofit community organization—the land trust—to be held in nonspeculative ownership in perpetuity. Individuals are granted the right to use the land for their own benefit and with considerable individual autonomy. The formal legal link between the trust that owns the land and the people or organizations who use it is the ground lease, which grants lifetime or 99-year tenure (inheritable and renewable), subject to certain conditions. Thus, as it relates to housing, the form of ownership of the buildings may be anywhere on the ownership spectrum depending upon the terms of the ground lease under which the housing owners are allowed to use the land. In principle, the house owner could be a landlord renting the dwelling for whatever the market rent might be or a homeowner free to sell the house at the market price (exclusive of land). In practice, the land trust movement has been committed primarily to "permanently affordable homeownership" (Davis and Demetrowitz, 2003), using the ground lease terms to enhance affordability, security of tenure, resident ownership, and nonspeculative transfer of houses in perpetuity. The actual form and conditions of ownership of the dwellings depend on the local context and individual circumstances.

Community land trusts acquire land by donation if possible, but often by purchase. Therefore, their immediate impact on the cost of housing depends upon their ability to obtain land at less than market prices, gain access to below-market financing for land acquisition that may include development as well, and subsidize residents through resources the CLT receives as a charitable organization. Over the long term, housing costs are reduced primarily by preventing resale of the land and controlling the price at which the residential structures may be resold. As with other forms of nonspeculative ownership, deep affordability remains constrained by continued dependence on debt financing and by residents' incomes.

The ways in which the community land trust approach distinguishes itself are, first, the dual ownership structure, which explicitly accepts individual property rights while establishing and protecting social or community rights. On the one side, the private ownership of one's dwelling, opportunity to accumulate some wealth through homeownership, and unrestricted right to pass the home to one's heirs enhance the appeal of the model by building on deeply rooted ideological traditions. On the other side, broad-based land trusteeship is intended to provide a legal and social framework for maintaining nonspeculative ownership forever. The goal is to strengthen established—though weaker—traditions of community, in ways that skirt popular skepticism about government. The second distinctive feature is the broader community development and land reform agenda, which, it is argued, can facilitate economic development and community empowerment and hence begin to address the income side of the affordability issue and aspects of the quality of life beyond just housing itself

(ICE, 1982, Chapter 2; Davis, 1984, pp. 219–222; White and Matthei, 1987, pp. 47–64; Krinsky and Hovde, 1996).

However, just as each of the other social housing models faces certain fairly distinctive constraints, so does the CLT approach. First, because a CLT allows a leaseholder to own the buildings on the land, imposing a limited-equity and first-option resale restriction on building owners may lead to legal challenges as "restraints on alienation" (Davis, 1984, p. 223), although apparently this concern has been overcome (ICE, 2001).

Second, because the supply of land that can be acquired through donation or below-market purchase will always be small, and the ability of CLTs to purchase substantial amounts of private land at market prices will always be limited, only a broader and more radical land reform agenda will enable the CLT movement to alter significantly the effects of land speculation on housing costs.

Given the grandness of the vision, the recent emergence of the model and the lack of public programs and resources specifically for land acquisition, it is not surprising that the land trust movement is still modest in scale. Between the late 1960s and the mid 1980s, the number of community land trusts grew slowly, with some losses along the way; in 1985, there were fewer than 20. Since 1985, though, the growth has been substantial, reaching almost 50 in 1991 and 133 in operation or development by 2001 (ICE, 2002). This upsurge has emerged directly out of the housing affordability crisis, as land trusts increasingly have been created in cities and towns, with "forever" housing as their primary focus. Although CLTs have been established in all parts of the United States, about one-half are in New England, which has experienced some of the most severe affordability problems and where grassroots organizing—both rural and urban—has long been a way of life.

In the entire country, there were only about 6,000 housing units on CLT-owned land as of the end of 2001 (ICE, 2002). Nonspeculative housing under the CLT model is thus comparable in scale to MHAs and orders of magnitude less than public, nonprofit rental, and limited-equity co-op housing. Nonetheless, again analogous to MHAs, the land trust emphasis on organizational development, participation, and personal growth, along with the creation of permanently affordable homeownership housing, will undoubtedly make the model increasingly popular.

Resale-Restricted Individual Ownership

Since the 1980s, the principal response to declining opportunities for conventional homeownership has not, in fact, been promotion of social ownership programs but those public (and some private) programs to assist first-time homebuyers with mortgage financing at interest rates somewhat below market, "soft" second mortgages (i.e., deferred repayment), reduced or waived closing costs, and proposals for tax-exempt or tax-deferred saving for downpayments. In addition, many localities have provided publicly owned land at little or no cost and offered below-market construction financing and even some partial capital grants to stimulate construction of below-market housing for homeownership. Because the participating homebuyer is able to obtain a house with below-market financing, possibly at a below-market price, most programs impose some resale restrictions in order to lessen the potential for owners to reap windfalls when they sell in the speculative market.

In most instances, however, the provisions are so weak that the housing may not be characterized as nonspeculative even for the initial owner, and generally the housing is fully in the speculative market with the second and subsequent owners. The weakest restrictions permit the owner to sell freely in the speculative market but then repay the subsidies out of the sales proceeds. While this supposedly enables the funds to be recycled to other buyers, repayment typically is interest free (and inflation free), and often the amount that must be repaid declines with time, so eventually no recapture occurs. Another approach places limits on the price for which the house may be sold, usually allowing an annual increment above the original purchase price equal to the overall rate

of inflation or some fixed rate, such as 5%. The public agency then has a first option to purchase at this price or may require sale at this price to another qualified buyer. While this might appear to prevent speculative windfalls, it does not, because of the financial leverage involved in low downpayment residential purchases, even assuming modest market appreciation.

Although rarely done in practice, there is no reason why the formula for resale-restricted individual ownership could not be a limited-equity formula comparable to those used in limited-equity co-ops. Under such circumstances, it would be possible to achieve nonspeculative individual ownership. There are, however, some legal and practical problems with the enforcement of most resale restrictions, whether mild or strong. Recapture provisions pose the least difficulty because they are easily secured through property liens, which pose no legal or enforcement difficulties, since the owner would not be able to sell without discharging the lien. Price, equity, and first-option limitations are more problematical because they generally involve deed covenants, which in most states are legally limited in duration and enforceability. The best approach is thus to allow the buyer to own the house but not the land—to have the land owned by a land trust or public agency.

Some might wonder why a low-income family should be forced to accept a resale restriction, and especially a permanent limited-equity restriction, in order to achieve homeownership. Why shouldn't such households be permitted to accumulate whatever wealth the real estate market provides, just as higher-income households have been able to achieve? Are not resale restrictions a form of discrimination, against low-income homebuyers in general and homebuyers of color in particular, as the latter have for so long been denied homeownership through discriminatory sales and lending practices?

Certainly, any household who wishes to have unrestricted homeownership should be able to do so through conventional purchase and financing terms, without discrimination—but also without public or community financial assistance. If, however, a household receives downpayment grants, below-market loans, and possibly deferred payment loans, that household is in effect entering into shared ownership with the community—the community thus legitimately having certain rights to the property. What does the homebuyer get from such an arrangement? First, access to homeownership, with the associated status and security of tenure that presumably would not otherwise be affordable. Second, exclusive use and control of the living space—for instance, it is not necessary to share the space with the community "co-owner" or be constrained by a landlord. Third, potential income tax benefits from the deductibility of mortgage interest and property taxes. Fourth, no rent payments on the community's share of the property. Fifth, the opportunity to build wealth on the homebuyer's share of the property. What does the homebuyer *not* get? The right to sell the community's share and thereby appropriate for private gain the wealth that rightly belongs to the community. Nonspeculative homeownership, with permanent limited-equity resale restrictions, is thus not only not discriminatory but is more than fair to those who participate in it.

INCREASING THE AMOUNT OF SOCIALLY OWNED HOUSING

How could the amount of social housing in our nation be expanded? There are a variety of routes, including:

- production of new housing, by nonprofit or public developers, or by for-profit developers for transfer upon completion to social ownership;
- preservation of existing subsidized rental housing, with transfer from for-profit owners to social owners;
- conversion of private rental housing, where owners are irresponsible or are otherwise willing to sell, through the use of receivership, eminent domain, and tenant buy-out rights and assistance (see Stone, 1993, pp. 228–231, 248–249);

- foreclosure protection and equity conversion as an option for low-income and elderly homeowners in return for them agreeing to current or future transfer to social ownership (see Stone, 1993, pp. 226–228, 238–239; Stone, 2002);
- permanent limited-equity resale restrictions with subsidized first-time homebuyer programs (see Stone, 2002).

Historically, most of the social housing in the United States has been provided through publicly subsidized new construction and substantial rehabilitation, even though this is the most capital-intensive, costly, time-consuming, and complex of the available routes. Recently, however, considerable attention has been focused on strategies to preserve subsidized housing that was built by private developers in the 1960s and 1970s and convert it to true social ownership (see Chapter 7). However, to date, relatively little effort has gone into the other routes, which are surely the most cost-effective ways of achieving substantial increases in stock of social housing.

CONCLUSION

The notion that housing can be situated outside the speculative market has a long and established albeit constrained and little-recognized history in the United States. Various forms of nonspeculative ownership exist in practice, and real estate law continues to evolve to encompass new ideas and new economic and political realities. Each form of ownership has its trade-offs, its partisans, and its critics. They differ in the degree to which they are truly and permanently nonspeculative and should be evaluated along these dimensions. Nonetheless, the various forms of socially owned rental and nonspeculative homeownership have a number of common components that distinguish them from both conventional rental and speculative homeownership and point toward true resident-controlled social ownership. The notion that housing should not and need not be a speculative commodity clearly is growing in legitimacy. As a practical matter, meaningful community development will require that social housing not only becomes more acceptable in concept but will be greatly expanded in quantity and become the attractive alternative to conventional homeownership.

NOTES

1. First, as indicated in the text, there were about 200,000 occupied 202 units in 1998 (U.S. Department of Housing and Urban Development, 2000).

   Second, under the Section 221(d)(3) BMIR, Section 236 and Rent Supplement programs, 192,000 units were originally under nonprofit ownership (Clay, 1987, p. 9). However, due to financial difficulties in both for-profit and nonprofit developments, HUD took over about one-fourth of all the units. While there are differing figures on how many remain in direct nonprofit ownership, how many are still held by HUD, and how many have been resold to nonprofits (Clay, 1987, p. 9; U.S. General Accounting Office, 1986, p. 23; Achtenberg, 1989, pp. 228–229), I estimate conservatively that at least 150,000 units originally produced under the programs are still owned by nonprofits.

   Third, about 180,000 units owned by nonprofits were developed under various early unsubsidized FHA mortgage-insurance programs but subsequently received Section 8 subsidies, or, in a very few cases, other subsidies (U.S. General Accounting Office, 1986, p. 23). No hard data are available on how many are still part of the subsidized nonprofit inventory, but I am assuming at least 150,000.

   Fourth, while there is virtually no official information on nonprofit ownership of units produced under the HUD Section 8 and HOME production programs, the best estimates come from studies of community-based developers. A 1998 census of such developers revealed that they have produced about 550,000 below-market units (National Congress for Community Economic Development, 2000). Given the history of these organizations, most of these units have been rental housing. However, to some extent they have been producing units for homeownership. Without hard data, there is no way of knowing how many of the 550,000 CDC units are in the latter category, but it is probably fewer than 100,000. So, I am conservatively including 450,000 CDC units in the total of nonprofit rentals.

   Fifth, the latter group of organizations does not include city-wide and regional nonprofits that do not fit the "community-based" definition. Such regional nonprofits have produced or preserved over 300,000 below market rental units (Housing Partnership Network, 2002). It is likely that some

of the at-risk subsidized housing such entities have preserved from going to market-rate rents includes some of the older nonprofit housing in the third category above. So, to be conservative, I have assumed their net addition to the total below market "social" rental housing stock to be 250,000 units.

Combining the estimates for the five groups yields an aggregate estimate of 1,200,000 subsidized units in nonprofit ownership. Allowing for a margin of error of 100,000 units yields the text estimate of 1.1 to 1.3 million units.

Not included in this total are nonprofit rental units without subsidies developed under the various early federal mortgage-insurance programs. No estimates are available for the number of units in this category. Also not explicitly included in the estimate are Farmers Home Administration Section 515 subsidized rental units. There are about 300,000 units under this program (National Low Income Housing Preservation Commission, 1988, p. 17). It is not known how many are under nonprofit ownership, but it is possible that some if not most of these are included in the categories above. Note, finally, that the text estimate does not include nonprofit housing produced or acquired without federal involvement, either under state or local programs or with no government assistance at all. Again, no estimates are available for this category. It is thus likely that the actual total figure for nonprofit rental units is somewhat higher.

2. This is a very rough estimate based on anecdotal evidence, since no systematic accounting is available.

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CHAPTER 9

Community Response to Foreclosure

Dan Immergluck[1]

In the wake of the subprime crisis, preventing foreclosures and facilitating recovery from the damage they cause have posed tremendous challenges for community developers. Sometimes this has meant forming coalitions to change state or federal laws. Other times, however, local governments and nonprofits have not been able to rely solely upon their ability to effect policy change, and their responses have included direct action, such as foreclosure prevention counseling or redeveloping vacant properties, using existing policy tools.

This chapter lays out the range of responses to the foreclosure crisis that local organizations have employed in recent years. It is not a catalogue of best practices, and uses examples only for illustration. The aim is to help local actors think through responses to surging foreclosures. The chapter does not address efforts to reduce irresponsible lending in communities or improve access to affordable mortgages. While these are important and complementary strategies, they are not the focus here.

OPPORTUNITY SPACE AND FORECLOSURE RESPONSE

When considering local responses to rising foreclosures, it is important to understand the constraints that local actors face. Identifying these constraints helps define their "opportunity space," i.e., the strategies and tactics that they might pursue. By themselves, local government and community groups can do only so much to address foreclosure-related problems. The root causes of high foreclosures, such as lending and regulatory policies, often lie at a larger scale than a particular city, and local governments are limited in their ability to do things like regulate lending or foreclosure processes. Understanding the scope of what local actors can do, at least in the near term, will help them maximize the impact of their responses. In the longer term, they can come together in coalition with groups from other cities to push for major policy changes at the state and federal level.

Opportunity space includes constraints that are economic, legal, and/or political in nature. In terms of economic constraints, for example, a metropolitan area facing declining population and employment may find it difficult—in the near term at least—to rehabilitate a large percentage of vacant properties for housing. While a recovery plan may include some rehabilitation or construction, demolition may also make sense, and careful and deliberate repurposing of land may be needed.

Constraints can also be legal or political. For example, from 2000 to 2002, many municipalities that tried to bar banks affiliated with predatory lenders from doing business with local government ran into obstacles. Some courts struck down such ordinances saying that local government did not have the authority to "regulate" mortgage lending. In other places, many of the worst predatory lenders were not covered by the laws since they were not affiliated with banks with government contracts. Even when states regulated subprime lending, federal agencies frequently preempted these regulations, arguing that the states did not

have the authority to regulate certain lenders, such as national banks and their affiliates.

Opportunity space can change over time, as economic and housing market conditions or larger policy contexts change. For example, again in the case of preemption, federal regulators frequently have some discretion in preempting state consumer lending laws. If federal agencies choose to preempt fewer laws over time, opportunities for stronger state regulation will grow, and local actors might be more motivated to influence state policy.

Of course, local organizations may themselves help bring about policy change at the state or federal level. This is especially true regarding foreclosure procedures, which are primarily state law. For example, if a coalition in a state with a brief foreclosure notice period (the period between when borrowers are notified the foreclosure proceedings have begun and when the foreclosure is completed) were to advocate successfully for increasing the notice period, this may provide more opportunities for borrowers to obtain alternatives to foreclosure such as loan modifications.

State policy is not the only arena in which advocacy can affect opportunity space. In the area of neighborhood recovery, local governments and nonprofits successfully advocated for the Neighborhood Stabilization Program (NSP) in 2008. The NSP originally provided $3.9 billion to state and local governments for dealing with foreclosed properties. This program expanded the boundaries of what local actors could do to reclaim vacant, foreclosed properties.

CLASSIFYING COMMUNITY RESPONSES TO FORECLOSURE

One way to help understand the opportunity space of an organization or set of organizations is to examine the responses that similar organizations have tended to focus on in other cities. Table 9.1 provides a classification of local responses to foreclosure crises and indicates the types of organizations that tend to be more involved in each. It provides a starting place for thinking about the opportunity space of different sorts of organizations. Of course, not all localities have a robust set of responses across all of the categories in Table 9.1. This is partly because opportunity space varies across different states, regions, and cities.

Different sorts of organizations focus on different types of response, depending partly on existing capacities and missions. The expected focus of the various organization types are indicated by the diamonds in the cells in Table 9.1, with three diamonds equating to a major focus, and one diamond equating to a limited focus.

The two broadest categories of responses are (1) prevention, where efforts are made to allow households to stay in their homes or, if necessary, find a "graceful exit," that minimizes damage to the household; and (2) mitigation of neighborhood/community impacts (for both households and communities). The second category, in turn, includes at least three subcategories of activities. First are efforts aimed at reducing blight and other problems associated with foreclosed properties. This may involve ensuring that properties are kept secure and that they do not pose public safety risks, but also that at least their exteriors are satisfactorily maintained.

The second subcategory includes efforts to get properties reoccupied, rehabilitated, and/or adapted for reuse. A major motivation is to minimize the harm that vacant buildings can pose to neighborhoods. When foreclosed properties are located in neighborhoods that do not have severe vacancy problems, efforts may simply involve marketing or matching homebuyers with foreclosed homes. Some local governments offer purchase-rehabilitation loans to attract buyers and encourage improvements to the properties. Some NeighborWorks-affiliated groups are acting as real estate brokers, selling foreclosed homes and facilitating short sales. More ambitious efforts in this arena involve local governments or nonprofits acquiring properties for rehabilitation and sale, something that more local governments have become involved in since NSP funds became available. Efforts can also

Table 9.1 A typology of local and regional responses to foreclosure crises

Organization type	Foreclosure prevention	Mitigating community impacts and recovery		
	Outreach, counselling, and obtaining alternatives to foreclosures	Short-term mitigation and containment of spillover problems	Property reclamation and recovery	Household recovery
Nonprofit Sector				
Community development organizations (CDCs, CDFIs)	♦♦♦	♦	♦♦♦	♦♦
Community organizing groups	♦♦	♦♦	♦	♦
Policy/consumer/fair housing/tenant advocates	♦	♦	♦	♦♦
Credit counseling services	♦♦♦	–	–	♦♦♦
Legal aid groups	♦♦♦	–	–	♦♦♦
Public Sector				
Local government	♦♦♦	♦♦♦	♦♦♦	♦♦
Regional planning or municipal associations	♦	♦♦♦	♦♦	♦
State government	♦	♦	♦♦	♦♦
HUD	♦	–	♦	♦
Federal Reserve Bank or other regulators	♦	–	♦	♦
Private Sector				
Banks/lenders/servicers	♦♦♦	♦♦	♦♦	♦
Cross-Sectoral Collaborations				
Coalitions, taskforces, etc.	♦♦	♦♦	♦♦	♦

include demolition of dilapidated buildings and redeveloping land for alternative reuse.

The last subcategory is household recovery. How can organizations help reduce the harmful impacts of foreclosure on households (both borrowers and renters)? Most discussions around recovery have focused much less on household recovery than on neighborhood recovery. Yet, foreclosures can force families to switch schools at inopportune times, disrupt important social and familial networks, and create emotional, psychological, and health-related distress. Moreover, foreclosures do significant damage to borrowers' credit scores, which in turn can harm housing and economic opportunities.

PREVENTION: OUTREACH, COUNSELING, AND LOAN MODIFICATIONS

Foreclosure prevention activities, shown in the leftmost column of Table 9.1, consist of outreach to homeowners, group and one-on-one counseling (both in-person and via telephone/internet), and efforts to modify the terms of loans or find some other alternative to foreclosure. Outreach efforts can involve measures to contact at-risk borrowers to connect them to counseling or legal resources or simply encourage them to contact the lender. Some nonprofit counseling agencies participate in large counseling sessions in partnership with lenders.

The renegotiation of loan terms generally falls into two categories: (1) loan repayment or forbearance plans that tend to require borrowers to catch up on their arrears, and (2) long-term loan modifications, in which

payments may be frozen or reduced over a period of years. Even within these categories, loan workouts can vary a great deal—ranging from modest changes to substantial reductions in loan payments or even principal balances.

Organizations may also focus on policy changes, usually at the state level, to make alternatives to foreclosure more feasible. For example, some states have extended the period between when lenders provide notice to borrowers that a foreclosure is being initiated and when the completed foreclosure sale occurs (Immergluck, Alexander, Balthrop, Schaeffing, & Clark, 2011). Longer periods can provide more opportunities for borrowers to contact counselors or legal assistance and to interact with loan servicers.

As suggested in Table 9.1, the organizations expected to be most heavily involved in foreclosure prevention activities include community development organizations, credit counseling agencies, legal aid groups, and local government, as well as banks and loan servicers. State governments, especially attorneys general, have also supported foreclosure prevention services. Credit counseling agencies have become major players in outreach and the delivery of foreclosure prevention counseling, with most of their counseling services being delivered via telephone. This contrasts with the efforts of most community development groups, which tend to focus on in-person counseling. In some places, including Cleveland and Chicago, local government has been a driver of outreach to distressed borrowers. Even with local government being a key player, however, these programs are usually delivered by funding community development, legal aid, and credit counseling groups.

Among the best-known foreclosure prevention operations in the country is the Homeownership Preservation Initiative (HOPI) in Chicago. HOPI involves a partnership of Neighborhood Housing Services (NHS) of Chicago, the Chicago Department of Housing, 22 financial institutions, and the Federal Reserve Bank of Chicago. HOPI, which formally began in 2003, reported the prevention of over 1,700 foreclosures from 2003 to May 2008. One of the innovations in HOPI was utilizing the city's 311 nonemergency citizen-assistance telephone lines for linking homeowners to counseling assistance, a practice that has been emulated around the country.

Enabling homeowners to obtain meaningful loan modifications that enable them to stay in their homes has been a daunting challenge. Much of the national attention in this regard has focused on the generally disappointing federal Home Affordable Modification Program (HAMP). Less attention has focused on local efforts, many of which predated HAMP. Some local efforts have achieved some success in obtaining higher levels of meaningful modifications from particular loan servicers. In Cleveland, a nonprofit community organizing group, Empowering and Strengthening Ohio's People (ESOP), has negotiated agreements to increase loan modifications with a large number of servicers and reports high rates of successful loan workouts (Swanstrom, Chapple, & Immergluck, 2009). Some local groups have also responded to rising foreclosures by refinancing borrowers into more affordable loans, especially when loan modifications do not appear to be an option. Atlanta Legal Aid has helped some of its senior clients use reverse mortgages to pay off unaffordable subprime loans so that they can stay in their homes. As far back as the early part of the decade, NHS of Chicago and the Legal Assistance Foundation of Metropolitan Chicago, as well as other groups around the country, had established loan programs to refinance homeowners who received predatory or abusive loans into fairer and more affordable loans, often with smaller principal balances. However, the scale of such programs has often been quite small relative to the scale of the problem.

MITIGATION AND REDUCING SPILLOVER PROBLEMS

One of the principal concerns of communities suffering from foreclosures is that vacant, foreclosed homes can become blighted or dangerous and pose threats to a neighborhood's stability and quality of life. These

problems, in turn, can lead to increased costs and decreased revenues for local governments. In fact, the need to reduce negative spillover effects may often be greatest when local government budgets are already strained by declining property tax revenues.

Many cities and suburbs have responded by creating new property maintenance and nuisance laws (U.S. Conference of Mayors, 2008). Some localities are focusing particularly on mortgagees holding the loan both prior to and after foreclosure. Cities are increasing fines and adding requirements for securing and maintaining properties. Some cities have resorted to cutting grass and doing other maintenance to ensure that properties do not become too unsightly. In other places, block clubs and voluntary associations are taking on these tasks.

Many cities are increasing the costs of owning vacant homes and requiring a higher standard of security and maintenance for such properties. The City of Minneapolis, for example, increased its vacant property registration fee from $2,000 to $6,000, and the City of Louisville now taxes vacant properties with unresolved code violations at substantially higher rates than other properties (U.S. Conference of Mayors, 2008). In Minneapolis, the city has also begun using boards painted to look like windows as an alternative to traditional plywood (Ter Wisscha, 2008).

Another local policy alternative is levying or increasing fees on lenders when they foreclose, with the logic that foreclosures impose significant costs on local communities. Revenues from such fees, as well as from vacant property registration fees, can be dedicated to purposes related to reclaiming vacant properties or other purposes. In Cuyahoga County, Ohio, penalty fees for delinquent taxes were raised, and these fees were used to help support the county's foreclosure prevention programs (Swanstrom et al., 2009).

NEIGHBORHOOD RECOVERY

Irresponsible and unsustainable mortgage lending has accelerated decline in many places and catalyzed new vacancies in formerly stable communities. Vacancy rates for owner-occupied properties increased dramatically beginning in 2006, when the foreclosure crisis began to hit its stride. Vacancy rates in the second quarter of 2008 were generally double what they were in the second quarter of 2000 and were the highest in central counties of metropolitan areas (Immergluck, 2008). Even in places where there had been successful approaches to reducing vacant properties, the scale of the crisis overwhelmed many such efforts and threatened decades of progress in community development.

The nature of subprime lending has brought new problems associated with vacant properties. In Atlanta, for example, many neighborhoods became pockmarked with vacant properties stemming from foreclosures (Immergluck and Lee, 2008). Many of these properties were involved in speculative or even fraudulent property flipping, which created a complex set of problems, including mortgages far larger than real value of the properties, inflated property taxes, and other problems. In weak-market cities, foreclosure-related problems are often even more challenging as the long-term prospects for housing market recovery may not be as strong. In some such places, local planners and community developers are undertaking significant levels of demolition and land rezoning as part of their overall strategies.

In places with less severe concentrations of foreclosed properties, efforts to reclaim properties might focus on marketing homes, establishing nonprofit real estate brokerages, and matching new homebuyers or landlord-investors with vacant properties. Another approach is to provide purchase-rehabilitation loans to attract potential buyers of foreclosed properties. Neighborhood Housing Services of Minneapolis hopes to use purchase-rehab lending to reclaim approximately 200 foreclosed homes over a five-year period (Ter Wisscha, 2008).

In places where foreclosed homes are more concentrated, or where the spells of vacancy are longer, efforts to assemble and acquire properties are likely to be needed.

Some cities have seen nonprofits and local governments purchase properties for resale or rental, or for demolition.

Acquisitions of vacant properties may be done through a variety of vehicles, including land banks, community land trusts, or direct acquisition and resale by nonprofits or local government. Land banks have the advantage of being able to eliminate or reduce taxes, to hold property without it accumulating additional tax liens, and to isolate real estate assets in a dedicated property-holding entity.

Any single initiative may not be able to deal directly with a large percentage of vacant buildings in a city or metropolitan area. It is more likely that particular neighborhoods will be targeted. The negative spillovers of vacant properties can make the problem quite daunting. For example, if an initiative is able to purchase only 25% of the vacant properties in a small area—which might be a sizable number of homes—it may be difficult to make the acquired houses marketable either for purchase or for rental given the remaining vacancies in the area. In neighborhoods with many vacant properties, "onesey-twosey" market-based approaches, where investors or developers may come in and pick up a few properties here and there, are unlikely to be successful. High concentrations of vacant homes may limit "free market" responses in some neighborhoods. In communities with fewer foreclosures, private—as well as nonprofit or public—buyers may be able to move quickly and effectively to return properties to the market.

Some properties may be too dilapidated for rehabilitation, or the recovery of all the vacant homes would put too much downward pressure on an already distressed local market. These sorts of situations will likely require an acquisition-to-demolish strategy with an aim for some sort of public or private open space (e.g., parks, urban gardens, side lots) or another sort of reuse. For other properties or in other neighborhoods, there will be significant demand for housing but the buildings will be in need of significant rehabilitation. Finally, there may also be properties where the surrounding market may be relatively strong, and the house is in need of little or no repair and quick reoccupancy is the goal. These different conditions will require different strategies and may involve different sets of organizational partnerships and resources.

The tightening of home lending markets and the overall weakness in housing markets have constrained the number of potential homebuyers in many areas. One approach to this is to convert the tenure of previously owner-occupied properties to either rental or some shared-equity form of ownership, including community land trusts or limited-equity cooperatives. Another tool is a responsible form of lease-purchase program, preferably managed by a housing nonprofit that maintains a strong commitment to treating tenants fairly (Schaeffing and Immergluck, 2010). In this way, homes can be converted to lease-purchase units in which residents lease for a number of years, after which they become eligible to purchase the home. An example of the lease-purchase approach is a project led by Self-Help, the prominent North Carolina community development credit union (Schaeffing and Immergluck, 2010). Self-Help is making loans to a local nonprofit partner in Charlotte for units that are then rented through a lease-to-buy arrangement to tenants some of whom will become eligible to purchase the houses within five years. Tenants are evaluated at the beginning of their tenancy for their ability to assume ownership later and then will be reevaluated at the point of purchase. The program also requires homeownership counseling for tenants.

In Washington, DC, CityFirst Enterprises, a community development financial institution, is using New Markets Tax Credits for a project that involves the purchase and rehabilitation of foreclosed homes that will then be sold to moderate-income families (Living Cities, 2008). CityFirst will provide a silent second mortgage that will involve owners sharing any equity appreciation with CityFirst, which in turn will roll over the subsidy for future buyers in order to preserve affordability.

One key obstacle to recovery efforts is the difficulty in accessing accurate, comprehensive, and timely data on foreclosed

properties. This includes not only the location of foreclosed properties but also the identity and contact information for those who control the properties and information on their physical condition. Few local governments have a good handle on even the number and locations of vacant properties. Property records systems are often not well designed to provide this information, and local county recorders or clerks often do not maintain it in a readily accessible form. In fact, property records are often compiled by private data vendors who then process and repackage the data in expensive databases that planners and community developers cannot easily afford.

The availability of quality and timely data—and related analyses—on foreclosures and vacant properties varies a great deal across cities and states. Some of this variation stems from state- or county-level laws or property records systems. However, there are also significant differences in local capacity to compile, present, and analyze relevant data. In Cleveland, NEOCANDO, a neighborhood indicators project based at Case Western University, has compiled data that can be used to track foreclosures, predict foreclosure hot spots, and track the fate of properties over the longer term. In Chicago, the Woodstock Institute regularly tracks foreclosure data for the region, and its deep knowledge of mortgage-related issues allows it to spot emerging problems. In Memphis, the Center for Community Building and Neighborhood Action at the University of Memphis has used data on foreclosures and original data generated from visual surveys to track the trajectory of properties in the city.

HELPING HOUSEHOLDS RECOVER

Helping households recover from foreclosure has been the least discussed area of response to the crisis. Household recovery pertains not just to borrowers but also to renters displaced by foreclosure. Both borrowers and renters may face difficulties in attempting to find new housing or to stay in the same neighborhood or school district. Foreclosure may force owners or tenants into homelessness, which can create significant challenges for adults and children. Unfortunately, renters may be viewed by some local officials as less desirable citizens than homeowners, so when they are evicted because of foreclosure, it may be more difficult to get policymakers to express serious concerns.

Foreclosure can put severe strains on local shelters and human service programs, as well as the families themselves. The settlement between Bank of America (in their role as acquirer of Countrywide Financial) and the attorneys general of 11 states included $70 million in relocation assistance to foreclosed households (Morgenson, 2008). Families with children may need to find new schools—and may find it difficult to find decent rental housing in areas with good schools. School mobility, especially when occurring in the middle of an academic year, can have lasting negative impacts on school performance (Rumberger, 2002). One important issue that has received little attention, and that is difficult to quantify, is the damage that forced relocation can do to social networks and support systems. This may be particularly true for low- and moderate-income homeowners who often rely on family and friends in their existing neighborhood for basic needs and support, such as child or sick care (Dawkins, 2006).

Foreclosed borrowers may be locked out of the homeownership market for several years and may face difficulties accessing quality rental housing. Many landlords rely heavily on credit scores to screen tenants. This may constrain the options of foreclosed families into a narrower, less desirable segment of the rental market.

Some local governments and many rental housing advocates have made efforts to increase tenancy protections for renters in foreclosed properties. The City of Chicago worked with local advocates to help pass a state law requiring 120 days' notice to evict tenants, and the City of Baltimore has taken similar steps. In 2009, federal law provided for 90-day notice for most tenants of foreclosed properties, but states can go further than this.

Another aspect of household recovery that has received little attention is the need to rebuild credit and financial health. Credit counseling and community development agencies can be key players here, as well as legal aid groups and tenant advocates. Local and state government can also play a role by supporting these organizations in household recovery efforts. However, many of these groups are overwhelmed as they focus on preventing additional foreclosures.

The use of credit scores has become much more widespread in recent years. They are frequently used by employers in evaluating job applicants, by utilities in processing applications for service, and by landlords in assessing potential tenants, and by insurance companies in underwriting and pricing automobile insurance. The U.S. Fair Credit Reporting Act allows access to credit data to firms that deliver a good or service prior to receiving payment.

A substantial deterioration in an individual's credit score can create a substantial web of barriers to employment, quality housing, and affordable goods and services. For example, an estimated 90% of auto insurers use credit data in underwriting new policies, although some states prohibit the use of credit data in underwriting and pricing auto insurance (Hartwig and Wilkinson, 2003). In 2003, the Society for Human Resource Management found that 35% of employers it surveyed were using credit data in screening applicants, up from 19% in 1996 (Evren, 2004). In 2002, TransUnion, one of the three large credit bureau firms, reported that banks and credit unions had been overtaken as the largest users of credit data in the Philadelphia region by nonbank entities such as hospitals, telecommunication firms, and utilities (Furletti, 2002).

The goal of this chapter was to lay out a broad description of different local responses to the foreclosure crisis. Given the large scale of the foreclosure problems facing so many communities, it is just one attempt to try to get a handle on the potential and actual near-term responses to surging foreclosures and the constraints faced by local government, nonprofits, and the civic community more generally as they plan and implement new and continuing responses.

NOTE

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CHAPTER 10

Community Development Financial Institutions

Expanding Access to Capital in Under-Served Markets

Lehn Benjamin, Julia Sass Rubin, and Sean Zielenbach

Affordable credit, basic financial services, and investment capital are critical to community health. Individuals need mortgages to purchase and maintain their homes. Developers require financing to build and rehabilitate commercial properties, community facilities, and affordable housing. Businesses need capital in order to grow. Community residents and local institutions require safe, affordable financial accounts where they can keep and build their assets. Unfortunately, low-income communities and individuals have limited access to financial services, affordable credit, and investment capital. The lack of such financing has hampered efforts to improve conditions in these areas.

This chapter looks at one response to this problem: the community development financial institution (CDFI). CDFIs work to improve economic conditions for low-income individuals and communities. They provide a range of financial products and services that often are not available from more mainstream lenders and financiers. CDFIs augment their financing with counseling and educational services that increase their borrowers' economic capacities and potential. There currently are 748 certified CDFIs throughout the country, ranging in asset size from $5,000 to more than $1 billion (www.cdfifund.gov; CDFI Data Project, 2003). Institutional forms vary, from federally regulated banks and credit unions to unregulated, nonprofit and/or for-profit loan funds, and venture capital funds.

Today's CDFIs have a number of predecessors. The first minority-owned banks targeting low-income areas were established in the late 1880s (Du Bois, 1907). The 1930s and 1940s saw the emergence of credit unions, many of which were designed to serve African Americans who did not have access to credit (Isbister, 1991). Several of the community development corporations (CDCs) that were first created in the late 1960s and early 1970s provided financing for small businesses as part of their broader economic revitalization efforts (Halpern, 1995; Perry, 1987). The 1980s saw the emergence of nonprofit loan funds that worked to promote affordable housing and small business development. Many of these organizations—including the Local Initiatives Support Corporation, the Enterprise Foundation, Boston Community Loan Fund, and the Delaware Valley Reinvestment Fund—focused primarily on helping CDCs obtain the financing and technical skills necessary to carry out their projects (Walker, 1993).

The coalescence of these various initiatives into a recognized development finance industry occurred in the early 1990s, facilitated by two federal initiatives actively supported by the Clinton administration. The first involved increased enforcement of the federal Community Reinvestment Act (CRA). Enacted in 1977, the CRA mandates that banks address the credit needs of their entire service area and prohibits them from discriminating against any portion of their markets. Clinton-supported revisions in 1995 judged banks more on their actual lending and investment performance than on their marketing and outreach efforts in low-income and minority communities, which contributed to greater lending in

these areas (see Belsky, Schill, & Yezer, 2001).

The second, related initiative involved the establishment of the Community Development Financial Institutions (CDFI) Fund in 1994. First championed by candidate Clinton and based in large part on his experiences with the Chicago-based South Shore Bank, the Fund sought to increase the availability of affordable capital in historically underserved markets. It has fostered the development of community development banks, credit unions, loan funds, and venture capital funds. The Fund certifies organizations as CDFIs, ensuring that they meet a certain set of institutional criteria. It also provides capital to CDFIs both directly and indirectly through regulated banks and thrifts. Since its inception, the Fund has provided a total of more than $775 million in direct funding to over 300 CDFIs and has facilitated approximately $1 billion in CDFI-related investments from banks through its Bank Enterprise Award program. The Fund's efforts have significantly expanded the development finance industry, as the number of certified CDFIs more than doubled from 1996 to 2006. (A list of certified CDFIs can be found at www.cdfifund.gov.)

This chapter provides an overview of CDFIs in the context of development finance. It explores issues regarding the assessment of CDFIs' impact and looks at some of the challenges CDFIs face going forward.

BASIC FINANCIAL SERVICE PROVISION

Checking and savings accounts are the most basic financial assets that most households own. When housed in insured depository institutions, these kinds of accounts provide a safe place to keep money, create opportunities to build wealth, and often serve as prerequisites for obtaining credit. Households without such accounts face a number of financial disadvantages, including having to use currency exchanges to cash checks and struggling to establish the credit history necessary to purchase a home. Low-income households without transaction accounts are 43% less likely to have positive net financial assets, 13% less likely to own a home, and 8% less likely to own a vehicle than those with such accounts (Carney & Gale, 2001). With 8.7% of U.S. families having no checking or savings accounts with an insured financial institution, the need for affordable, accessible financial services is clear (Bucks, Kennickell, & Moore, 2006).

Community development credit unions and community development banks provide basic financial services at little or no cost to their members or customers. They offer basic savings and checking accounts with no monthly fees and very small ($10 or less) minimum balance requirements. CDCUs and CD banks also offer certificates of deposit (CDs) that can be purchased for as little as $100, and special savings vehicles such as Individual Development Accounts (Sherraden, 1991). Virtually all CDCUs and CD banks spend considerable time helping their members and customers improve their credit ratings—principally by reducing debt and repairing credit histories—with the goal of increasing their asset-building capacities. CDCUs and CD banks are the only CDFIs to make consumer loans to households for critical purposes such as purchasing an automobile, paying for health care, and investing in education.

CD banks and credit unions also work to combat "fringe banking" in low-income communities. "Fringe bankers" include payday lenders, currency exchanges, check-cashing outlets, pawnshops, and rent-to-own stores—each of which typically charges high transaction and/or loan fees. Users of fringe bankers often pay two or more times as much in interest and fees as they would if they had an account at a regulated institution (Mullen, Bush, & Weinstein, 1997; Stegman, 1999; Caskey, 2001).

CD banks and credit unions provide an accessible alternative to fringe bankers. Most CD banks and credit unions are located in low-income areas and/or serve predominantly low-income individuals. Their numbers have increased significantly over the last decade. As of 2003, there were

54 CDFI Fund-certified CD banks with almost $8 billion in assets and at least 265 CD credit unions with $4 billion in assets (CDFI Data Project, 2003).

HOUSING FINANCE

Community development and development finance efforts have historically focused most on the creation and/or rehabilitation of housing. The home is the primary asset for most Americans, and homeownership is a time-tested way of building individual and family wealth. Homeownership also serves as a linchpin of broader neighborhood development strategies, as it tends to contribute to more stable residential areas and can spark additional investment (Rohe & Stewart, 1996).

Single-Family Financing

The stability of a residential area depends on the availability of affordable mortgage financing. For many years a number of banks redlined poorer and minority neighborhoods, and, even now, banks struggle to manage the risks associated with lending in these areas. Mortgage default rates in low-income census tracts are generally 15% higher than in moderate-income ones and 31% higher than in middle-income ones (Capone, 2001). Low-income borrowers are also more likely to default than are moderate- or middle-income borrowers (Van Order & Zorn, 2001).

The vast majority of borrowers in these areas do not default, however, and advocates for these communities have helped create alternative financing institutions to meet local capital needs. CDFIs such as the South Shore Bank, the Santa Cruz Community Credit Union, the Colorado Assisted Housing Corporation, and many organizations within the Neighborhood Reinvestment Corporation's NeighborWorks network were developed partly in response to unmet mortgage needs. The NeighborWorks members alone have provided mortgage financing to over 60,000 low-income families in the past 10 years.

The growing emergence and activity of CDFI lenders has coincided with substantially increased lending in lower-income markets on the part of conventional financial institutions (Bostic & Robinson, 2004). Heightened CRA enforcement, along with greater understanding of the profit potential within lower-income markets, has led conventional lenders to develop "subprime" products that better address the needs of borrowers making as little as 50% of the area median income. For example, borrowers can now make down payments of 3% or less of the home's purchase price. In certain areas (Boston, for example), banks have offered subordinated second mortgages in conjunction with conventional firsts so as to reduce further the amount of up-front equity a borrower must provide (Campen & Callahan, 2001). Such loans may also carry more flexible terms than conventional mortgages and generally have higher interest rates to compensate for higher risks of borrower default.

The increased availability of capital in these markets has led CDFIs to adapt and expand their financing products. While some CDFIs offer first mortgages, the institutions generally are more supplementary lenders. Most of the home purchase lending on the part of NeighborWorks members, for example, involves "soft" second (or even third) mortgages. These loans, which are subordinate to first mortgages held by more conventional financial institutions, typically cover up to 30% of the purchase price and carry significantly below-market interest rates. CDFIs also offer down payment, closing cost, and home repair/maintenance loans. Taken together, these products help make homeownership more affordable for lower-income borrowers, ensure the homes' livability, mitigate default risk for conventional lenders, and preclude the physical decline of neighborhoods.

Prospective CDFI borrowers often must attend homeownership training before being able to obtain a loan. Such education may involve a series of group sessions over multiple weeks (the typical NeighborWorks model) and/or one-on-one meetings with a CDFI staff member. The goal is to enable

the prospective borrower to address prior credit issues and meet the CDFI's (and/or a conventional lender's) underwriting standards. Many CDFIs also offer post-purchase counseling to help buyers make their payments and identify and avoid predatory refinancing or other deceptive lending practices.

Multi-Family Financing

Just as CDFIs serve as intermediaries between low-income households and conventional financial markets, they often serve as a conduit between nonprofit housing developers and mainstream capital providers. Some of the larger community development loan funds—including LISC, the Enterprise Foundation, and the Low Income Investment Fund—have historically concentrated significant resources on building the financial and organizational capacity of CDCs and similar affordable housing organizations. They have helped the organizations develop sound financial and accounting practices, identify contractors, address asset management issues, and generally become more business-like in their orientation to real estate development. They have also worked to involve conventional lenders in projects, usually by providing up-front, higher-risk financing to help the projects get underway. LISC, for example, was a pioneer in the creation of "pre-development" loans: low- or no-interest debt with balloon repayments of principal to cover various land acquisition, architectural, environmental, legal, and other up-front costs associated with preparing a site for development. CDFIs have often provided CDC developers with construction loans to build or rehabilitate the planned housing units. As conventional lenders grew comfortable enough with projects to provide permanent mortgage financing, the CDFIs' loans have generally taken subordinate positions.

Developments require a significant amount of subsidy for lower-income individuals to be able to afford the units. In addition to helping developers identify and obtain various grant monies, CDFIs such as LISC and Enterprise successfully pushed for the creation of the Low Income Housing Tax Credit (LIHTC). Since its implementation in 1986, the LIHTC has enabled taxable investors to take a credit against their federal income tax for investing monies in low-income housing developments. The resulting equity has substantially reduced project financing costs and has contributed to the creation of thousands of additional housing units for lower-income families (Cummings & DiPasquale, 1999; DiPasquale & Cummings, 1992; McClure, 2000).

COMMUNITY FACILITY FINANCING

Many nonprofits struggle to obtain financing for important neighborhood projects such as childcare centers, health clinics, and charter schools. Nonprofit organizations' reliance on grant funds as their primary source of revenue, along with the inherent uncertainty of philanthropic and public support amid shifting economic and political winds, often makes conventional lenders hesitant to finance these projects. CDFIs offer various predevelopment, construction, and working capital financing to enable these projects to go forward. Many of the loans are structured with balloon repayments of principal, so they can easily be replaced by conventional financing in the future. Community facility financing remains a relatively small percentage of the CDFI industry's overall portfolio but has grown substantially in the past few years.

SMALL BUSINESS FINANCING

A healthy, growing business sector provides critical goods, services, and employment opportunities to local residents. Without access to external capital, companies must use their own earned income to finance their growth and investments, limiting how quickly they can expand. Equity capital is particularly crucial for young companies, which lack the cash flows necessary for debt repayment.

Minority, female, and low-income entrepreneurs, as well as small businesses located

in distressed communities, frequently struggle to obtain necessary financing. Higher transaction costs associated with making small loans; higher default risks inherent in lending to smaller, less well capitalized companies; and residual racial, ethnic, or gender discrimination have combined to limit debt capital available to these companies. Venture capitalists, the primary source of conventional equity capital, are reluctant to invest in companies unless they are very rapidly growing, have the potential for quick, highly lucrative exits, are located in a handful of states and major markets, and need at least $2 million or more.

Debt

CDFIs work with small businesses with the potential to generate benefits for low-income people and/or communities. Among the typical criteria are the creation of jobs that require minimal skills and hold opportunities for advancement, commitments to livable wages and employee benefits, and environmentally friendly practices. In most cases, the businesses are unable to meet their capital needs from more traditional sources. This is especially true for microenterprises, companies that usually have five or fewer employees and annual revenues of $250,000 or less. (For more information on microenterprises, see Edgcomb, Klein, & Clark, 1996; Clark, Kays, Zandniapour, Soto, & Doyle, 1999; and Servon, 1999.)

CDFI financing generally goes toward facility purchase, expansion, and modernization; working capital; and equipment purchase. Loans typically carry three- to five-year terms and market or below-market rates. They may be structured as lines of credit or may convert to equity or otherwise contain warrants, royalties, or other features that enable the CDFI to share in the business's success. Unlike conventional lenders, CDFIs often provide small business loans for as little as $1,000. CDFIs lend both independently and in conjunction with conventional lenders. In some cases, CDFIs may guarantee a portion of banks' loans in order to help borrowers build relationships with conventional financial institutions.

Equity

Community development venture capital (CDVC) funds provide equity to businesses in exchange for a portion of ownership in the form of preferred or common stock in the companies. Such investments serve as patient capital, giving young firms the funds they need but not requiring immediate repayment. Unlike traditional equity providers, which look for the promise of significant economic growth before investing in a firm, CDVCs often invest in companies that have only moderate growth but significant job creation potential. Most CDVC funds target manufacturers, which typically offer higher wages and better benefits than service sector jobs and can employ individuals with lower education and skill levels (Mayer, 1998; Phillips-Fein, 1998). CDVCs also tend to be more willing to invest in companies located in rural and low-income areas (Rubin, 2001).

CDVCs must exit their investments in order to make a profit and free up capital for new investments. Most CDVC exits occur when the portfolio company is acquired by another business or when the company's owner or management buys out the CDVC's share. In general, CDFI equity investors tend to hold their investments much longer than traditional venture capitalists. That tendency reflects both the greater difficulty of exiting the types of companies in which CDVCs invest and the unwillingness of CDVC managers to force exits that would hurt the companies' longer-term prospects (Rubin, 2001).

CDFIs that finance businesses typically provide intensive technical assistance to their borrowers and portfolio companies. For example, CDFIs help emerging companies with writing business plans, developing marketing strategies, and establishing financial management systems. They do so through their own staff members as well as through outside experts brought in to increase the companies' knowledge, sophistication, and market readiness.

ASSESSING CDFIs' IMPACT

Like all entities engaged in community development, CDFIs struggle to identify appropriate indicators for measuring the impact of their activities. CDFIs generally have described their impacts in terms of specific, quantifiable measures such as jobs created, housing units refurbished, mortgages provided, and day care facilities developed. These impacts are assumed to lead to broader, longer-term improvements in their targeted markets. Unfortunately, definitions of impact, along with the indicators and measurement used, vary widely.

Attributing causality is also problematic. For example, most affordable housing developments have a number of different funding sources. While a CDFI's involvement may have been critical to the deal's viability, each of the other capital providers could easily argue that its monies were equally essential. There also are many factors external to the CDFI that help determine if a project or business succeeds. Consider the case of a CDFI making a business loan for the purchase of a new piece of equipment. Over time the business grows and hires additional workers. Part of that growth likely stems from the enhanced productivity resulting from the new equipment, and part results from the growing market for the business's goods and strategic actions taken by the company's management and workforce. Is the CDFI, therefore, responsible for creating the new jobs? The CDFI's financing and related technical assistance likely contributed to the improved health of the company, but is unlikely to have been the sole relevant factor. Furthermore, determining the relationship between the CDFI's activities and the growth of the company's workforce becomes increasingly difficult over time.

How, therefore, should we assess CDFIs' impact? One way would be to think in terms of direct and indirect effects of a CDFI's activities. Direct effects are those that result immediately and specifically from a CDFI's financing or technical assistance (a business purchases a new piece of equipment with a CDFI's loan dollars, a family purchases a home thanks to a CDFI mortgage, etc.). Indirect effects are those that materialize later as a result of factors including, but not solely related to, the CDFI's activities (the new piece of equipment enables the business to expand into a new market, hire additional employees, and pay more taxes; the new homeowners help stabilize the surrounding community). Obviously, the impacts become increasingly diffused as we move farther away from the original financial transaction, and measuring and attributing them accurately becomes more difficult.

We also need more realistic expectations of CDFI impacts. After all, CDFIs are relatively small financial institutions that provide related education and counseling activities. The impact of any CDFI is inevitably limited relative to broader economic and political forces. Affordable homeownership ultimately depends less on the structure of a CDFI's loan than on the strength of the local housing market and the effect of national interest rates. An expansion of the Earned Income Tax Credit is likely to have a much greater impact on reducing poverty in a given community than will the efforts of even the largest and most effective CDFI.

CDFI PROSPECTS

An ongoing question is the appropriate long-term role for CDFIs. Are they alternatives to conventional financial institutions, necessary intermediaries between such institutions and lower-income communities, or financial innovators that demonstrate the viability of such communities? CDFIs clearly cannot meet all of the financial service needs of lower-income communities by themselves. At the same time, most conventional financial institutions currently are not (and likely never will be) providing some of the products and services that CDFIs offer. From a policy perspective, is it better to support further expansion of CDFI capacity or to enable and encourage conventional financial institutions to take over the CDFIs' financing activities? Additionally, little attention has been paid to the important role that CDFIs play in advocating for lower-income

communities, helping to shape policies that affect their financial health.

While CDFIs appear to have helped expand access to affordable credit and investment capital in many previously under-served communities, sustaining and building upon these gains is hardly guaranteed. To date, CDFIs have relied on subsidized capital to make most of their activities possible. It is no accident that the most dramatic increases in financial service provision in lower-income markets occurred in the 1990s, a time of widespread economic prosperity, strong political support for domestic development finance, and consistent enforcement of the CRA. These factors enabled CDFIs to receive significant financial support from banks, foundations, and the federal CDFI Fund. Conditions have changed dramatically since 2000. The economy has weakened, foundation enthusiasm for CDFIs has waned, there has been little if any support for community development and reinvestment from the Bush administration, and funding from all levels of government has been limited by severe budget shortfalls.

CDFIs have recognized the need for innovation in order to survive the current political and economic environment. Individual CDFIs have merged and formed partnerships to cut costs. Many CDFIs have identified and focused on their most lucrative and socially meaningful activities, while outsourcing loan processing and back office operations to cut expenses. Other CDFIs have diversified their base of borrowers and their mix of products. There also has been an industry-wide effort to find ways to attract and use market-rate capital and to free up existing capital by selling CDFI-originated loans on the secondary market. Regardless of the role that CDFIs ultimately play, their experiences to date have demonstrated both the financial needs and the market opportunities of lower-income communities.

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CHAPTER 11

The Economic Development of Neighborhoods and Localities

Wim Wiewel, Michael Teitz, and Robert Giloth

INTRODUCTION

The practice of neighborhood-based economic development arises out of decades of community organizing and antipoverty efforts. Housing rehabilitation and construction are the main activities of most community development corporations (CDCs) and other neighborhood groups, but they also engage in economic development, which includes assisting business creation and retention, developing commercial and industrial space, and job training programs.

Yet despite these many years of experience, we still lack a comprehensive theory of community economic development. A good theory of neighborhood economic development needs to include an accurate and complete economic perspective, which explains both internal dynamics and linkages between neighborhoods and the larger economy. Second, such a theory must be based on a realistic understanding of sociopolitical conditions to gain clarity for action: what the basis for intervention at the neighborhood level can be, and how, when and where interventions can be effective. But because such a theory does not currently exist, this chapter begins with practice, to discover elements of implied theory in the actual work of neighborhood economic development practitioners. This review of strategies and their relative success will help in the exploration of an integrated theory of neighborhood economic development.

NEIGHBORHOOD ECONOMIC DEVELOPMENT PRACTICE

This section discusses eight forms of neighborhood economic development practice. After a brief definition, we analyze each by exploring its theoretical basis in regard to (a) the economic basis of the practice in terms of the neighborhood economy and its linkage to the larger economy, and (b) the assumptions in regard to the normative basis for action and the sociopolitical conditions that make success possible. Table 11.1 summarizes this section.

Business retention involves neighborhood organizations promoting the stabilization of existing businesses and industrial districts (Center for Urban Economic Development, 1987). These businesses are frequently bypassed by market trends and by public actors because of their location, size, sector, or profit level. Neighborhood business retention identifies business problems, organizes business leaders, provides technical assistance and loan packaging, organizes collective services (e.g., security or employment referral), launches industrial real estate projects (e.g., industrial parks or incubators), and advocates for public policies (e.g., industrial protection, land-use controls, or specialized loan programs) beneficial to specific industrial locations, economic sectors, and firm sizes (Giloth and Betancur, 1988).

Commercial revitalization involves neighborhood organizations promoting the economic growth of commercial districts by sponsoring marketing campaigns, special service (i.e., taxing) districts, commercial strip management (as at shopping centers),

Table 11.1 Forms of neighborhood economic development

Neighborhood economic development strategies	Economic assumption		Sociopolitical assumptions	
	Neighborhood	Region	Levers for intervention	Conditions for effectiveness
Business retention	Business–neighborhood jobs link Appropriate scale	Neighborhood business part of regional economy	Plant closing	Business characteristics State of economic development organization
Commercial revitalization	Commercial areas linked to neighborhood income	Regional hierarchy of commercial places Competition	Commercial strip decline Effects on residential neighborhood	Modest incomes Slow pace of change
Business ventures	Lack of entrepreneurs Lack of neighborhood $$ Undervaluation of neighborhood	Disinvestment/ barriers Potential marketplace	Neighborhood income leaks Plant shutdowns Lack of entrepreneurs	Exceptional markets, people, and organizations
Entrepreneurship	Underuse of neighborhood human resources	Barriers Marketplace	Life skills of residents Lack of alternatives Welfare reform	Ongoing support system Self-reliance
Neighborhood capital accumulation	Neighborhoods have underused/ disinvested resources	Disinvestment by larger institutions	Lack of neighborhood organization and financial resources	Level of investment Leadership Scale and nature
Education and training	Underused human resources	Regional economic assets	Consensus on need for educational reform and competitive workforce Impact on poor	Private sector role Broader involvement of public/private
Labor-based development	Neighborhood as workplace and residence Economic clustering	Growing regional sectors	Plant shutdowns	Existing industry–neighborhood links Sectoral clustering
Community organizing/ planning	Unequal power and resources Strength in numbers and organizations	Targets for change	Inequitable resource distribution	Legal guidelines Strength of coalitions Support of public sector

business attraction and retention services, and targeted real estate development. Neighborhood business organizations undertake this work because it represents a common interest that no single business can accomplish.

Business ventures. Neighborhood organizations initiate or facilitate new business ventures because neighborhood locations lack indigenous entrepreneurs and are unattractive to market-driven actors. The assumption underlying this strategy is that

local businesses hire locally and spend locally, hence strengthening neighborhood economies. Common ventures include construction companies, cooperatives, property management firms, and recycling businesses (Wiewel and Mier, 1986).

Entrepreneurialism is a variant of the business venture strategy that assumes that homegrown entrepreneurs will enhance neighborhood ownership, employment, and development. It therefore trains and nurtures entrepreneurs, attempting to tap human resources that have been underused (McKnight and Kretzmann, 1990).

Neighborhood capital accumulation involves neighborhood ownership and control over land, businesses, investment, and financial capital because neighborhood resources and opportunities are being drained, disinvested, or neglected (Gunn and Gunn, 1991). Frequently this strategy requires establishing new institutions, such as CDCs, land trusts, community development credit unions, or development loan funds that invest resources in neighborhood development ventures.

Education, training, and placement as a strategy invests in the human capital of neighborhoods and attempts to connect people with jobs. This strategy addresses the mismatch in regard to skills and geography of neighborhood residents and the labor market. Its initiatives provide basic skills, employment training, transportation, job readiness, antidiscrimination efforts, job linkages, and ongoing on-the-job supports.

Labor-based development begins by identifying the employment skills of neighborhood residents, particularly the unemployed and recently displaced workers; it then seeks industries that require similar occupational skills. Industries that meet this criterion and are growing in the region are then analyzed in terms of their location, employment, capital, and business assistance needs. Finally, a plan is developed to address how these industries can be attracted to specific industrial districts and sites and linked with the existing labor force (Ranney and Betancur, 1992).

Community organizing/planning alters the power relationships that constrain the flow of resources and opportunities to neighborhoods. Community organizing/planning mobilizes the power of numbers—residents, businesses, and institutions—to advocate, demand, negotiate, and plan. Frequently, neighborhoods band together in city-wide coalitions to maximize their strength and to address systemic biases in the decision-making processes and actual allocations of public and private resources. Typical targets for such organizing/planning are city hall, banks, federal dollars (e.g., CDBG), and big development projects (Giloth, 1988)

LINKAGE TO THE NEIGHBORHOOD AND REGIONAL ECONOMY

What are the theoretical notions reflected in these neighborhood development strategies? First, what does each strategy assume about the neighborhood economy and its linkage to the larger economy?

Business retention assumes that there is a beneficial relationship (or a potential one) between neighborhood industries, residents, and retail businesses because of proximity. It combines this social benefit orientation with a recognition of the importance of market-based factors of industrial location, such as infrastructure, transportation, access to markets and suppliers, and labor force.

Neighborhoods may also be the most appropriate organizational level at which to gather information, bring together businesses for cooperative purposes, and implement service programs. When organized at the city-wide level, such activities are frequently dominated by downtown interests, the largest firms or sectors, or promising high-growth sectors. Consequently, neighborhood industrial councils resemble mini-growth coalitions and comprise landowning firms, banks, utilities, and realtors that promote specific industrial districts.

Neighborhood industries are connected to regional markets, are affected by inter-industry and corporate relationships, experience locational and agglomeration advantages or disadvantages, and are the target of competition for economic

development between regions. Consequently, if regions lose competitive advantage or experience disinvestment, neighborhood locations within these regions will falter as well. Hence regional economic development policies (and national policies with regional implications) affect the viability of neighborhood business locations.

Commercial revitalization. Neighborhoods are part of a market-based hierarchy of commercial places defined by types of goods, family income, and transportation access. The neighborhood shopping district is home to a mix of convenience and trade goods sold by businesses that depend upon the consumer incomes of neighborhood residents. When consumer preferences are not met in neighborhoods, neighborhood income leaks to other shopping districts. Changes in neighborhood income and demographic characteristics, modes of transportation, consumer preferences, retail efficiencies, and the emergence of shopping malls have disrupted neighborhood shopping districts over the past 20 years. Consequently, neighborhood commercial groups also function like mini-growth coalitions, marketing the viability of specific neighborhood commercial areas.

Neighborhood shopping districts are part of regional hierarchies of commercial areas that are constantly evolving—particularly in response to the decline of city populations and the growth of suburbia. As a result neighborhood shopping districts compete with other city and suburban retailing centers.

Development of business ventures as a strategy is grounded in the lack of neighborhood entrepreneurs, leaks of neighborhood income, and the undervaluing of neighborhood market opportunities due to racial prejudice.

The insufficient rates of return for neighborhood businesses result from low neighborhood income, high operating costs, and higher thresholds of profit required by larger businesses. This perspective even questions whether a market-defined rate of return is an appropriate measure for business investment in neighborhoods given the theorized social benefits that accrue in neighborhoods from business development but that are not counted on the private balance sheet (e.g., employment effects on crime, social welfare, family life) (Wiewel and Mier, 1986).

Lack of business development and ownership in neighborhoods means that income is drained elsewhere. Moreover, outside institutions—for example, banks—may undermine the neighborhood business environment by creating a scarcity of capital. Alternatively, business ventures that capitalize on neighborhood locational attributes (e.g., amenities, history, culture) may become regional attractions.

Entrepreneurship shares the basic assumptions of the business venture strategy but is also concerned with underused human resources. That underuse occurs because of diminished opportunities and the lack of sociocultural supports needed to encourage entrepreneurs.

While the larger region may be a competitor for a neighborhood, especially for its commercial businesses, it also serves as a potential marketplace for newly inspired or organized entrepreneurs.

Neighborhood capital accumulation. Even poor neighborhoods have financial, human, and organizational resources that can provide a foundation for neighborhood development (Gunn and Gunn, 1991). Unfortunately, these resources are drained from neighborhoods by absentee ownership, lack of local businesses, and institutional disinvestment. That drain of resources from neighborhoods is often related to race and class.

The neighborhood drain of resources occurs because of gaps in neighborhood economies and because of structured forms of disinvestment (i.e., redlining or deindustrialization) that are directed by regional and national institutions. As a development strategy, neighborhood-based financial institutions have been able to attract social investments from the region.

Employment, training, and placement. Many inner-city neighborhoods are defined, in labor market terms, as redundant, surplus, or marginalized. The roots of this pattern lie in the functioning of the labor market in conjunction with the historic

legacy of racism. Lack of trained and job-ready workers has prompted business communities in many areas to advocate educational reform. Their impetus is the negative impact of the lack of highly trained, technical workers on the competitive position of the region and their own businesses. Teitz (1989) posited a neighborhood's labor force as its key economic asset and in fact its only developable one. One problem with such a strategy, however, is that it may simply let successfully trained individuals leave the neighborhood.

Labor-based development seeks to reestablish the neighborhood as workplace and residential space. That strategy may work best with a cluster of neighborhoods, or a subsection of the city, because of the workplace/residence separation and the need to have a critical mass of specific skills to attract specific industry. Sectors and firms growing or attracted to the region are the target for the labor-based strategy, in particular, manufacturing sectors that contain smaller firms and are labor intensive.

Community organizing/planning. Low- and moderate-income neighborhoods have unequal political power in relation to major private interests and public sector bureaucracies. Neighborhoods are viewed as secondary in relation to land-based interests that promote downtown and big development projects as the engines for city growth. Community organizing builds upon the neighborhood strength of numbers of people and organizations. It focuses on city-wide/regional patterns of power and resource distribution, attempting to increase the recognition of neighborhoods and the responsiveness of regional institutions to neighborhood concerns.

SOCIOPOLITICAL CONDITIONS AND THE BASIS FOR ACTION AND SUCCESS

Organizations continue to use these strategies because they rest on plausible theoretical notions about the economy. How well they work in particular situations depends on how well they fit particular economic conditions. Sound economics is not enough, however. Strategies must resonate with values and they must be appropriate to the social and political situation. What are the assumptions of these strategies regarding the basis for action and the conditions for success?

Business retention. Threats of firms closing or moving may precipitate the involvement of neighborhood organizations. Usually the possibility of losing a neighborhood anchor, or having residents laid off, is a powerful motivator.

Variables related to the scale, diversity, ownership, sectoral clustering, and location of industries on a regional and neighborhood basis affect whether cooperative strategies among neighborhood industries are feasible. The level of economic development organization within the neighborhood and its city also affects whether neighborhood business retention is a viable strategy (Ranney, 1988).

Commercial revitalization. Declining sales, strip deterioration, and changing demographic characteristics have encouraged neighborhood retailers to join together to redefine the focus, management, and marketing strategies for their commercial areas. The negative effects of declining commercial areas on nearby residential neighborhoods have also spurred community action. Successful commercial revitalization requires modest income levels and a controllable pace of neighborhood change. It also works when there are few nearby competitors—suburban or city shopping malls, for example.

Business venture opportunities result from an analysis of neighborhood income leaks, export opportunities, business shutdowns, and sheltered neighborhood markets. Their pursuit is often motivated by the perceived absence of any viable alternatives. They have proven difficult except when there are exceptional markets, human resources, and organizational capacity. Neighborhood organizations frequently do not have the entrepreneurial experience, drive, and resources to make fledgling businesses thrive; their ventures face all the rigors that confront start-up businesses in addition to the challenges of operating in

neighborhoods or markets that private entrepreneurs ignore (Wiewel and Giloth, 1988).

Entrepreneurship. Most people have life experiences and skills that are translatable into business opportunities, even when business is defined as a micro-business or self-employment. Here, too, the absence of other viable alternatives is an important motivation and so is the American image of the "self-made man." A public sector motivation is the concern for enabling welfare recipients to get off welfare; with few jobs available, and a lack of child care and basic skills, part-time self-employment is a viable alternative.

Most small businesses fail—an outcome that probably also applies to firms initiated by entrepreneurial and micro-business programs as well. These efforts, however, despite the failures, may enable people to become more self-reliant and to learn from failure. In this regard, the most successful programs are those that provide ongoing supports for entrepreneurs; neighborhood organizations have been able to organize such support models (Center for Urban Economic Development, 1987).

Neighborhood capital accumulation. Lack of financial resources for investment in viable neighborhood ventures often precipitates interest in establishing alternative financial or development organizations. That issue is often highlighted by Community Reinvestment Act (CRA) analyses that show lack of credit flows to neighborhoods by mainstream financial institutions.

There has been a proliferation of neighborhood-oriented financial institutions; very often, however, these institutions operate in larger environments than just single neighborhoods. At the neighborhood level, capital accumulation has been aided by community development corporations, through their development and ownership of housing and other real estate.

Employment, training, and placement. The employment needs of the business community and the deplorable state of public education in U.S. cities have created the policy space for the overhauling of educational bureaucracies, experimentation with popular education at the school, family, and neighborhood levels, and innovative job training, placement, and support programs. The differential impact on minority and poor communities has also provided a touchstone for community outcry.

These initiatives are complicated; their success for any neighborhood depends upon the strength of the contacts with the private sector, the stability of the job base, and the support for basic skills, job readiness, as well as ongoing support. In a broader sense, overhauling the education and welfare systems that inhibit quality employment and lifelong learning is a long-term strategy that reaches beyond individual neighborhoods.

Labor-based development. A catalyst for this strategy is a plant shutdown or a series of shutdowns that affect sectoral clusterings of firms (e.g., steel, fabrication) that result in massive displacement of workers with accumulated skills. Retraining is one option to get them back in the labor force; the labor-based approach designs development strategies based upon their existing job skills.

This strategy attracts higher wage jobs to neighborhoods by offering an array of inducements, including labor force training and business support services. It is most effective where there are industrial districts that already employ neighborhood people and have locational and infrastructure attributes attractive to a broad range of firms.

Community organizing/planning. The ongoing motivation for community organizing is the inequitable distribution of resources to neighborhoods and the social and economic impacts related to that distribution. Handles for community organizing, given these inequities, include public budgeting, the use and abuse of public incentives, planning, and approvals by private developers for large public/private projects that yield questionable benefits for neighborhoods. Legislation such as the CRA provides a more predictable path for raising these resource issues.

Community organizing/planning depends upon legislative or administrative guidelines (e.g., the CRA), the breadth and depth of

community coalitions, the supportiveness of public institutions, the profitability of private development, and the localized nature of proposed solutions. Organizing has been less successful when it has challenged private decision-making and ownership or has advocated broad redistributional programs. Occasionally, community organizing has spilled over into political campaigns that, when successful, have made bureaucracies more supportive of neighborhood economic development (Clavel and Wiewel, 1991).

WHAT DOES A THEORY OF NEIGHBORHOOD ECONOMIC DEVELOPMENT NEED?

The first section of this chapter identified two substantive requirements for community economic development theory. First, the theory should concern itself with the neighborhood economy and its linkages. Second, the theory must also be sociopolitical because the activity with which it is concerned is rooted in a particular form of social institution and its practitioners act explicitly within a political framework.

The actual experience of practitioners suggests three additional, more abstract requirements for a theory. First, the theory must be instrumental, that is, it should provide guidance for action rather than simply a positive explanation of how things behave. Second, it should also be normative, that is, it must embody a set of objectives and arguments for realization. This assertion is closely related to the idea of instrumentality in the sense that an instrumental theory demands some goal. It is also consistent with the entire history of community economic development, which has been driven by the desire for change and improvement in the conditions under which people live. Third, a neighborhood economic development theory requires a positive understanding of the contextual world in which the action that it deals with will be played out. This term describes the kind of understanding of relationships and interactions necessary for effective action.

PROBLEMS AND POTENTIALS IN COMMUNITY ECONOMIC DEVELOPMENT THEORY

How well does current community economic development theory stand up to these criteria and how might it be improved? On the whole, it does not do well. While practice has generated an array of approaches and, to some extent, techniques, there is little in the way of an integrated theoretical framework that can give those elements coherence.

Although the variety of approaches suggests that this field is dominated by instrumental thinking, virtually none of the approaches contains the essential elements of instrumentality, namely, guidance as to when and how they may be more or less effective and predictive power about their impacts. The theoretical and substantive content of most books being written about economic development is thin. Careful assessment of the effectiveness of the practice elements laid out above has not been done. Not much is known about where they do and do not work or how they interact with each other. For instance, does providing job training cause an exodus of skilled people from the neighborhood rather than improvement in conditions? Good theory is essential as a guide to practice, both to build the arguments for innovation and to provide support to continue when innovations fail.

What about the normative content of current theory? Is that not an area of great strength? At one level, this is certainly the case. Practitioners are committed to community goals in the face of enormous obstacles and pressures, often to their own personal disadvantage. Yet, there are also problems of normative scope.

The nature of the field itself gives rise to serious conflicts in objectives among its proponents, probably far more so than in conventional economic development. Although practitioners are aware of such conflicts and live with them every day, virtually no theoretical attention has been paid to their nature and to their resolution. Where solidarity is conceived of as a supreme virtue, recognition and acceptance of the reality of

conflicting objectives are difficult to attain. But when serious attention is paid to objectives and building consensus, as in the case of community organizing, the effort may be so great and the compromises so deep that the original economic objectives are lost in the political mobilization.

The third abstract characteristic of a community economic development theory—namely, an appropriate positive understanding of the contextual environment in which actions will be taken—presents a mixed picture. Certainly, economic development practitioners are all too aware of the constraints of the larger economy under which they work. Yet, it is also the case that community groups often do not understand or accept the reality of those constraints. In part, this is a tribute to their determination to achieve change in the face of what are formidable, indeed, impossible, obstacles.

Does this mean that community groups should know more about supply and demand? In some instances, yes; the history of worker takeovers demonstrates quite clearly the cost of illusions about business viability, and it is encouraging that more recent efforts are recognizing this most explicitly. But in a larger sense, conventional economic theory is not the only way in which to understand development. There is too much legitimate questioning and debate for that. The questions raised by conventional theory about the way in which markets work in a capitalist economy cannot, however, be ignored, no matter what injustice and distributional inequity may exist in their operation.

Similar problems exist in relation to the substantive content of community economic development theory. Clearly, a theoretical basis for this field must be both economic and sociopolitical in nature. Current practice revolves around activities that are economic in nature, but they are not integrated into an economic theory of community development that has much real content. In part, this is due to the history and evolution of the field, which has emerged from political struggles and attempts to preserve communities in the face of change and enhance their well-being in the face of exploitation, discrimination, and prejudice. A broadly accepted theory of community economic development is a long way off, and practice reflects this.

Are there some substantive elements that might contribute to a theory of development and practice? One important consideration flows from the experiences of the few instances where community economic development has been brought to the forefront of policy. These experiences suggest that the central role of community economic development action is to employ political means to achieve broadly redistributive goals through economic growth focused on particular populations and communities. The essential purpose is communitarian, but the method is to employ market mechanisms, reinforced by political efforts to generate the necessary resources for investment and to establish rules that are consistent with the larger market environment, yet supportive of community goals. There are, then, three necessary requirements to be satisfied by the process, and they must be mutually consistent for it to work.

First, the gains to communities should arise primarily from the enhancement of the productivity and creation of assets of community populations rather than solely through redistributive transfers. This implies that the realities of the market must be understood, recognized, and dealt with. Second, the objectives of community development are established at the local level, but they have to be realizable and consistent.

Third, the use of political power in relation to community economic development is primarily to facilitate the process of productivity enhancement and asset creation. The distinction here is between the politics of economic development in the community realm and the politics of other social goals, such as effective participation. It is, to some extent, an artificial distinction in practice, especially because the various elements of community development are intended to be mutually reinforcing, but, from the perspective of economic development, it emphasizes the political willingness to come to terms with the market. This agenda is modest in comparison with the conceptions of

sweeping social change that have historically informed some forms of community development. Nonetheless, it can form a viable basis for integrating actions for economic development.

A second consideration that might be brought to a theoretical structure focuses on what community economic development means and what the community itself brings to the process. It is important, and overdue, to sort out what it is in development that enhances the community and what it is that flows to the individual, the family, and the household or other smaller social units. This inevitably again raises the definitional problem of community. Do neighborhoods and communities in fact have collective or organic qualities for purposes of goal setting? The origins and character of community development suggest so, but this requires caution about the form and meaning of collective or aggregate goals. From a developmental point of view, it leads to the issue of the relationship between the potential state that a community might realistically achieve and what it brings to the development process.

What does the community provide for the development process? While it is a common part of conventional practice to carry out some sort of resource assessment, there is little theoretical basis to assign meaning and significance to those resources for economic development. What exactly does constitute community or neighborhood resources? This is an issue that is worth much more theoretical exploration, especially with respect to those aspects of community that do not inhere in any particular individual or specific piece of property. For example, if a community is attractive for investment by virtue of its collective character or location, who should realize the gain and who should bear the cost? It is equally important, however, to ask what those collective resources actually are, how they affect development, and what will happen to them if development does occur.

One of the exciting aspects of community economic development is that it is being created largely through practice. Unlike traditional economic theory, where academic theoreticians are usually far removed from the entrepreneurs and firms that make decisions, in community economic development those who practice are frequently also those who think, speak, and occasionally write about it. Obviously, under these circumstances theory often takes a back seat, and not as much theoretical work is being produced as one might wish. But what there is, is close to the field, and likely to be tested in practice. Given the newness of the field, it is reasonable to expect that continued growth and development in the years and decades ahead.

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CHAPTER 12

Conceptual Overview of What We Know about Social Entrepreneurship

Brigitte Hoogendoorn, Enrico Pennings, and Roy Thurik

INTRODUCTION

"The idea of 'social entrepreneurship' has struck a responsive chord," wrote Dees (1998, p. 1). One may conclude that in the 10 years since Dees' statement, the "responsive chord" has only become more responsive, given the growing attention from media, support organizations, policymakers, and targeted university research centers and teaching programs. Where entrepreneurship is widely acknowledged for bringing growth and economic wealth to society, social entrepreneurship is assumed to play the same role in creating social wealth in times where pressing social and ecological needs are abundant.

In spite of numerous contributions, the scholarly field of social entrepreneurship is still in a stage of infancy (Dees & Battle Anderson, 2006; Dorado, 2006; Light, 2008; Short, Moss, & Lumpkin, 2009, Hoogendoorn, Pennings, & Thurik, 2010). The aim of this chapter is to provide a conceptual overview of different perspectives on social entrepreneurship. Four schools of thought on social entrepreneurship are presented, key defining characteristics of each school are described, and findings of empirical studies concerning each school are discussed.

This chapter is structured as follows. In the next section, a broad description of social entrepreneurship is provided. Then, four different approaches to social entrepreneurship are presented followed by a section dedicated to describing the defining characteristics that distinguish these approaches from each other. Conclusions and a discussion of empirical findings of each school of thought are presented in the final section.

DEFINING SOCIAL ENTREPRENEURSHIP

Despite a growing focus on social entrepreneurship (and much like the entrepreneurship field in its early days), the field of social entrepreneurship lacks a unifying paradigm, and its boundaries are fuzzy with respect to other fields of research (Mair, Robinson, & Hockert, 2006). This situation is not surprising because a variety of conceptual perspectives have been applied to social entrepreneurship derived from a number of different domains, such as entrepreneurship, philanthropy, public management, nonprofits, and social issues in management. For example, notions of social entrepreneurship include the following: nonprofit organizations that apply business expertise to become more efficient in providing and delivering their social services (Boschee & McClurg, 2003; Reis & Clohesy, 2001); for-profit businesses run by nonprofits to help offset costs and become independent from grants and subsidies (Wallace, 1999); high donor control philanthropy, where donors pursue their own personal social vision (Ostrander, 2007); and socially responsible businesses that offer innovative solutions to persistent social, economic, and ecological problems using market-based models (Dees & Battle Anderson, 2006; Dorado, 2006). In addition, a range of closely related terms exists such as sustainable entrepreneurship,

community-based entrepreneurship, indigenous entrepreneurship, and the fair trade movement. As such, "[s]ocial entrepreneurship represents an umbrella term for a considerable range of innovative and dynamic international praxis and discourse in the social and environmental sector" (Nicholls, 2006, p. 5).

In general terms social entrepreneurship may be described as a type of entrepreneurship that concerns the process of discovering, evaluating, and pursuing opportunities primarily and intentionally aimed at the creation of social value by addressing social needs. Although the distinctiveness of social entrepreneurship may lay in its motives and mission (Dacin, Dacin, & Matear, 2010; Zahra, Rawhouser, Bhawe, Neubaum, & Hayton, 2009), the activities and processes through which individuals and organizations achieve these specific outcomes bear on the field of conventional entrepreneurship. It is the social component which adds to the concept's inherent complexity (Cho, 2006). In general, social value creation is the contribution of the individual's entrepreneurial effort to the broader society, such as the provision of clean water and education to deprived communities, the empowerment of women, and providing jobs for disabled people. What contributes to the complexity of the social component is that there is no consensus on which social objectives benefit society. According to Cho (2006), this discussion inevitably requires political choices and hence involves a "value" dimension, with regard to which concerns can claim to be in society's "true" interest. However, within the extant literature on social entrepreneurship even within conceptual articles, the social element is often taken for granted.

FOUR DISTINCT APPROACHES TO SOCIAL ENTREPRENEURSHIP

The growing attention paid to social entrepreneurship from both a practitioner's and an academic's point of view can be explained by several general developments in recent decades such as a growing awareness of the persistent social and ecological ills of our time, decreasing funding by the government in face of free market ideology, and an increasing demand for improved effectiveness and efficiency for both the social sector and nonprofit institutions. These and other[1] general developments together with region specific factors such as socioeconomic conditions gave rise to dissimilar approaches to social entrepreneurship in different contexts and resulted in various schools of thoughts.[2]

In this section two American schools of thought (i.e., the Innovation School of thought and the Social Enterprise School of thought) and two European approaches (i.e., EMES approach and UK approach) are explored. Although the approaches are often mixed in popular discourse, they reveal different perspectives and research preferences. In order to compare the schools of thought, the main distinctions and commonalities are summarized in the subsequent section.

The Innovation School of thought. The Innovation School of thought focuses on the social entrepreneurs as individuals who tackle social problems and meet social needs in an innovative manner. According to one recent examination, "[t]he school is focused on establishing new and better ways to address social problems or meet social needs" (Dees & Battle Anderson, 2006, p. 41). Social entrepreneurs do so by either establishing a nonprofit enterprise or a for-profit enterprise. For both schools of thought within the American tradition, private foundations that promote the strategic development of the sector and their founders have contributed significantly to the fundamentals of the schools. For the Social Innovation School of thought, Bill Drayton, founder of Ashoka, is considered the leading figure. This school of thought on social entrepreneurship is rooted in the body of knowledge of commercial entrepreneurship on the discovery, evaluation, and exploitation of opportunities. In the case of social entrepreneurship, these opportunities are found in social needs exploited by innovative means to satisfy those needs.

The Social Enterprise School of thought. Within the Social Enterprise School of thought, the main subject of study is the enterprise, described as an entrepreneurial,

nonprofit venture that generates "earned-income" while serving a social mission. In order to guarantee continuity of service provision, this school focuses on generating income streams independent from subsidies and grants. In addition to the theme of funding, this school also promotes the idea that adopting business methods is a successful way to improve the effectiveness of nonprofit organizations and make them more entrepreneurial. Edward Skloot is one of the pioneers of this school of thought. He founded New Business Ventures for Nonprofit Organisations in 1980, the first consultancy firm working exclusively for non-market companies, thus acknowledging a new niche and a relevant topic of interest for the third sector. The National Gathering of Social Entrepreneurs,[3] led by Jerr Boschee and Jed Emerson, amongst others, became an influential private initiative promoting the development of a more effective and independent nonprofit sector.

Both above-mentioned schools of thought that are part of the American tradition where social entrepreneurship refers above all to market-oriented economic activities that serve a social goal irrespective of sector (Nyssens, 2006). Within this tradition, social entrepreneurship is considered a subfield of entrepreneurship that results in scholarly attention both from business schools and social sciences. Strategic development such as the promotion of social entrepreneurship and the creation and improvement of sector infrastructure is orchestrated by private foundations, of which Ashoka and the Skoll Foundation are probably the most well known.

The EMES approach. The Emergence of Social Enterprise in Europe (EMES) Research Network began in 1996 and consists of scholars cooperating in order to investigate the social enterprise phenomenon and establish a broad definition that allows for the national differences within the European Union. The main objective of the research of the EMES network is the emergence and growth of social enterprises within the European Union. The "ideal typical" definition used by the EMES network defines the characteristics of the social enterprise within this approach. As in the Social Enterprise School, the unit of observation is the enterprise. In the case of the EMES approach, the social enterprise has an explicit aim to benefit the community, is launched by a group of citizens, enjoys a high degree of autonomy, is participatory in nature, and does not base decision-making power on capital ownership. In general, the organizations within this approach consist of the following types: associations, cooperatives, mutual organizations, and foundations. In contrast to the Social Enterprise School, which applies a non-distribution constraint to profits, the EMES approach allows for some profit distribution due to the inclusion of cooperatives. Although such cooperatives exist within the United States, they are not subject to the social enterprise discourse.

UK approach. Despite the broadness of the definition applied by the EMES Research Network, the UK approach to social entrepreneurship is distinct from the EMES approach and the American tradition and therefore allows for a separate approach. When the Labour Party came to power in the UK in the late 1990s, it proactively tried to stimulate partnerships between civil society, the public sector, and the private sector. In order to promote the establishment of social enterprises throughout the country, the Blair government launched the Social Enterprise Coalition and created the Social Enterprise Unit within the Department of Trade and Industry (DTI). The DTI defined social enterprise as comprising "businesses with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or the community, rather than being driven by the need to maximize profits for shareholders and owners."[4] Since 2006, all social enterprise affairs have been the responsibility of a newly established ministry of the Third Sector dedicated to improving the professionalism of the sector, ameliorating access to financial sources, and refining the legal framework in favor of sector growth. UK social enterprises are subject to a limited distribution of profits and can be initiated by individuals, groups of citizens, or by legal

entities. In contrast to the EMES approach, the goods and services provided can be related, unrelated, or central to the venture's mission. In addition, the social enterprises in the UK are trading within the market.

Within the European approach, social enterprises are generally of the nonprofit or cooperative type, are dedicated to the creation of social impact for the community, and combine revenue generation with the work or participatory activity of program beneficiaries (Defourny, 2009; Nyssens, 2006). Strategic development is initiated by governments rather than by private foundations. In contrast with the American tradition, social entrepreneurship mainly attracts scholarly attention from the social sciences.

DISTINCTIONS BETWEEN DIFFERENT APPROACHES

Although the different schools of thought and approaches are distinct from each other, there are no strict boundaries between them. In fact, they are still evolving, a point well illustrated by a recent argument proposing to converge the two American schools of thought into a single concept called "Enterprising Social Innovation" (Dees & Battle Anderson, 2006). Despite this blurring of boundaries, exploring the distinctions and commonalities contributes to an understanding of conceptual differences.

The approaches, as described above, share one main commonality: their emphasis on the creation of social value. While it is a long-held belief that entrepreneurs contribute positively to society, it is motivation and the relative importance of social value creation (as opposed to economic value creation) that distinguishes social entrepreneurs from commercial entrepreneurs (Hoogendoorn, 2011).

The distinctions of the different schools of thought are described along seven lines and summarized in Table 12.1. Taken together, the ideas behind these distinctions and the creation of social value reveal a broad overview of the main research subjects within the field.

Unit of observation. The Social Innovation School assigns the social entrepreneur an important role. Illustrative is the following quotation from Bill Drayton: "People understand this field by anecdote rather than theory, so a fellow we decide to elect becomes a walking anecdote of what we mean by a social entrepreneur" (Bornstein, 2007, p. 120). For the other approaches, the enterprise is the central unit of observation, and attention shifts from the individual to teams of entrepreneurs. In addition, the initiator of the social enterprise differs between the various approaches. Within the Innovation School, the initiation of a social venture is mainly associated with a single individual, whereas within the EMES approach the initiator is by definition a group of citizens.

Table 12.1 Distinctions between schools of thought on social entrepreneurship

Distinctions	American tradition		European tradition	
	Social Innovation School	Social Enterprise School	EMES approach	UK approach
Unit of observation	Individual	Enterprise	Enterprise	Enterprise
Link mission–services	Direct	Direct/indirect	Direct	Direct/indirect
Legal structure	No constraints	Nonprofit	Some constraints	No constraints
Innovation	Prerequisite	Not emphasized	Not emphasized	Not emphasized
Profit distribution	No constraint	Constraint	Limited constraint	Limited constraint
Earned income	Not emphasized	Prerequisite	Not emphasized	Important
Governance	Not emphasized	Not emphasized	Multiple stakeholder involvement emphasized	Multiple stakeholder involvement recommended

The remaining two approaches are less explicit in this respect, and individuals, groups of citizens, or legal entities can initiate the establishment of a social enterprise.

Relationship between mission and services. A second dissimilarity is the connection between the mission and the products and services provided. Within the Social Enterprise School and the UK approach, a direct link between mission and activities is not a necessity. Goods and services provided can be related, unrelated, or central to the venture's mission. This allows for more flexibility in running for-profit ventures aiming to generate an independent income stream. In both of the other approaches, the connection is either central or related.

Legal structure. The Social Innovation School and the UK approach put no limitation on legal structure. The Social Enterprise School exclusively considers nonprofits. Within the EMES approach, it is the degree of autonomy of the venture that is important, a focus that allows for certain restrictions on the juridical form. Social enterprises are not to be managed directly or indirectly by public authorities or other organizations.

Innovation. Innovation is clearly one of the defining features of the Innovation School. The level of innovativeness is one of the main criteria for Ashoka in the decision process of supporting a social entrepreneur.

> Ashoka cannot elect someone to the Fellowship unless he or she is possessed by a new idea—a new solution or approach to a social problem—that will change the pattern in a field, be it human rights, the environment, or any other.[5]

For those involved in this school of thought, fundamental change or Schumpeterian change is considered a prerequisite. The other approaches acknowledge the importance of creativity and innovativeness, but neither principle is fundamental to the basis of any of these approaches.

Profit distribution. The Social Innovation School leaves the entrepreneur free to choose whatever is necessary to achieve her goals; this means no constraints on the distribution of profits. In contrast, for the Social Enterprise School, a nondistribution constraint on profits is one of the fundamental principles and is inherent to the nonprofit status of the enterprises within this particular school. Social enterprises within the EMES and the UK approaches encompass enterprise types that are subject to a total nondistribution constraint as well as those, such as cooperatives, that may distribute profits to a limited extent as long as profit maximizing behavior is avoided (Nyssens, 2006).

Earned income. The Social Enterprise School, and to a lesser extent the UK approach, emphasize the importance of raising commercial income independent of grants and subsidies to secure sustainability and financial viability. Within the EMES approach, "financial viability depends on the effort of its members to secure adequate resources to support the enterprise's mission" (Nyssens, 2006, p. 12). The viability is irrespective of the amount of income generated by the enterprise. Hence, income generation is not an important issue within this approach.

Governance. Governance is an important subject within the EMES approach. Multiple stakeholder involvement, democratic management, and the participative nature of the ventures are all fundamental to this approach. Within the UK approach, governance is considered an important topic, but direct or indirect involvement of stakeholders can vary in accordance with the legal structure of the enterprise. It is by no means as fundamental for the UK approach as for the EMES approach. The Social Innovation School is in favor of involving stakeholders by creating partnership and networks through which ideas, knowledge, and expertise can flow between organizations aiming to achieve the same social objective. Democratic management is not considered an issue. The Social Enterprise School is in favor of leaving the founders of the enterprise complete freedom to achieve their goals. From this perspective, multiple stakeholder involvement is to be discouraged if it hinders the effective management both of economic and of social goals.

CONCLUSIONS AND DISCUSSION

The main contribution of this chapter is to define more clearly the concept of social entrepreneurship and to characterize the four main existing schools of thought. We lay out the goals and approaches of each school. However, it is very difficult to assess the extent to which goals are met and how much actual practices reflect the commitments of the school's adherents. Hoogendoorn and colleagues (2010) analyzed the content of the 31 empirical studies and some of the main findings concerning each school of thought are summarized below.

The defining characteristics of the Innovation School of thought are twofold: (1) the individual social entrepreneur who is assigned a series of exceptional qualities, and (2) innovation in order to bring about structural social change. The empirical results on the individual level neither confirm nor deny the presence of exceptional qualities that the Social Innovation School tends to assign to social entrepreneurs. Apart from some specific motives and use of language, social entrepreneurs do not seem to be very different from their commercial counterparts. In fact, current research provides little insight on the individual entrepreneur compared with the findings obtained for popular themes in research on conventional entrepreneurship such as demographics, personality characteristics, attitudes toward risk and financial rewards, and educational experiences.

With regard to innovation, some studies captured this topic, but extensive empirical research remains scarce. Especially within this particular school, the absence of research on disruptive change, addressing and changing the structures that caused social and environmental problems in the first place, is a glaring omission. In fact we may conclude that innovation is one of social entrepreneurship's defining elements, rather than being empirically grounded.

When it comes to the Social Enterprise School the defining characteristics of this research tradition are again twofold: (1) earned income strategies, and (2) the non-distribution constraint. Earning a commercial income in the market and becoming or staying independent from grants and subsidies is one of the fundamentals of the Social Enterprise School of thought. Surprisingly, earned income and income strategies seem to be almost completely absent from the reviewed articles irrespective of their research tradition.

We encounter another gap when considering the second key characteristic of the Social Enterprise School, namely, limited or complete profit distribution. None of the empirical studies pay attention to this subject, despite the fact that the effects of the constraints on otherwise presumed profit-maximizing behaviors are interesting, especially in light of the current discussions on misconduct in profit maximizing behavior by commercial enterprises.

Governance is an important distinction in the EMES approach. Several studies focus on this particular defining characteristic with mixed results. Whereas a study by Nyssens (2006) reveals that the representation of numerous stakeholders on the board is indeed a good way to efficiently manage the multiple goal character of the social enterprises, other studies draw less favorable conclusions about the governance of social enterprises. Sharir and Lerner (2006) conclude that governing board performance is poor and Borzaga and Defourny (2001) found that multiple stakeholder involvement is a source of inefficiency in the case of conflicting interests since it limits the ability to react to a changing environment.

The defining distinction of the UK approach is not a single characteristic that sets it apart from the other schools of thought. The wide scope of the construct and, hence, the flexibility of the approach is what makes it distinct from other traditions. The discussion so far in this final section has focused on an individual and on an organizational level of analysis. With regard to the UK approach, we would like to switch to a macro or aggregate level of analysis. Research on a national, regional, and even a sectoral level is completely lacking in our inventory of research findings, and the achievement of the UK in putting "social entrepreneurship" successfully on top of the

agenda offers a chance to address this void. Evaluation of current UK policies, the factors obstructing and promoting policy implementation, and possibilities for replication are particularly relevant for policymakers. Even on a more basic level, it is worthwhile to explore the actual degree of social entrepreneurial activity in a country, as well as potential differences and determinants that might explain these differences. Although some insights regarding the level of social entrepreneurial activity are available for the UK (Harding & Cowling, 2006), this is not the case for other countries. Actually, the macro level of analysis opens a new field of unexplored research opportunities concerning subjects such as employment, investments, policy formation, and service provision.

If social entrepreneurship is to be considered a valid means of achieving social goals it is important that research is employed to determine whether the approach is successful, and if so what are the aspects of each model that are crucial to success. We also need to better understand the contextual and resource constraints and supports that relate to more and less successful ventures.

NOTES

1. See for a more detailed description of these developments Hoogendoorn et al., 2010.
2. These approaches draw on work of Dees and Battle Anderson who can be credited with the distinction between the Social Innovation School of thought and the Social Enterprise School of thought (Dees & Battle Anderson, 2006) and Bacq & Janssen (2011), Degroote (2008), and Kerlin (2006).
3. In 2002, the National Gathering of Social Entrepreneurs was renamed Social Enterprise Alliance after merger with SeaChange, a foundation with comparable aims.
4. See www.socialenterprise.org.uk.
5. See www.ashoka.org.

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CHAPTER 13

Communities as Place, Face, and Space

Provision of Services to Poor, Urban Children and their Families[1]

Tama Leventhal, Jeanne Brooks-Gunn, and Sheila B. Kamerman[2]

INTRODUCTION

Research on neighborhoods undertaken in the 1980s and 1990s was partially a response to the worsening conditions in poor neighborhoods in America's cities beginning in the 1970s (Wilson, 1987, 1997). Scholars from a variety of disciplines began to document the detrimental impacts of neighborhood poverty on child and family well-being. Much of this work, as exemplified in the publication of *Neighborhood Poverty: Context and Consequences of Children* (Brooks-Gunn, Duncan, & Aber, 1997a, 1997b), used demographic information on neighborhoods from the US Decennial Census in conjunction with data on individual children and families. Policy attention increasingly focused on the alarmingly high number of children living in urban neighborhoods marked by high concentrations of poverty (in excess of 30%; Kahn & Kamerman, 1996; O'Hare & Mather, 2003).

How do communities, especially those with high concentrations of poor people, actually provide services and strengthen families' efforts to provide food, love, shelter, health care, safe streets, and learning experiences for their children? This chapter focuses on the ways in which neighborhood research can be used to inform the design of services for low-income, urban families with children (and, indirectly, in reforming or altering the systems in which services are embedded), and to evaluate the outcomes of service initiatives. We make a distinction between four general approaches to delivering services to children in cities: (1) categorical programs; (2) family and community support services; (3) community development corporations (CDCs); and (4) comprehensive community initiatives (CCIs). Services are generally delivered through categorical programs, which consist of federally mandated programs, such as Woman, Infants, and Children (WIC), Head Start, and Temporary Assistance for Needy Families (TANF). A number of programs, such as the State Children's Health Insurance Program (S-CHIP), are funded under block grants to states giving more local autonomy to these programs. The second strategy concentrates on integrating services for children and families in a community-based setting as well as fostering ties among community residents through the provision of family and community support services. The third approach, CDCs, focuses on housing, job creation, and civic infrastructure. The fourth strategy, CCIs, integrates the first three approaches to service delivery by providing coordinated and integrated services in a neighborhood-based setting and incorporating housing and community development.

Accordingly, this chapter addresses three issues: (1) how to conceptualize the relationships among children, families, and neighborhoods; (2) how social science has enhanced our understanding of urban children's lives, particularly as related to service provision, and (3) how the provision of services to poor, urban children varies as a function of the definition of community employed and informs the design of urban services for children.

CHILDREN IN FAMILIES IN COMMUNITIES

This section addresses how neighborhoods affect children directly as well as how neighborhoods may indirectly influence children by affecting their families—especially parents.

Neighborhood Effects on Children

Prior to the publication of *Neighborhood Poverty* in 1997, relatively few studies had considered how neighborhood structural conditions might affect children's development (Brooks-Gunn et al., 1997a, 1997b). What followed was an expanded body of neighborhood research. Neighborhood income or socioeconomic status (SES)—a combination of social and economic indicators—has been the most commonly investigated neighborhood structural dimension. Researchers often separate measures of neighborhood SES into high-SES/affluence (e.g., income, percent professionals, and percent college educated) and low-SES/poverty (e.g., percent poor, percent female-headed households, percent on public assistance, and percent unemployed) because the presence of poor and affluent neighbors may have differential associations with child and adolescent outcomes. Other structural characteristics frequently examined include racial/ethnic mix (e.g., percent Black, percent Latino, and percent foreign-born) and residential instability (e.g., percent moved in last five years, percent households in current home fewer than 10 years, and percent renters).

We conducted several large-scale reviews of the neighborhood research which found that for preschool and school-age children, neighborhood affluence (compared to middle income) was positively associated with their verbal ability, IQ scores, and school achievement (Leventhal and Brooks-Gunn, 2000). Neighborhood low income (compared to middle income), on the other hand, was associated with children's mental health problems. For adolescents, high-income/SES neighbors were also associated with school achievement and educational attainment, particularly for male youth. Neighborhood low income was adversely associated with adolescents' mental health, criminal and delinquent behavior, and sexual and fertility outcomes.

The studies reviewed identified specific structural dimensions that were associated with particular classes of outcomes, but do not address the mechanisms through which neighborhood effects are transmitted to children and youth. We proposed several theoretical models, highlighting different underlying processes, to explain potential pathways of neighborhood influences (Leventhal and Brooks-Gunn 2000). The first model, *institutional resources*, posits that neighborhood influences operate by means of the quality, quantity, and diversity of community resources—learning, recreational, social, educational, health, and employment. The second model, *relationships and ties*, highlights families as a potential mechanism of neighborhood effects including parental attributes (e.g., mental and physical health, coping skills, and efficacy), social networks, and behavior (e.g., supervision/monitoring, warmth, and harshness) as well as home environment characteristics (e.g., learning and physical environments, family routines, and violence). The last model, *norms and collective efficacy*, hypothesizes that neighborhood influences are accounted for by the extent of community formal and informal institutions present to monitor residents' behavior, particularly peer groups, and physical threats in the neighborhood, notably violence and availability of illegal and harmful substances. The models are intended to be complementary rather than conflicting, with the utility of each model for explaining neighborhood effects on child well-being depending, in part, on the outcome studied, and, in part, on the age group examined.

Neighborhood Effects on Families

As indicated by the *relationships and ties model*, the effects of neighborhood-level conditions on children may operate indirectly through parental behavior and family functioning. Some data support this premise:

over and above sociodemographic factors, neighborhood characteristics are associated with both maternal characteristics, such as depression, as well as with parenting behaviors, such as warmth and harshness. Several studies explicitly examining indirect neighborhood effects via the home environment report that quality of the home environment accounted for associations among neighborhood SES and children's academic achievement, verbal abilities, and behavior problem scores.

Given that neighborhood characteristics affect parental well-being, parenting, and the home environment, focusing on the intersection of families and neighborhoods appears to be central for the provision of services to urban children. Perhaps one of the most important facts is that parents are advocates or brokers for their children's receipt of community resources. Parents must interact with community-level agencies and institutions to garner resources for their children. For example, parents select preschools and schools for their children, obtain health services for their children (especially for children with disabilities or risk conditions), and create extra-curricular activities for their children. Few studies, however, provide information on the process by which parents in poor communities obtain, create, and structure opportunities for their children despite scarce institutional resources.

In the same vein, federal policy initiatives for children also must be viewed in the context of children in families in communities. Many programs intended to serve (primarily low-income) children, such as immunization campaigns and Early Periodic Diagnostic and Screening Test (EPDST), encounter surprisingly low levels of participation, especially among poor families or those residing in poor neighborhoods (albeit varied levels of outreach). Parental involvement appears to be a missing component to the design and implementation of these services. Alternatively, the success of Head Start is often attributed to its efforts to engage parents as well as local community members in the program. Thus, federal and community programs are important neighborhood resources for families, but their efficacy depends largely on the family and the community.

PROVISION OF SERVICES AND DEFINITIONS OF COMMUNITY

Defining or operationalizing the notion of community (as is common practice in neighborhood-based research) is not a high priority for designers of community-based services (Sullivan, 1996). Predicaments may arise if alternative definitions of community are used by family and community support services, CDCs, CCIs, and categorical programs (and with categorical programs not doing it the same way either—e.g., health districts, police precincts, school districts). Drawing upon the work of Kubisch (1996) and Sullivan (1996), we have identified three different approaches to defining communities: (1) communities as "place," (2) communities as "face," and (3) communities as "space." Defining communities as "place" is common in much of social science research, where communities are conceived of as neighborhoods (geographical locales) and bureaucratically defined catchments. Viewing communities as "face" emphasizes the psychological associations that residents have within their community; in other words, the community comprises relationships and social supports. The last definition, communities as "space," views communities as physical and built environments for living, working, and political organizing. Clearly, these different definitions of community have implications for service delivery. This section will illustrate how the provision of services to poor, urban children and their families varies as a function of the definition of community employed.

Communities as Place

Viewing communities as "place"—neighborhoods or geographical or bureaucratic locales—suggests that communities are manageable units around which to organize and deliver services (Kubisch, 1996). Employing

a place-based definition of community has two main implications for the provision of services to urban children. The more moderate and ubiquitous approach is categorical programs, and the more ambitious strategy is system reform.

Categorical programs. While categorical programs (e.g., WIC, Head Start, Healthy Start, and Medicaid) are federally mandated, they are delivered at the community level (according to bureaucratic units). Not all communities have the same number, intensity, quality, or availability of services (physical and mental health, social, recreational, child care, educational, job training). Poor, urban communities typically lack available and high quality services. Thus, a critical issue that most researchers and policymakers have failed to address adequately is how to determine what programs and services are available in the community (the U.S. Decennial Census does not measure availability of services), and whether or not available services are effective.

Service reform. Although categorical programs utilize geographical definitions of community, not all categorical programs define community the same way. Consequently, service reform has become a popular, place-based initiative. Place-based definitions may be more flexible than the bureaucratic systems (i.e., categorical programs) in that they represent more precisely the local community. For example, the New Futures initiative funded by the Annie E. Casey Foundation in five cities seeks to restructure the way communities organize, finance, and deliver educational, health, and other services to at-risk youth.

Schorr with Both (1991) attributed the success of system reform programs to their (1) flexibility, comprehensiveness, and responsiveness, (2) child orientations as well as family and community orientation, (3) high-quality staff, (4) efforts to reach the most at-risk populations and target services accordingly, (5) superior management, and (6) theoretical approach rooted in client orientation and long-term prevention models. Clearly, these characteristics stand in contradistinction to current ways that most bureaucratic institutions and systems deliver services. In particular, categorical funding, standardized program operations, equity in distribution of services, and short-term goals pervade the contemporary culture of human services (Schorr and Both, 1991). This discrepancy continues to fuel the service reform movement.

In general, the criticisms of categorical programs as well as system reform are relevant *regardless of the age group being served*. Which elements of successful programs are central to serving children has not yet been identified. Clearly, service reform programs need to target families, not individuals, because even within families, individuals are served by different programs (children themselves also receive services from different programs; Ooms, 1996). Thus, viewing communities as places permits modest service reforms that make current categorical services more user friendly and less bureaucratic, but does not encompass a more coordinated and integrated approach to service delivery as discussed in the next section.

Communities as Face

In defining communities as "face," relationships between individuals constitute community. Hence, community in many ways comprises psychological associations more than geographic units. The *community* is perceived of as a system of supports (Kubisch, 1996), and this definition, in terms of policies and programs, translates into the integration of services provided to children and families as well as communities, representing a more holistic approach than service reform. Typically, programs consist of community-based multiservice organizations that promote the well-being of children and families (i.e., family and community support services). Establishing these programs usually requires system reform—interagency coordination, creation of an umbrella agency, or some combination of both (Kagan and Pritchard, 1996). Several relationships are highlighted by this approach: (1) relationships within families, (2) relationships between families and service providers, (3) relationships among

service providers, and (4) relationships among members of the community.

Relationships within families. Families are the smallest psychological unit that constitutes community. Parents are typically seen as the provider and overseer of children's linkages with services. This perspective depicts a rather dyadic, uni-directional view of families. However, relationships within families are bi-directional (i.e., children influence parent's behaviors) and triadic or higher (i.e., fathers as well as adult kin are part of the family system). Closer appraisal of family functioning by services providers is merited. Supports available within the family may play a large role in linking children with services in the community.

Relationships between families and service providers. Relationships also put a face on families and service providers. Specifically, Ooms (1996) has argued that despite references to children and families, service programs tend to emphasize individuals within the family rather than focusing on family functioning and relational systems. Consequently, a primary means of facilitating services to poor, urban children is for service providers to recognize their embeddedness with family and community systems. Such a notion points to the need to coordinate and integrate community-based services for families—the goal of the family support movement. Although the service integration model has received widespread support, the related initiatives have primarily been instituted at only the state and local levels. This approach, however, may be overrated in some respects. Programs typically act as entry points to services and do not necessarily deliver services directly to children and families. This fact places increased importance upon the relationship among service providers.

Relationships among service providers. The whole notion of service integration is based in part on the premise of putting a face on service providers. In essence, the aim is to build a community among service providers. Again, this goal requires restructuring the context of social services as well as increasing the flexibility of categorical funding (Schorr and Both, 1991). Several other barriers that need to be addressed include relations between federal and local authorities as well as locus of leadership, technical obstacles (such as creating uniform data systems), and discrepant regulations across systems (Kagan and Pritchard, 1996). For example, in one community initiative, children in the custody of child protective services were placed with neighborhood families rather than with foster care homes in the suburbs. Thus, the ultimate strength of building relationships between service providers is predicated on maintaining the face of families who receive the respective services.

Relationships within communities. Community relationships frequently are placed under the umbrella of family support. Often an implicit (rather than explicit) goal of integrated service programs is to build social connections among community residents. Although building social networks is not a primary target of CDCs (which are discussed later), it may be a secondary outcome of these community-based programs. A study of three CDCs found that residing in the CDCs affected community social relations (Briggs, Mueller, & Sullivan, 1997). Residents of the CDCs were more likely to greet or exchange words with their neighbors than were non-CDC residents. These findings suggest that intimate connections within neighborhoods may be less likely in poor neighborhoods than in more middle-income neighborhoods. Thus, supportive relations within the community context may be less in close relationships and more in weak or informal ties and such connections probably reduce feelings of isolation. Programs attempting to build community ties note that they grow incrementally and are often hard won.

Communities as Space

Defining communities as "space" identifies communities as physical and built places for activity—living, working, and political organizing. The primary target of CDCs and initiatives such as the Empowerment Zone and Enterprise Communities have been

housing and economic development (Briggs et al., 1997). The former activity entails the creation and management of affordable housing and the latter activity involves both job training and job creation. Organizational governance is another component, but since this aspect of CDCs has more distal effects on children, it is not discussed here. Little research, however, exists on the effect of CDCs on residents, and virtually nothing on their impact on families and children.

This fact reiterates the point that although community development initiatives influence children, they are not typically child oriented. For example, both housing and economic development only indirectly affect children by potentially improving families' economic circumstances. Affordable housing may free up income for other family needs. Economic development vis-à-vis maternal employment also may have positive effects on children despite continued low income. Given the salience of familial factors in predicting child outcomes over and above neighborhood factors (Leventhal and Brooks-Gunn, 2000), the ability of CDCs and other community development initiatives to enhance familial outcomes is likely to have serious benefits for children.

In the previous section, we discussed the fact that many CDCs often have an effect on community building, which appears to influence children as well. CDCs also may influence children's and families' lives by improving the safety of neighborhoods. While programs to improve neighborhood safety are not necessarily considered to belong to the domain of spatial definitions of community, CDCs often regard reducing neighborhood danger and in turn enhancing safety as *instrumental* to improving housing, economic development, and community building. Moreover, safety may be one of the most important benefits of CDCs for children.

The Integration of Place, Face, and Space

The final strategy for delivering services to poor, urban children and their families—CCIs—takes the most holistic approach by viewing communities as the integration of "place," "face," and "space." Specifically, CCIs are comprehensive, community-based, multiservice organizations that define communities as geographic places around which to organize services ("place"), foundations for social support networks ("face"), and areas of residence, commerce, and civic activity ("space"). Theoretically, such an approach enables poor, urban communities (and the families and children who reside in them) to develop the capacity to address a range of problems they confront (Brown and Richman, 1997). For example, the Center for Family Life in Brooklyn, New York (funded by the Annie E. Casey Foundation as one of four child services programs) is designed to be a preventative, collaborative, comprehensive, flexible, and family-focused community-based initiative. The Center runs job training and placement programs, operates advocacy workshops, and offers an emergency food program. In addition, the Center administers school-based programs for children, youth, and families in three community schools. A range of services are provided free of charge including counseling and therapy, neighborhood-based foster care programs, school-age child care and after-school programs, summer programs for children and youth, recreational activities for children, youth, and families, youth employment programs, and parent workshops. As in the example provided, components of these programs that focus on children include education and family support services and provision of extra-curricular activities. Other features of CCIs that are less child focused entail housing, commercial revitalization, small business development, and community organization.

As evident from CCIs, definitions of community may vary by the age of the residents. For example, children may be more geographically bounded or place based than adults. With several exceptions, children in most cases go to neighborhood schools, play on nearby playgrounds, and have friends who live close by. Adults, in contrast, have more far flung networks (i.e., face-based perceptions of community). In urban communities, few individuals live in neighborhoods

around places of work as in the old working class neighborhoods (i.e., less space-based communities). This discrepancy between children's and adult's geographic boundedness suggests that CCIs have a more critical role to play for children and families with children (as opposed to individuals or families, in general).

If social organizations or place-based institutions are the most salient community for children, then bootstrapping on existing social connections (school, playground, neighborhood, health clinic) may be the most effect route to serving poor, urban children and their families (Sullivan, 1996). Since schools are one of the only institutions that see virtually all children, many comprehensive programs have targeted the school as the center of the community. Increasingly, schools have taken on other missions, such as social and health services, in addition to education. It is essential to examine whether or not we can expect schools to provide a range of services and whether or not in doing so, we jeopardize the quality of education provided.

CONCLUSION

We have considered four general types of service delivery models for poor, urban children and families that vary as a function of the definition of community employed. The mechanisms for providing services to poor, urban children and families covered were categorical programs, family and community support services, CDCs, and CCIs. Of the approaches discussed, family and community support services (integrated services) are the most explicitly child focused.

Most income transfer programs provide money (or food stamps) to parents, and do not directly serve children. Programs typically focus on mothers going to work and not on children's needs (i.e., if the mother reaches her welfare time limit, then cash benefits are terminated). Even food stamps are given to parents (with the exception of the school lunch programs, which provide food to children directly), and, in a sense, food stamps through the Women, Infants, and Children (WIC) Program, which supplies milk, cereal, etc. The earned income tax credit and minimum wage are aimed at giving families (parents) more disposable income. Child-oriented services for mothers moving off welfare include a few parenting classes and referrals to local child-care agencies. In addition, mothers making the transition from welfare to work are given vouchers (i.e., cash subsidies) to obtain child care. Thus, the lack of a child-centered approach among categorical programs may impede service delivery to poor children. Parental involvement appears to be a missing link in the design of these programs.

Changes in the allocation of some federal funds to the states and the fact that states do not have to match funds for specific programs in the way that they have been required to do, has altered the way in which some services are delivered to children and families. At the minimum, these changes have affected the level of dollars allocated to programs, such as TANF. What seems apparent is that for poor and near-poor urban communities, child- and family-oriented services have been reduced. What remains less clear is how these cuts affect families and, consequently, the communities in which these families reside.

Block grants (used for programs such as TANF) give states and local governments greater flexibility to administer these programs. In theory, this approach allows states and local communities to tailor programs to meet the needs of their population. Critics, however, argue that block grants give states too much latitude and could jeopardize the well-being of children and families if funds are not used to provide family support and child services and are shifted to other types of programs. One potential advantage of block grants is that it could foster system reform and increased coordination across service delivery systems, since states will have greater flexibility to run programs.

Community development initiatives have as their primary goal housing development, economic rejuvenation (creation of jobs) as well as job training. Several

community-based strategies incorporate a social dimension; although, this aim is still not necessarily a child-centered approach. Thus, community initiatives need to look at families more explicitly. Some recent CCIs are attempting to examine children and families more concretely. However, it is still important to acknowledge that, frequently, child-oriented programs are embedded in the service of adult-oriented programs.

The Carnegie Corporation (1994) report, *Starting Points*, first brought attention to the declining status of young children in the United States. One of the final recommendations was to mobilize communities to support children and their families. Federal, state, and local action as discussed in this chapter were called for to meet the needs of children and families. To date, however, little systematic effort has been initiated at the community-level on behalf of children. Despite shifting resources to the community-level, children are usually not a primary target of these funds. Thus, we still have a long way to go in meeting the report's call to action.

NOTE

1. More extended text and references are available in the original chapter upon which the current chapter was adapted (with permission): Leventhal, T., Brooks-Gunn, J., & Kamerman, S. (1997). Communities as place, face, and space: Provision of services to young children and their families. In J. Brooks-Gunn, G. Duncan, & J. L. Aber (Eds.), *Neighborhood poverty: Policy implications in studying neighborhoods* (Vol. 2, pp. 182–205). New York: Russell Sage Foundation Press.
2. We would like to thank the Foundation for Child Development and the U.S. Department of Housing and Urban Development for their support of neighborhood programs and the Aspen Institute Roundtable on Comprehensive Community Initiatives for Children and Families, the Russell Sage Foundation, and the Social Science Research Council for their support of neighborhood research. We also would like to acknowledge the National Institute of Child Health and Human Development Research Network on Child and Family Well-Being. In addition, we would like to thank Mercer Sullivan for his helpful comments on the original chapter. The authors are particularly grateful to the Big Cities seminar participants at Columbia University for their stimulating discussion.

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CHAPTER 14

Connecting Public Schools to Community Development

Connie Chung

Public schools are intimately linked with communities. They serve as centers of learning. They employ residents, and they connect neighbors with one another. As place-based institutions, they are part of a neighborhood's physical fabric, impacting local housing markets and influencing the aesthetic character of a community. Moreover, public schools have access to myriad local resources including funding, land, and political goodwill. Given the central role that public schools play in communities, community development practitioners are beginning to consciously include them in neighborhood building and economic development efforts.

In recent years, a national movement to link public schools with community development efforts has unfolded, uncovering an expansive range of synergies. From enhancing urban revitalization efforts to providing community-oriented spaces, public schools are emerging as invaluable partners for community development practitioners on a wide array of fronts. This chapter offers an introductory look at the roles that public schools play in community development, and how these linkages help to address neighborhood needs.

THE BACKDROP

School districts have not always been perceived to be willing partners in community development efforts. Residents are rarely engaged in a school's capital planning processes, and school planners often overlook community concerns. Moreover, as many schools sport "big-box" designs, create "school sprawl," and generate traffic congestion, they are seldom viewed as community assets.

To address the disconnect between public schools and neighborhoods, new networks of planners, community development professionals, educators, and policymakers are being formed to explore the connections between schools and communities. Their efforts have uncovered the valuable contributions that schools can bring to housing and community development efforts, and vice versa. Simultaneously, the U.S. Department of Education's National Clearinghouse for Educational Facilities, an online research portal, has drawn attention to the links between public school facilities and smart growth, sustainable development, and community engagement. By raising awareness of the benefits of working together, this research has encouraged greater interaction between public schools and communities.

Several trends have helped to accelerate the process. In recent years, the nation's school-age population has risen dramatically, and many communities have been challenged to accommodate a growing number of children. At the same time, the nation is facing a school facilities crisis. Many of the country's aging public schools, particularly in low-income urban areas, are in need of capital improvements and modernization. The demand for school facilities is creating intense competition for land and other resources, especially for other community needs, such as affordable housing, parks, and community centers. Out of necessity, some community development practitioners, planners, and

public school officials are beginning to combine and coordinate school and community development efforts. Today, whether driven by need or inspired by research, community-based organizations are becoming increasingly involved in the development and support of public schools, generating partnerships that achieve broader community development goals.

THE LINKS

Community development organizations are linking up with schools in a variety of ways, depending on their institutional experiences, focus, and capacity. Most strategies fall into two categories: onsite and offsite approaches. In onsite strategies, community development organizations directly affect the school—its size, shape, use, location, staff, and student body—in ways that benefit the community. Offsite, or indirect, strategies tie nearby community development efforts, such as affordable housing initiatives or neighborhood improvements, to a school. Many of the strategies are interrelated and can be used alone or in combination with one another, depending on the desired outcomes and the availability of resources.

ONSITE STRATEGIES

Public School Facility Development

Community development practitioners can use their real estate and development expertise to support a school district's efforts to build more neighborhood-oriented school facilities. For example, some community organizations have helped to develop new charter schools. These innovative schools are designed to meet community needs, and community development organizations are supporting their creation by locating and developing facilities for them. Similarly, some community groups have worked to bring new public schools to their neighborhoods by developing and leasing property to school districts.

Community development practitioners can also use their development expertise to assist in the rehabilitation and enhancement of existing school facilities. These projects offer an opportunity to add or improve a resource that benefits the entire community, such as a computer learning center or a playground. In Massachusetts, for example, some community development corporations have been involved in the Boston Schoolyards Initiative. This public–private partnership rehabilitates the city's public schoolyards, not only benefiting the schools' students, but also providing assets to the surrounding neighborhoods.[1]

Sustainable Development

Public schools can play a valuable role in sustainable development and smart growth efforts. Infill strategies can be employed to curb what smart growth advocates have termed "school sprawl"—the trend to build new schools in outlying areas that are disconnected from existing neighborhoods. Additionally, the pressing demand for new school facilities, especially in the inner city, makes a school a desirable candidate for the redevelopment of a brownfield or other underutilized site.

Community development practitioners have worked with local government and school district officials to successfully promote smart growth projects. They have ranged from building small-sized schools with rooftop playgrounds to the adaptive reuse of buildings and the preservation of historic school facilities. Pueblo Nuevo Development in Los Angeles, California, for example, rehabbed a declining strip mall into an award-winning charter school.[2] The Pratt Institute Center for Community and Economic Development and the Cypress Hills Community Development Corporation in Brooklyn, New York, are currently rehabbing an old industrial building for the Cypress Hills Community School.[3]

Joint Uses

Community groups can also promote the shared use of facilities between schools and

other community entities. The joint use of a library or a park, for instance, offers an effective solution in urban areas where land for new community facilities is not readily available. In rural areas, shared-use projects can make economic sense for communities that must concentrate their resources.

One joint-use strategy that has received considerable attention is the use of public schools as community centers. Often referred to as the "schools-as-centers-of-the-community" concept, the idea is to create new public service facilities, such as a health clinic, gym, or senior center on a school site. The concept also promotes the use of existing school facilities for community activities during off-school hours. Noble High School in North Berwick, Maine, is an example of the concept in practice. The school serves as a community center for three nearby towns and includes a restaurant, an adult education center, a performing arts center, and a health clinic.[4] By benefiting the whole neighborhood, joint-use projects draw the support of empty nesters, senior citizens, and other residents who might not otherwise have a vested interest in a neighborhood school.

Economic Development

Schools are often the largest institutions and employers in a neighborhood, making them an invaluable partner in economic development efforts. Community development organizations can harness this economic influence by linking schools with the local business community and labor force. For example, community groups have actively encouraged public schools to purchase supplies and services from local businesses and to award school construction and capital improvement projects to local contractors. In some communities, schools are now emphasizing local hiring practices. The Cypress Hills Community School in Brooklyn, for example, developed a program to employ parents in its cafeteria lunch program.

Some communities are also partnering with schools to provide job training and trade school classes for community members. In schools where these types of adult-learning programs already exist, community development organizations are working to enhance current offerings and better link classes with local economic development initiatives.

Youth Development

Community development organizations can create neighborhood service-learning opportunities and after-school programs for youth that benefit both schools and communities. Designing projects that take the classroom into the community, community groups have organized a wide variety of programs from neighborhood clean-ups to tree plantings, design projects, tutoring programs, and technical assistance help for local businesses. These projects benefit the community at large, enrich the educational experience of students and school staff, and foster a sense of neighborhood pride.

OFFSITE STRATEGIES

Affordable Housing Development

Public schools can play an important role in the development of affordable housing. School quality can have a significant impact on a local housing market, with healthy, stable neighborhoods supported by healthy schools. Developers of affordable housing can boost the long-term viability of their projects by investing in the quality of nearby schools. Similarly, community development groups can make neighborhood improvements near a public school to attract families and qualified teachers to a neighborhood. These projects can be as simple as neighborhood clean-ups or as complex as addressing specific infrastructure needs, such as sidewalk improvements.

Improving schools and the surrounding area can be a particularly useful strategy to support the success of mixed-income housing projects. A high-quality school in the neighborhood can entice home buyers to purchase market-rate units in a mixed-income development. However, organizations should

be mindful that many factors, such as local housing market conditions and community outreach efforts, affect the ultimate success of these projects. For example, despite improvements to the local elementary school in the Cabrini Green area of Chicago, Illinois, occupants of market-rate units within the area's mixed-income housing development still chose to send their children to private schools.

More generally, there are many ways that housing developers can coordinate efforts with schools to the mutual benefit of one another. For example, building affordable housing in conjunction with the development of a new school can create a stable base of students for the school, as well as increase the housing stock for low-income households. Locating senior housing near a school can create a safer environment for students by providing more watchful eyes on the street, as well as present student volunteer opportunities that benefit seniors. Finally, community development practitioners can work with schools to develop workforce housing for teachers, enabling school staff to live in the communities they serve.

Transportation

Community development organizations can work with public school districts to alleviate neighborhood traffic concerns. According to the Local Government Commission, only 10% of today's students get to and from school by bicycling or walking, compared with 50% in 1980.[5] To help reverse this trend, Safe Routes to School initiatives have popped up all over the country to encourage more students to bike and walk to school.[6] Additionally, many community development organizations are advocating the placement of schools within walking distance of residential areas and transit stops. They are also working to ensure that school areas contain sufficient bicycle racks, traffic-calming devices, and other pedestrian-friendly safety amenities. These transportation strategies not only reduce school traffic in neighborhoods, but also help to address childhood obesity by encouraging children to walk to school.

Community Building

Often, local school reform efforts work disparately from community organizing initiatives. As a result, the relationship between good neighborhoods and good schools is lost. In some communities, school reform advocates and community organizing groups are working together to create a unified and comprehensive neighborhood strategy. The Dudley Street Neighborhood Initiative in Boston, Massachusetts, the Northeast Community Clergy Coalition in the South Bronx area of New York City, and the national Association of Community Organizations for Reform Now (ACORN) have all developed education initiatives that directly relate to their community building goals. These and other efforts to tie education and community building together have proven effective in persuading state and local decision-makers. The Neighborhood Capital Budget Group in Chicago, Illinois, for example, has successfully organized communities to oppose school closures. In cases where the schools are eventually closed, the group has effectively organized school officials and neighbors to advocate keeping the facilities open for other community-oriented uses.[7]

OVERCOMING OBSTACLES

As illustrated above, there are a variety of strategies to successfully engage public schools in community development efforts. However, it is crucial to recognize that public schools are complicated entities. They face a host of social and political challenges that are beyond the scope of what community development organizations can address alone. Additionally, school districts have various levels of bureaucracy that can create potential obstacles for community development efforts. Given the unique nature of school districts, three key considerations must be made when including public schools in community development strategies:

1. *Stakeholder Collaboration and Community Outreach*. First, stakeholder outreach is a necessary element of every

community/public school partnership. Whether the task at hand is to choose a site for a new public school or to design an addition to a school facility, buy-in from all interested parties is essential. End-users of the facilities and other residents of the neighborhood can be invaluable sounding boards, helping to determine the most appropriate site location, design, or implementation strategy. Other stakeholders, such as developers, businesses, and local government officials, can offer perspectives on what resources and opportunities are available.

2. *Intergovernmental Collaboration*. Collaboration between different governmental agencies is also essential. While the majority of school districts are governed primarily by their state department of education, various government agencies play a role in school-related land use, traffic, and infrastructure issues. Intergovernmental cooperation is particularly crucial in joint-use projects or those that employ innovative designs. Community development organizations and school districts must communicate their intentions to all government stakeholders early in the planning process. By working collaboratively, resources and information can be shared and projects can be coordinated.

   The need for intergovernmental collaboration between public housing authorities and school districts has drawn national attention. In 2002, the U.S. Conference of Mayors recommended that school districts and public housing authorities work together to address the need for affordable housing in the United States. At a hearing of the Atlanta Millennial Housing Commission in 2000, Beverly Hall, superintendent of Atlanta Public Schools, also emphasized the importance of coordinating housing and schools. She related how crossing agency boundaries by talking to the Atlanta Housing Authority about their plans to build a HOPE VI project ultimately prevented the slated closure of a nearby public school that had been struggling with low enrollment.[8]

3. *Creative Financing*. The final consideration when involving public schools in community development strategies is the possible need for creative financing mechanisms to bring projects to fruition. Public schools are public facilities that must meet costly development standards, yet these institutions offer virtually no financial returns for investors. Given this paradigm, it can be difficult to entice a community development financial institution to commit funds for projects that include public schools. The challenge is to make the case to funders that community/school partnerships make sense and can produce significant social benefits.

   As the number of partnerships has increased over the years, funders have been more willing to invest in community/school projects. The Rockefeller Foundation, the Ford Foundation, and the Knowlegeworks Foundation have all funded various school and community development-related studies and projects. To date, however, most financing has remained at the advocacy, policy, and research levels. A few community development financial institutions, including LISC and the Low Income Investment Fund, have awarded loans to community-based organizations for the development of school facilities.

   Additionally, public funding is becoming available for school/community development projects in some states. In New Jersey, for instance, the state's School Renaissance Zone program is funding pilot projects that use smart-growth strategies in the redevelopment of public school facilities. Some community development organizations are accessing more general school-related public funding, such as capital improvement bonds or health grants, to leverage financing for their projects. In Los Angeles, the nonprofit New Schools, Better Neighborhoods organization leverages school bond dollars with other funding to build joint-use educational centers.[9]

IMPORTANCE OF SCHOOLS IN COMPREHENSIVE COMMUNITY DEVELOPMENT

Including public schools in community development strategies is one way community development practitioners can achieve more comprehensive results in their work. It is approaching what some have called "the next frontier" in community development.[10] From locating community health clinics within a school to creating pedestrian-friendly school routes, community development organizations are improving neighborhoods by reestablishing community and school links. Together, advocacy for long-term education policy solutions and greater efforts to link public schools with community development initiatives will both improve the nation's public schools and increase the effectiveness of community development efforts.

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CHAPTER 15

Capacity Building

The Case of Faith-based Organizations

Michael Leo Owens

The issue of capacity is as important to faith-based community development specifically as it is to community development generally (Glickman and Servon, this volume). In the current policy context, federal laws and a growing number of state laws invite partnerships between the public and faith sector—both taxpayer supported and voluntary—for community development, inclusive of social welfare services provision. The laws seek to improve the ability of present and future initiatives to rely on faith-based organizations to help residents of disadvantaged communities overcome afflictions and addictions that prevent them from achieving economic self-sufficiency and their neighborhoods from becoming decent and stable places. They intend to sponsor and help expand programs that reform the personal situations and environmental conditions of the poor.

The laws promoting public–faith sector partnerships contain an implicit policy assumption about the capacity of faith-based organizations for community development: faith-based organizations have the ability to foster physical and social change. This assumption rests on the belief that faith-based organizations have considerable resources—large memberships, sizable annual incomes, and a store of expert volunteers—that give them the ability to design, deliver, and sustain community development. In short, convention holds that congregations possess the "bricks, bodies, and bucks" for rebuilding neighborhoods and strengthening families (Hacala, 2001).

The efforts of faith-based organizations range from affordable-housing production and economic development to social services and community organizing. The effects of faith-based organizations' activities in disadvantaged communities, however, may be negligible. Faith-based organizations may yield few outputs and achieve small outcomes because their capacity cannot accommodate the needs of community renewal. This may be so, despite a policy attitude that faith-based organizations, above all other organizations, have the capacity for community development. Whether faith-based organizations have the capacity for community development is an empirical question that remains unanswered. Nevertheless, observers note that faith-based organizations have "created some of the most persistent and innovative community development programs in cities, they have organized significant resources for the benefit of the poor, and they have contributed to the national dialogue about faith-based development" (Thomas & Blake, 1996).

Many observers see faith-based organizations as "rising stars" in the universe of community development, with vast distances to cover before reaching their apex in terms of services and effects. The most observed organizations among the ascending stars are faith-based community development corporations (CDCs), especially those associated with African-American churches. This chapter, however, attends to another type of faith-based organization responsible for creating most faith-based CDCs in the United States—the congregation. It addresses capacity, a topic in need of empirical investigation.

If it is true that congregations have the capacity for effective community development, we may expect the faith sector generally to do more to help the poor reform their lives and the conditions they endure in their neighborhoods. We may also then believe that congregations have the capacity to resolve collective problems in poor neighborhoods, such as affordable-housing shortages and limited employment opportunities. If the answer to the question is false, however, we may need to look to other organizations in the faith sector, even other sectors of society, to improve the assets of disadvantaged communities and their residents. We may also need to see congregations specifically and faith-based organizations generally as tangential, not central, to community renewal in the United States.

After defining "faith-based community development" and providing an overview of congregational involvement in the United States, this chapter moves to an empirical examination of congregational capacity for faith-based community development. It relies on data from a survey of congregations in the metropolitan area of Atlanta, Georgia. Subsequently, the chapter identifies key issues for those concerned specifically with helping congregations build capacity to expand their services, become more effective, and achieve sustainability.

FAITH-BASED COMMUNITY DEVELOPMENT

Faith-based community development is conceived of in numerous ways. Some conceive of faith-based community development as a distinct type of community development, but others find such an idea unintelligible. Others believe that the term explicitly incorporates religious activities (for example, prayer and proselytism), while some contend that it does not. Some see only certain types of faith-based organizations (such as Christian churches) when they peruse the community development landscape, whereas others are less myopic and more panoramic.

Others aver that community development via "faith-based initiative has an even higher standard to follow" than secular initiative (College of Biblical Studies, 2001). Many caution against the claim. Hein (2000), for example, has stated,

> we need to be very careful not to set the bar too high. We shouldn't set the bar higher for faith-based organizations … We do need to look at the unique characteristics of faith-based organizations, but we somehow shouldn't test them above what we expect in our regular and secular training programs.

I define faith-based community development as the practice by organizations from the faith sector to produce services that increase the assets of poor neighborhoods and expand the socioeconomic opportunities for their residents. Faith-based community development is a process composed of four elements—crisis relief, services and counseling, economic and social advocacy, and market intervention—that take the faith sector "beyond helping—to the initiation, sustenance and management of long-term growth, improvement, and change" (Pickman et al., 1987). Elements of faith-based community development include emergency assistance (for example, sheltering victims of domestic abuse), ministry (such as assisting youth to make moral decisions), physical improvements (for example, housing production), commercial enterprise (such as owning retail properties), and community organizing (for example, fostering neighborhood associations and lobbying for policy changes).

The ability of the faith sector to move past emergency relief requires that it collaborates with other sectors of society. The faith sector by itself cannot develop communities. It needs to couple its human, physical, economic, social, and political capital to that possessed by the public, philanthropic, and market sectors to improve the physical, economic, and social conditions of disadvantaged communities. When the coupling of capital among the sectors endures, faith-based community development increases its capacity for strengthening

families and transforming neighborhoods. It becomes, borrowing from de Souza Briggs (1998), a conduit for the poor to "get by" and "get ahead."

CONGREGATIONS AND FAITH-BASED COMMUNITY DEVELOPMENT: A NATIONAL OVERVIEW

At its best, "faith-based community development is comprehensive, asset based, and driven from the bottom up" (Ramsay, 1998). Congregations do not necessarily control it. Most congregations do not practice community development, and congregations typically do not engage in community development through congregation-affiliated subsidiaries, such as separate nonprofit or commercial organizations (De Vita & Palmer, 2003a; Owens & Smith, 2005). Nationally, a minority of congregations engages in activities typical of community development organizations (Chaves, 1999). Table 15.1 confirms this fact, relying on data from the National Congregations Study (Chaves, 1998), a random survey of 1,236 congregations in the United States. It shows the community development involvement of congregations nationwide, those in cities and those in urban poverty neighborhoods, for a select set of activities. It also identifies the involvement of suburban congregations for comparison purposes.

Most congregations participate in or support some social welfare service, such as services apart from sacramental activities, annually. Their service, however, involves mainly emergency relief for individuals and families, youth-focused outreach, or services for senior citizens. As the Reverend Dr. Fred Lucas, observes,

Table 15.1 Select community development activities of congregations, 1998

Activity	Congregations			
	National sample (%)	Urban areas (%)	Urban low-poverty areas (%)	Urban high-poverty areas (%)
Housing	18	21	23	12
Habitat for Humanity	13	7	8	4
Homeless assistance	8	14	15	9
Employment assistance	1	2	2	2
Job training	0	0	0	1
Health	4	5	5	2
Education	6	8	8	8
Any social welfare service	57	60	62	55
	Suburban areas (%)	Suburban low-poverty areas (%)	Suburban high-poverty areas (%)	
Housing	19	19	11	
Habitat for Humanity	9	8	5	
Homeless assistance	7	8	7	
Employment assistance	1	1	1	
Job training	0	0	1	
Health	6	4	2	
Education	3	6	6	
Any social welfare service	55	59	46	

Source: Author's independent analysis of the National Congregations Study dataset (Chaves, 1998).

Note: "High-poverty areas" are census tracts with poverty rates exceeding 30% as of 1990 that are located in cities. Census tracts with less than 30% poverty are "Low-poverty areas."

> the preponderance of [congregations] have not yet found the proper equation for significant community impact. Although many run soup kitchens or youth programs successfully, expanding into building housing or economic development is a huge leap that most churches do not have the capacity to accomplish.
>
> (cited in Walker, 2001)

Few congregations engage in housing or workforce development, the two pivotal "product sectors" of community development in the United States. The national data suggest that the effects of the community development work of congregations, compared to the scale of community problems and needs, is extremely limited, especially in urban areas of high poverty. Chaves and Tsitsos (2001) conclude from the National Congregations Study data that the social welfare services that congregations participate in or support tend to have short durations and address the problems of a relatively small population of clients.

The lack of overt action in the community development arena by congregations does not mean they necessarily keep themselves out of it. Vidal (2001) explains:

> Congregations have two preferred approaches to service: they donate small amounts of cash or in-kind goods to other service delivery groups, or they provide small groups of volunteers to conduct relatively well-defined, periodic [activities]. By contrast, community development activities require regular and sustained involvement in a range of complex processes and tasks.

Therefore, congregations may not see the necessity for practicing community development themselves. Alternatively, they may perceive a need but lack the ability to address it. If so, the capacity of congregations may structure the preferences of congregations for community development and approaches to it.

Nationally, of those congregations involved in their communities through partnerships with other organizations to provide neighborhood services, 10% identify their activities as aiding or supporting community development (Ammerman, 2001). The remainder participates in partnerships that provide direct service to the immediate needs of the poor (such as food, cash assistance, clothing). It provides resources that help people survive, but not necessarily get beyond their conditions, through linkages to other community institutions. As one study of congregations in a Chicago urban poverty neighborhood concludes, "the bridging is meager" (Laudarji & Livezey, 2000).

The meager bridging to prosperity that congregations provide the poor is rooted in a set of factors. Among the factors that explain congregational involvement in social welfare services specifically and community development generally, congregation size determines much of the type and scale of outreach by congregations. Congregations with large memberships are more likely to practice community development than those with small memberships. Theology matters, too, as congregations from liberal Christian traditions are more likely to engage in community development than those that are not. Yet capacity may explain much of the limited involvement of congregations in community development. It may also account for why scholars find that many urban congregations are disengaged from reforming conditions in the geographic communities where they are located (McRoberts, 2003; Smith, 2001).

The conceptualization of capacity by Norman J. Glickman and Lisa Servon (this volume), along with extensions and refinements of it by Elliot (2002), identifies a conventional set of capabilities as essential to effective community development organizations. Glickman and Servon's set includes five categories of capabilities—organizational capacity, resource capacity, programmatic capacity, network capacity, and political capacity. The five interdependent capabilities determine and measure the overall capacity of community development organizations to foster physical and social change in disadvantaged neighborhoods.

THE ABILITIES OF CONGREGATIONS FOR COMMUNITY DEVELOPMENT: FINDINGS FROM METROPOLITAN ATLANTA

Many perceive faith-based organizations to have a comparative advantage over other sectors of society when it comes to community development. They believe that this advantage comes from the presence, diversity, and resources of the faith sector. Former U.S. Housing and Urban Development Secretary Henry Cisneros observes, "faith communities are still there" in the neighborhoods of need (1996). Presence gives faith-based organizations a clearer understanding than other nonprofit organizations and government agencies of the barriers that face the disadvantaged and the solutions to removing them. Presence may correspond to indigenous knowledge of the cause, scope, and scale of problems in poor places.

In considering the "relative ease" of congregations for community development, this chapter reports findings based on data from a random sample of clergy in the metropolitan area of Atlanta, Georgia, surveyed by telephone in April 2002. The diversity of the faith sector also may provide recipients of its services with more alternative types of programs, perhaps ones better suited to their needs, particularly their spiritual ones. The multiplicity of faith traditions potentially can speak to almost every type of individual in need, whereas the services of government agencies and many secular nonprofits cannot. Furthermore, the faith sector has moral and spiritual resources government and secular nonprofit agencies lack. Depending on the situation, those resources may be more appropriate to resolving the problems of individuals and families.

Across a range of service areas, most clergy in the Atlanta sample say that faith-based organizations, not secular nonprofit organizations or government agencies, would best provide services to the needy. Clergy assume that faith-based organizations are more capable than the public agencies and secular service providers at addressing homelessness and hunger (58%), facilitating the community reentry of ex-prisoners (58%), treating substance abusers (55%), and providing child care (50%). These perceptions imply that many clergy believe that faith-based organizations generally have the capacity to accomplish a diversity of social welfare goals falling under the rubric of community development.

Conjecture aside, congregations may lack the capacity for community development, as measured by the five dimensions of capacity that seem to determine the effect of community development. The Atlanta data suggest that organizational capacity may be the weakest ability congregations possess for community development. The programmatic, resource, and political capacities of congregations may be mixed. Congregations may be strongest in terms of network capacity.

WEAK CONGREGATIONAL ABILITY: ORGANIZATIONAL CAPACITY

To assess critical elements of the organizational abilities of congregations, the survey asked Atlanta clergy, who indicated that their congregations would apply for government money, a series of questions that pertained to their ability to submit an application. It makes sense to focus on the ability of congregations to seek funding because of the skills required to accomplish the task. Initially, the survey asked clergy if their congregations would need assistance in applying for public funds. Approximately 7 of 10 pastors (69%) maintained that their congregations lacked the ability to complete a request for qualifications or proposals by themselves. Following the initial inquiry, the survey posed a battery of questions that identified specific forms of organizational assistance their congregations might need to apply for or administer public funding. Each item on the survey identified an ability one would associate with "inner capacity" of community development organizations that have high organizational capacity.

Table 15.2 shows how the Atlanta clergy perceive the organizational needs of their congregations along five dimensions related

Table 15.2 Technical assistance needs of congregations

Type of assistance needed	Congregations		
	Metropolitan Atlanta (%)	Urban Atlanta (%)	Suburban Atlanta (%)
Grant or proposal writing			
Yes	91	96	88
No	11	4	12
Program administration and management			
Yes	74	78	71
No	26	22	29
Legal counsel			
Yes	71	67	73
No	29	33	27
Staff development			
Yes	67	74	65
No	33	26	35
Computer and information systems management			
Yes	53	56	52
No	47	44	48

Source: Faith and the City Survey of Atlanta Clergy, 2000.

Note: Proportions may not equal 100 due to rounding.

to the pursuit and expenditure of public funding: grant or proposal writing, program administration and management, legal counsel, staff development, and computer and information systems management. Three-quarters reported that their congregations would need assistance in three or more of the organizational areas to apply for public funding to operate social service programs. More than one-half (58%) would need assistance in at least four of the five areas.

For congregations, tithes and offerings account for most of their annual revenue and their community development initiatives may require resources beyond what these internal sources permit. Accordingly, they may seek external support in the forms of grants or contracts, which requires an ability to write a funding proposal. This ability may be most critical to a congregation obtaining material funding from external sources for its community development initiatives. As Farnsley concludes, "even in this friendly environment for faith-based groups, strong grant mechanics and quality content [are] the keys to successful applications" (2001). Congregations improve their chances of acquiring external support by writing persuasive proposals. The Atlanta data suggest strongly, however, that most congregations lack the ability to write funding proposals on their own. The preponderance (91%) of clergy acknowledges the need for assistance in writing a funding proposal.

The preparation of a proposal for a public grant or contract can be complicated. It involves more than writing well about the goals, design, and outcomes of an organization and its programs. Furthermore, organizations seeking to improve their chances of funding may need to acquire formal nonprofit status from federal and state regulators. Also, because community development initiatives involve potential legal and financial risks for organizations, the public request-for-qualifications process encourages organizations considering whether to bid to provide services to seek legal counsel

during and following the submission of its proposal.

The operation of community development initiatives requires organizations to extend their human resources. Staff size may affect the ability of organizations to be effective and expand their programs to a scale comparable to the needs of its clients. Few congregations have large professional staff devoted to their social service programs. For instance, the National Congregations Study data show that 6% of congregations have paid employees that devote one-quarter or more of their work to the administration of congregation-based social welfare programs. This could limit the ability of congregations to design and manage new or extant social services programs. Overcoming the limitation requires more than the recruitment or retention of skilled principal and programmatic staff. It also involves improving the abilities of existing staff through education and training.

Most clergy in metropolitan Atlanta admit they need staff development skills. Such skills remain a low priority, however, compared to most other needs related to increasing resource capacity. Slightly more than two-thirds (68%) of clergy report their congregations would need staff development assistance to prepare a proposal. Not only are effective program administration and management important to the ability of an organization to demonstrate its qualifications to receive external support for its work, they are fundamental to the outputs and outcomes of the organization.

Lastly, some funding agencies may require electronic submissions of proposals, along with evidence that an organization can show measures and evaluations of the outcomes of their current programs. They may also inquire about the ability of an organization to track and document future programmatic changes, as well as submit electronic reports over the duration and at the conclusion of a funding period. The ability to meet these requirements necessitates that organizations invest time and resources in computer technology. Almost one-half (47%) of the Atlanta sample believe it is not a need of their congregations. The data signify that computer and information systems management assistance is the lowest priority for congregations that currently lack the ability to compete for public funding for their social welfare programs.

MIXED CONGREGATIONAL ABILITIES: RESOURCES, PROGRAMS, AND POLITICS

Resource Capacity

A fundamental dimension of the resource capacity of congregations is membership size. Prior studies suggest that the size of a congregation determines its access to material resources be it given as tithes and offerings by attendants or provided by government agencies and philanthropies as contracts and grants (Chaves & Tsitsos, 2001; Owens & Smith, 2005).

Beyond congregation size, knowledge of potential external funding sources is a component of resource capacity. A congregation cannot obtain funds for community development unless it can identify sources for it. The federal government draws the most debate as a potential source of external funding. That is not to suggest that other important external sources do not exist. Federal funding, however, either directly as grants from federal agencies or indirectly via states and localities as grants or contracts, provides a pivotal source of material resources. The receipt of federal financial assistance, for example, may legitimize the community development work of congregations. Such legitimacy may enable organizations to leverage greater private funding for their programs.

The receipt of external funding by an organization for its programs is another variable that gauges resource capacity. Although elements of political capacity may influence the receipt of governmental funding (Owens, 2007), the acquisition of government financial support by a congregation suggests that it has the ability to obtain resources to manifest its mission. To assess this dimension of resource capacity, the Atlanta survey inquired of clergy whose

congregations operate social services if government agencies fund their programs. As other surveys of congregations have found (Chaves, 1998; De Vita & Palmer, 2003b; Owens & Smith, 2005), the preponderance (86%) of sample congregations operating social welfare programs in Atlanta does not receive any form of government funding. Of those congregations that do not receive government funding for their social services, more than one-half (60%) of clergy aver that they would not apply for public money if it became an option for them. That is, they would choke off a potential source of funding, perhaps limiting their overall resource capacity as congregations.

Programmatic Capacity

Common sense suggests that staff development, along with program administration and management, influences the ability of organizations to plan and execute their community development activities. The Atlanta data do not permit an extensive consideration of the programmatic capacity of congregations, but they allow a consideration of the provision of social welfare services. Atlanta congregations are almost on par with congregations nationally in terms of their operation of social welfare programs generally. More than one-half (54%) of clergy report that their congregations operate programs to aid poor single-parent families, poor children, or unemployed fathers. The data suggest that many congregations have a programmatic foundation on which to build and expand their efforts in the community development arena.

The data also speak to the responsiveness of congregations to policy changes, another element of programmatic capacity. That is, we can consider the ability of congregations that provide social welfare services to design and implement new programs in response to external needs and pressure. Since the 1996 changes to the federal welfare laws, national and subnational agencies have encouraged congregations to take on more responsibility for meeting the needs of the disadvantaged. Moreover, some studies find that welfare reform has increased the number of congregations collaborating with public agencies to achieve it (Sherman, 2000).

The survey of Atlanta clergy asked respondents from congregations that provide services whether any of their programs were a direct response to welfare reform. One in 10 clergy answered affirmatively, which raises a concern about the flexibility of congregations. The clergy's response also raises the question of whether congregations prefer to create programs in response to local needs rather than national and state policies.

Political Capacity

Politics can affect community development, even faith-based community development (Owens, 2007). Community development organizations that garner internal and external support for their missions, goals, and activities may be better able to navigate the politics of community development. The Atlanta clergy responded to questions that identified aspects of the political capacity of congregations for community development. The first question asked whether clergy should encourage their congregants to affect the decisions of policymakers through political action: 93% agreed. A subsequent question asked whether clergy did encourage their congregants to take political action, with 84% of respondents claiming to behave in that manner, and 79% claiming to have done so in the last five years.

The survey asked clergy about their "prophetic voice." Clergy were asked whether they spoke on behalf of specific policy issues in a public forum, as well as whether they lobbied legislators for a specific piece of legislation. Most clergy either do not have a prophetic voice or they do not use their prophetic voice. Most clergy claimed to be neither outspoken on public issues (56%) nor advocates on behalf of or opponents of legislation (63%). Finally, the survey asked clergy to gauge the involvement of their congregations in local public policy issues as part of its congregational mission. Most clergy (61%) responded that their congregations were "somewhat" or "very" involved in the public policy issues of their communities.

STRONG CONGREGATIONAL ABILITY: NETWORK CAPACITY

Two measures of network capacity are the attitude of organizations toward collaboration and their actual collaboration with other organizations. Congregations that support the idea of collaboration, for example, are inclined to reach out to others. Building network capacity begins with this initial step. Likewise, congregations that who actively build relationships to address collective problems will be involved in larger networks and therefore have more network capacity than others.

On the first measure, Atlanta clergy were asked: Clergy should partner their congregations with secular organizations to improve neighborhood conditions. A large majority of clergy (83%) responded affirmatively to the statement. On the second measure, clergy were asked to agree or disagree with the statement: As a member of the clergy, I partner my place of worship with secular organizations to improve neighborhood conditions. Again, a large majority of clergy (72%) agreed with the statement, although noticeably dropping off from the first question.

Another measure of network capacity is the ability of organizational leaders to interact with other groups to achieve mutual goals. This ability can be measured by whether organizational leaders attend meetings or volunteer with other groups. Most Atlanta clergy (82%) report they attend issue meetings sponsored by other community organizations. Of the clergy that attend community meetings, 67% volunteer their time with community organizations other than their own congregation.

Leaders who interact with other groups on community issues demonstrate a modest form of networking. Partnerships for community problem-solving make for a stronger form of networking. Therefore, the survey asked clergy operating social services programs whether their congregations operate most of their programs alone or in collaboration with others. Approximately one-half of the respondents (49%) claim they collaboratively deliver social services.

CONCLUSION

The faith sector is valuable to community renewal in the United States. Its value comes from the store of social capital the sector produces, maintains, and transfers. Congregations, specifically, and faith-based organizations, generally, may expend social capital on behalf of disadvantaged people and places in at least three ways (Foley, McCarthy, & Chaves, 2001). First, faith-based organizations may provide resources to poor individuals and poor community institutions from their own stock or through linkages with governmental and nongovernmental resources. Second, they may proselytize in poor communities in an effort to absorb poor individuals and families into religious groups already endowed with social capital. Third, they may attempt to empower poor communities by employing their own social capital in ways that benefit not only their own members but also individuals and families who are not members. Although social capital may enable the faith sector to make positive differences for disadvantaged places and people, it alone is inadequate for community change.

Do congregations, along with other faith-based organizations, have the capacity for community development? The answer depends on the aspects of capacity one assesses, as well as the measures applied. If the Atlanta findings indicate the abilities of congregations nationally, the capacity of congregations for community development is mixed. Generally, congregations have many of the requisite abilities to practice community development. For instance, they have networks that keep them aware of community issues, clergy who interact with those outside their congregations, and congregations predisposed to collaboration, all of which may yield greater social capital for community change. Congregations, however, possess varying levels of the five abilities necessary for optimal capacity for community development.

Regardless, some claim that faith-based organizations can address all problems. Those who make these claims mortgage capacity to hope for things unseen.

Unfortunately, "faith-based" answers to the question of the capacity of the faith sector for transforming neighborhoods and strengthening communities are insufficient. This chapter begins filling the empirical gap between what we believe and what we know about the abilities of faith-based organizations to produce services that increase the assets of poor neighborhoods and expand the socioeconomic opportunities for their residents.

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CHAPTER 16

Toward Greater Effectiveness in Community Change

Challenges and Responses for Philanthropy[1]

Prudence Brown, Robert Chaskin, Ralph Hamilton, and Harold Richman

INTRODUCTION

Foundations of all types seek to improve low-income communities and the circumstances and opportunities of the people who live in them. Their efforts have produced promising results: houses have been built, organizations strengthened, residents mobilized, collaboration enhanced, services delivered, employment increased, and so forth. But funders acknowledge that their support has yielded less for communities in the short term than they and their community partners initially hoped and that the work is more complex and longer term than initially anticipated.

This chapter aims to shape a discussion about philanthropy and community change that builds on the lessons that funders have learned, clarifies the challenges they have identified, and describes some promising approaches they are taking to address these challenges. It is the product of ongoing research on philanthropy and community change at the Chapin Hall Center for Children, including a series of 45 interviews conducted in 2001–2002 with a diverse group of current and former foundation executives and staff; representatives from community-change organizations and intermediaries; evaluators, researchers, and technical assistance providers; and close observers of foundation efforts.[2]

Our respondents suggest that foundations can become more effective by further refining how they *think* about community change, how they *do* community-change work, and how they *learn* from their efforts. Specifically, they underscore the need to address:

- the clarity and realism in foundations' goals, expectations, ideas, and strategies;
- the alignment between the goals and strategies, and foundations' means and modes of practice;
- the sufficiency and effectiveness of current methods to inform, assess, and revise foundation thinking and practice.

Addressing these issues is a "doable" task, one in which some foundations are already deeply engaged.

The analysis that follows has important limitations. Treating *thinking*, *doing*, and *learning* sequentially, as we do below, could make community change efforts seem linear and simple, when, in fact, they are quite the opposite: complex, highly iterative, and requiring constant adjustments in thinking and doing in response to learning about conditions and opportunities on the ground. Although the struggle to keep the three activities connected and aligned in practice is constant, we separate them in order to clarify and highlight aspects of each. Further, our focus on philanthropy should not suggest that foundations are lone and sufficient agents working to promote community change. Indeed, foundations are only one of the many players that include community organizations, service providers, private business, and public, political and civic actors (see, e.g., Ferguson & Stoutland, 1999; Kubisch et al., 2002; Chaskin, 2003). We concentrate on the role of foundations, however, in order to better understand their particular role in the ecology of community change. Finally, the chapter's tone and

structure—which begins with concerns before moving on to potential solutions—may appear to overemphasize the importance of challenges while minimizing the progress being made. Over the last 10 years funders *have* made progress on these issues. We present the challenges upfront both because that is what we heard in interviews with the people closest to foundations' community change work and because we believe this approach can help stimulate productive debate and help to articulate a potential philanthropic agenda.

FOUNDATION THINKING

How foundations *think* about community change shapes their goals, expectations, strategies, and investments. Unclear or incomplete thinking can get in the way of foundations' effectiveness in promoting community change.

Communities are notoriously complex. They can be conceptualized and operationalized in many different ways, and are perceived and used differently by different people, in ways that are often connected to age, race, class, length of residence, the state of local resources, and the nature of social organization within particular communities (e.g., Wellman & Wortley, 1990; Lee, Campbell, & Miller, 1991; Furstenberg, 1993). How to define them, and what they provide as a basis for social action is by no means straightforward (Chaskin, 1997; Sampson, 1999). To make this more complicated, the precise goals of foundation-supported community-change efforts are sometimes unclear, indicating a confusion about whether they are intended to improve the lives of people in poverty or eliminate poverty, build community capacity, reform public systems, connect individuals to economic opportunity, promote social capital or democratic participation, address structural racism and inequity, or all of these things. This lack of clarity is often coupled with a tendency to inflate expectations—to overestimate how much difference foundations' ideas, skills, and money are likely to make. To make matters worse, grantees frequently collude with this misjudgment because they want the foundation to become a champion—and significant funder—of their work.

A common dynamic between foundation boards and staff also contributes to a lack of realism. While board members are often excited by the idea of "getting at root problems," they can also be impatient with complex, long-term solutions; they look for clear "causal stories" and relatively simple solutions (see Stone, 1989). In these circumstances, staff may ignore the field's experience and over-promise what can be achieved. For example, the time frame of most grants is usually shorter than the time actually needed to make substantial change in a community; many foundations continue to work within 3- to 5-year time frames although both experience and research have demonstrated that measurable community-level change usually takes longer, and that there are likely fundamental limitations to what action at the neighborhood level alone can accomplish (e.g., Halpern, 1995; Jargowsky, 1997).

Bringing greater clarity and realism to foundations' goals, expectations, and ideas for community change would strengthen the intellectual underpinnings for community-focused philanthropic investment. It would also provide a more effective basis for ongoing learning and improvement. Many foundations have started to use theory of change and logic models to shape their community change efforts. Further work is needed to develop these theories, apply them systematically, and ground them in evidence of prior success. Unclear goals and expectations make it hard to articulate the assumptions about cause and effect that are the key to a viable theory (and, consequently, to good decision-making). Often, even when assumptions are specified, the logic that guides them and the interim measures of progress that make them testable are not clear. The theory of change used in one foundation effort, for instance, tied an increase in civic capacity to poverty alleviation. Yet neither foundation staff nor the community participants were able to explain in any detail the steps by which the

intangible asset of civic capacity would be transformed into the tangible asset of increased income. Increased civic capacity and poverty alleviation can both be valid goals, but clarity about the meaning of each and about the relationship between them (if any) needs to be thought through and mapped out if the foundation's expectations, investment, and outcomes are to align. Certainly "coherence" can be overdone, but the lack of sound and articulated theory leaves little basis for shaping consistent action or for interpreting the results.

Most funders recognize the importance of grounding their strategies in a realistic understanding of a community's capacity. Although strategy and existing capacity need to go hand in hand, a realistic community "reading" is hard to get and requires more time than many foundations are prepared to invest. As a result, some funders enter community work with inadequate knowledge about neighborhood conditions, capacities, and trajectories. This lack of understanding can slow, impede, or even derail their strategies, and sometimes make the neighborhood less receptive to other change initiatives. For example, misreading the neighborhood's politics or anointing local leadership without an appreciation of these politics can create unproductive internal conflict among neighborhood groups, passive resistance to participation and change, or a cynical sense of "here we go again" with all parties trying to get something from the funder for themselves but lacking commitment to a collaborative change effort (Chaskin, 2003).

Similarly, more attention needs to be paid to the political and macrostructural influences that shape community circumstances (e.g., Logan & Molotch, 1987; Wilson, 1987; Massey & Denton, 1993). Grounding strategies in a more rigorous assessment of the external dynamics and structural constraints that affect communities would also improve the chances that foundations' community-change activities produce their intended results. Private market forces, public policies and funding streams, embedded structures of racial preference and discrimination, and other external factors do not invalidate the value or potential of community-level work. But an incomplete appreciation for external dynamics, constraints, and opportunities in foundation strategy-making can lead to inadequate resources (if the flow of public and private dollars is not addressed) or to misdirected resources (if the dollars are invested on less strategic ventures).

An additional challenge for foundations is to become clearer internally about their core beliefs about community change, more aware of the requirements and risks inherent in the choices they make, and more consistent in aligning the two. Such alignment speaks to a central paradox at the heart of philanthropic thinking and practice: foundations' quest for greater impact is not usually accompanied by an increased tolerance for conflict or risk. On one hand, real community change is inherently risky, political, and fractious because it affects the distribution of power and resources. Although substantial change can sometimes be achieved without turmoil, that is not often the case. On the other hand, foundations are wary of stimulating such conflict even as they seek to achieve ambitious ends. Some may avoid certain approaches that are deemed "too political" or that lead to more fundamental questions about the power structure. Alignment between thinking and doing, between community-change goals and foundation capacity requires continuing attention.

Implications for Action

More effective *thinking* about community change may entail several kinds of actions including:

- *Using more rigorous, diligent processes to assess communities*. This includes using demographic and administrative data to select investment targets, taking extra time to analyze community capacities and dynamics (history, culture, needs, strengths, and leadership), and situating a community in a broader context.
- *Aligning goals with realistic expectations*. This requires a greater commitment to

clarity and realism, both about what might be achieved in a community and about a foundation's preparedness to play the necessary roles; a more critical analysis of ideas and assumptions; and a willingness to treat progress as developmental.

- *Clarifying thinking about conflict and risk*. Change can be messy, especially when it occurs in the politically charged environments of communities. Foundations need to acknowledge this, specify their level of tolerance for them, and design their strategies accordingly.
- *Using a more disciplined, systematic process for strategy development*. This includes better theories of change and better ways of using the theories—processes that make goals explicit, specify actions and outcome expectations, identify key change agents, recognize internal and external barriers, and address issues of intervention quality, dosage, extent, and timing.

FOUNDATION DOING

How foundations act on their thinking and the degree to which their actions align with their goals, expectations, and strategies for community change, is the second important dimension of foundation-sponsored community change. As used here, *doing* refers to an array of implementation topics, such as how foundations' relationships with communities are constructed and executed, the way foundations support the development of "community capacity," and the roles foundations play in community change. "Foundation doing" also includes the way that foundations organize themselves internally as well as the external means they employ, such as operating through intermediary organizations, lead agencies, or collaborative bodies.

Many foundations' relationships with communities are driven by a new interest in shared commitment, contribution, and action on both sides of the grant-making table. Nonetheless, the rules, expectations, and boundaries of relationships between community-change funders and grantees are often unclear and rarely specified at the front end. The vagueness of terms can help the parties establish a positive tone early on. Not surprisingly, each side interprets what is said (and not said) according to its own interests and experience. But apparent agreement can mask real differences in perspective that can have high costs in the long term.

Apparent agreement can also cloak a deep misunderstanding about the nature of the relationship. One oft-repeated scenario is that the relationship begins auspiciously but the community's progress is slower than expected. Within two or three years, the foundation's internal dynamics shift as its board becomes impatient, new executive leaders and program staff with different priorities come in, or new and different ideas grab the foundation's attention and displace old enthusiasms. Consequently, foundation staff feel internal pressure to justify the investment by showing that the project has produced measurable outcomes. The program officer begins making nonnegotiable demands on community grantees, despite previous assurances of support and patience. This is the point where major tensions and conflict often come into play.

Because feedback and accountability mechanisms are not usually built into the funder–community relationship—such as a regular venue where concerns can be raised, a set of pre-agreed operating standards that will guide all parties, or some kind of performance measures for the relationship itself—the inconsistency (perceived or actual) between initial assurances and the demands for measurable progress and accountability two or three years along is not checked and becomes a pattern. The less powerful partner—the community—has little recourse, community trust declines, and resentment grows. Ultimately, these unresolved issues fester and become impediments to the foundation's effectiveness in the community.

Many funders are seeking a better way to work with communities, and they acknowledge that they are still learning what these "partnerships" entail. Some suggest that

foundations' donor guidelines, organizational cultures, board and management expectations, reporting requirements, and legal constraints do not fit easily with the processes and attitudes required to build mutual, trust-based partnerships. But without institutional structures and accountability mechanisms to support and guide the new behaviors, foundations' interest in partnering with communities often gets ahead of their ability to act on that vision consistently or over the long term.

Foundations have increasingly invested in building community "capacity," in recognition that the most pervasive and sustainable change stems from a community's ability to envision, develop, and lead its own solutions (Chaskin, Brown, Venkatesh, & Vidal, 2001). Efforts to develop local leaders, provide technical assistance on specific topics, build local supports for change, and connect community members to resources within and outside their neighborhoods have all helped to increase community capacity. But these efforts are still too often the exception rather than the rule, and even where they exist they are often incomplete and not yet well integrated into community-change efforts. Funders are still learning the exact scope, sequence, amount, and types of capacity development that communities need and want, and the best techniques for bringing this about. One result is that foundation practice sometimes places too much emphasis on building the capacity of one or a few organizations as a proxy for community infrastructure while giving too little attention to building the broader infrastructure itself—the whole range of individuals, organizations, and associations in a community that have the ability, commitment, and resources to address community-level problems.

Foundations have opportunities to influence community change in many ways that reach beyond the traditional role of grantmaker (Hamilton, Parzen, & Brown, 2004; Sojourner et al., 2004). They can facilitate relationships between the powerful and the disenfranchised, foster excitement around creative ideas, disseminate useful information, and advocate for difficult but necessary policy changes. They possess organizational resources—skills, relationships, access, capacities, and financial clout—that could be used to promote community change. Although some foundations are testing out these new roles, others point to an internal culture, structure, management style, and set of procedures that tend to be overly bureaucratized and compartmentalized and appear ill suited to promoting the kind of flexible, integrated, and hands-on involvement that seems to benefit community-change efforts. As a result, most foundations continue to tread a more familiar path and, in doing so, miss an opportunity to leverage their influence, credibility, networks, and institutional resources on behalf of community change.

Implications for Action

More effective philanthropic practice will require greater specificity and shared understanding about the terms for funder–community relationships, better alignment of grant-making activities with the goal of building long-term community capacity, and more innovative use of foundations' institutional resources to support community change. It will also require some foundations to address their own internal ambivalence about mutual relationships with communities or at least become clearer and more consistent about the kind of relationship they are willing to have.

Further improvement will come from acknowledging, legitimizing, and openly discussing the tensions in community–foundation relationships, including issues around power, race, and class. This may include:

- *Adopting an operating style aligned with community change goals and strategies*. Foundation representatives need to consider a range of potential working styles, select a style that matches foundation goals and strategies, understand the institutional capacities needed to implement the style, and secure support from the board.
- *Negotiating terms for community engagement*. Foundations and their community partners need to specify

explicit roles, expectations, rules for engagement and decision-making, relationship boundaries, accountability measures, and processes for monitoring and improving their partnership.

- *Building community capacity*. Foundation representatives need to understand what community capacity is and how it is produced. Effective support for community capacity also means assuring long-term core operating funds for an array of key community institutions, efforts, and networks.
- *Expanding foundation potential as a non-monetary resource for the community*. Externally, foundations can use their credibility and leverage to help communities make strategic connections to influential players in the private, public, and philanthropic sectors. Foundations can also further leverage their financial power through direct investment, loan guarantees, access to favorable credit terms, and program-related investments.

FOUNDATION LEARNING

How foundations learn about community change—that is, the way they assess, interpret, revise, share, and apply their knowledge—is the third and final focus of this chapter. As used here, foundation learning refers both to the *content* of their knowledge about philanthropy and community change, and to the *processes* through which such knowledge is shared and applied within and beyond the field. In this sense, foundation learning is the feedback mechanism between foundation *thinking* and *doing*, or the field's system for the "production, distribution, and application" of knowledge (Hamilton et al., 2005).

Over the years, philanthropy has recognized the need for good information to inform practice and policymaking. Foundations' investments in research and evaluation and in the distillation of practical lessons have established an important baseline of information and tools. As funders expand their efforts at community change, they also need to expand efforts to collect, analyze, organize, apply, and share knowledge.

Some foundations have made significant investments in research and evaluation that have borne fruit. That said, the extent and nature of philanthropies' useable knowledge about critical ideas and issues in community change—such as synergy, social capital, community capacity, empowerment, community asset development, or resident involvement—is still limited and often disconnected from users' needs. Respondents cite a lack of commitment to building systematic knowledge about community change and insufficient attention to tacit knowledge from the field. In addition, the knowledge development about community change supported by foundations tends to be narrowly defined in the context of program evaluation (largely driven by concerns about accountability) with an investment in evaluation serving as a kind of proxy for a system of learning instead of as a critical component of that system. And, because many evaluations focus primarily on tracking compliance with foundations' grant terms, many assessments fail to address critical issues for strategy development and practice.

Too much useful knowledge is still unavailable to foundations and community practitioners, often due to the fact that existing knowledge is rarely extracted from individuals and foundation files and then made available. But the lack of access to potentially useful information is also caused by foundations treating some reports and evaluations as proprietary. In fact, only a few foundations currently make a commitment to sharing all their evaluation materials. Further, many of the learning materials that do exist do not get at the crucial operational issues funders and others want to hear about. Sometimes these documents' usefulness is limited by a funder or evaluator's level of candor. Other times, a report fails to address the issues that users consider most significant, or the information is presented in a format tailored for program officers but not for community practitioners or others. As a consequence, many funders, community practitioners and researchers

call for a richer, more complete, and more useful range of knowledge products. These products would include more periodic, time-sensitive, and interim information, as well as more refined and applicable long-term findings.

Committing to learning about community change is only half the battle for foundations, however. How will they systematically and routinely interpret lessons and incorporate them into practice? How will they create safe, productive opportunities for staff reflection and debate? How can learning within one foundation contribute to the knowledge of foundations, practitioners, policymakers, and social scientists in general? And how can a foundation's learning methods spawn ongoing knowledge development? These questions point to the need for a more intentional system of learning about philanthropic investment in community change. Lacking an effective system, lessons about community change do not serve as the basis for cumulative knowledge or lead to changes in practice. People and institutions tend to repeat known processes without making necessary innovations.

Implications for Action

Over the long term, more effective foundation thinking and practice will require a different stance toward knowledge and learning and an array of new mechanisms to help generate, collect, distribute, and internalize the knowledge. More than a decade ago a group of foundations created the Aspen Institute's Roundtable on Comprehensive Community Initiatives as one such intentional learning vehicle. More recently, a number of foundations have been taking steps to reorient their organizations' internal and external stance toward knowledge generation, sharing, and application. These range from establishing learning goals for staff, to sharing information publicly, to expanding the use of the internet for reporting, to creating new venues for foundation peer exchange. The challenge for the field is to bring together these pieces of an evolving approach to foundation learning into a more complete and effective whole. A new kind of foundation accountability for learning will also be needed. Two types of actions are especially important:

- *Fostering learning that supports community change*. Funders need to treat learning as a core objective of philanthropic work. This requires developing an intentional but loosely structured learning "system"—a collection of principles, commitments, and linkages that can be implemented by foundations and others. An effective system would emphasize a commitment to inquiry and to openly sharing knowledge, a recognition that knowledge has multiple sources and is collected through multiple means, and a dedication to collecting and shaping knowledge according to users' needs—both within and beyond foundations.
- *Promoting learning within individual foundations*. Raising the profile of learning in foundations requires changes in individual foundation's organizational culture and behavior, new board practices, new reward systems for foundation staff, and new administrative practices and support structures. Grants may need to include support for learning—separate from and in addition to money for evaluation. Reporting requirements might be changed so they more directly contribute to learning. Foundations also could establish high-level staff positions for people who manage organizational learning, knowledge development, and knowledge dissemination to communities, as some have already done.

CONCLUSION

The philanthropic sector is at an important crossroads with respect to community-change efforts. Many funders are impatient with the status quo and eager to achieve more complete, lasting results—and they have an increasingly rich and useful base of ideas and experience on which to build. That combination of factors may be what is

needed to push the field forward. The challenges that foundations face are not reasons to avoid the work with communities but opportunities to improve it.

NOTES

1. This chapter is adapted from Brown, Chaskin, Hamilton, and Richman (2003). See also, Brown and Fiester (2007).
2. See Brown et al. (2003) for a complete list of interviewees and their affiliations.

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CHAPTER 17

City Government's Role in the Community Development System

Neil Mayer and Langley Keyes

INTRODUCTION

City governments play a pivotal role in helping community developers to revitalize low-income neighborhoods. Cities set local development priorities and allocate public funds to affordable housing and other community development initiatives. They decide whether or not to make community development corporations (CDCs) their primary development partners. And they oversee the disbursement of land, housing, and other city-owned resources. Rare is the developer that can move forward in neighborhood development without active city government participation.

City governments can improve the way they carry out their community development responsibilities. Moreover, there are concrete ways in which national, state, and local funders and supporters of community development can encourage city governments to take steps toward effective delivery of neighborhood revitalization programs.

This chapter examines city government's influence on community development activities. This influence is not exerted in a vacuum, but in a context of other organizations and institutions. These community development "support systems" have emerged in many cities to channel money, expertise, and political support to community development. City governments are major players in those support networks, which also include other public, private, and nonprofit institutions across multiple sectors.

While all participants in the support system are important, city governments hold a special place. A 1998 evaluation of the National Community Development Initiative (NCDI), launched by a consortium of funders to advance CDC production in 23 target cities and now in its second decade as Living Cities, underscored local governments' importance to CDCs.[1] "Cities that worked most closely with CDCs showed the greatest community development gains," the report noted. By contrast, a hostile, disengaged, or marginally competent local government had a powerful negative impact on CDC productivity.[2]

To assess city government's role, this chapter examines three questions:

1. What makes city government an effective member of the community development support system? In the best cases, what contributions can cities offer?
2. How do local governments get into the position of effectiveness? What combination of circumstance and action produces favorable results?
3. What can cities do to emulate those municipalities that demonstrate the most effective community development supports?

ANALYTICAL FRAMEWORK

This chapter assesses city government's role in community development systems by first examining its contribution to the types of supports and services CDCs require to produce affordable housing and neighborhood revitalization. The five functions that must be delivered by the community development system include:

- development and implementation of programs and strategies to promote revitalization of low-income neighborhoods;
- provision of core operating support to defray the cost of CDC staff, training, and other operational expenses;
- financing affordable housing and other neighborhood development activities;
- creation of legal and regulatory mechanisms to convey efficient access to property for development; and
- efficient operation of supportive project funding allocation, land use, and other regulatory mechanisms.

Multiple organizations within the community development system ensure these essential functions are carried out. In addition to local government, city-level players in the system include banks, corporations, and local foundations. CDCs at the neighborhood level translate the supports these city-level players provide into affordable housing and other neighborhood projects. Intermediary organizations link the city-level institutions and neighborhood-level groups. Because the relationships in the community development system largely determine its overall effectiveness, this chapter also explores city government relationships with CDCs and other support providers in the community development system.

This chapter relies on several methods to assess the local government role in the community development system. The primary approach is an analysis of the practices of three high-performing local governments—Boston, MA, Cleveland, OH, and Portland, OR. The best practice cities were chosen out of the 23 Living Cities based on researchers' observations of city contribution to the development and use of local community development systems, including contributions to both the delivery of community revitalization projects and programs and the strengthening of CDCs' capacities to pursue their work.

The first section of the chapter analyzes how the best-practice city governments support CDC housing and community development initiatives within the broader context of the functions of community development system.

The second section examines how and why these cities became effective in delivering the functional supports necessary to enable CDCs to produce affordable housing and other community projects. The third and last section offers recommendations for policy, strategy, and implementation by city governments and national, state, and local funders and supporters of community development, drawn from our findings about good city practice.

HOW CITY GOVERNMENTS SUPPORT THE FUNCTIONS OF COMMUNITY DEVELOPMENT

To be effective, the community development system must deliver a range of functional supports to CDCs and other developers. The city's role in the handling of five critical functions can make or break the success of community development initiatives. These critical functions are (1) active response to market conditions, (2) provision of operating support to CDCs, (3) provision of gap financing to CDC-sponsored projects, (4) efficient transfer of city-controlled land and structures, and (5) efficient processing of project funding allocations and development permits.

Active Response to Market Conditions

Effective local governments shape their housing and community development strategies in explicit response to market conditions. In the best cases, the city uses its planning and funding processes to guide CDCs to projects that make market sense, and it offers them flexible tools to respond nimbly to market circumstances.

Residential neighborhoods in the 23 cities included in the overall research project can be roughly divided into two categories: (1) strong markets, where housing affordability and displacement of low-income residents are pressing issues; and (2) weaker markets, where disinvestment or lack of significant

reinvestment is the principal housing challenge.

Market conditions varied among the three best practice cities covered in this report—Boston, Cleveland, and Portland. But the cities had in common an active local government that responded systematically to the changing market conditions they faced. In all three cases, the city government analyzed conditions, defined a core approach to address them, and helped CDCs succeed in dealing with them within their market contexts. Creative city officials assessed the circumstances they confronted and devised a policy, program, and practice to address the conditions at hand. Key city players had important allies across the community development system, but local government took a leadership role.

Although it seems logical that local government would create a focused approach for housing and neighborhood revitalization—and then react to changes in its market conditions—this is not automatic. In fact, among the 23 cities, only a few had even a clear strategy for housing and neighborhoods or a focused core of activity that responded to local markets. Only a handful of cities outside the best practice threesome had established an energetic strategy for housing and neighborhood revitalization. Fewer still met the condition that the strategy be explicitly responsive to market circumstances, and even fewer had CDCs at the center.

Most cities had not yet built a core of actions to recognize market issues and address them. Detroit, for example, faced many issues similar to those that confronted Cleveland in the early 1990s, especially vacant, tax-foreclosed properties. Despite recognizing its problems, however, by 2001 Detroit had not been able to develop a steadily flowing housing pipeline. CDCs and other developers still faced a debilitating process to clear land titles, secure properties, and contract with and reimburse developers. In Denver, with a heated housing market like Portland, city government had not taken the lead in expanding the resources for affordability or producing a sense of urgency to develop additional subsidy funds.

Provision of Operating Support

The range of potential city commitment to CDC operating support and capacity building is broad. At the highest end, cities can supply their own general funds to CDCs, or Community Development Block Grant allotments, which could be put to many other uses. Cities can pay for technical assistance, too, or participate in the operating support collaboratives that many communities have established to channel funding and technical assistance to CDCs. (These collaboratives have become increasingly prominent in major cities as institutions that bring together foundations, banks, CDCs, and sometimes city government to provide funding, develop and support new programs, and advocate for the community development agenda.) At the low end of the support spectrum, cities can provide no operating support, or play any role in collaboratives.

In the most effective operating support programs, local government makes a significant contribution to CDC operating support. It funnels funds through collaboratives to gain efficiencies, and participates with others in the collaboratives' noncash functions, such as convening task forces or establishing performance measures. All of our three best practice cities made significant contributions to CDC operating support. Two funneled funds through their local support collaboratives and the third contributed a very high level of funds on its own. All three participated in the collaboratives' work outside grant-making.

Evidence from other cities indicated that where local government did not contribute significantly to core support, such funds fell well short of CDC needs. Los Angeles, in which the city withdrew from the operating collaborative after an earlier significant contribution, shows sharply both the direct impact on funds available and the indirect effects on the participation of others. The experience of declining funding contrasts with the rapid increase in Seattle CDC capacity development following creation of an Economic Development Office supportive of CDCs (as other city agencies had not been).

Provision of Gap Financing

Local governments have wide power to make grants and deferred loans to finance CDC projects. The challenge is consistently to find sufficient subsidy funds to meet project needs and maintain a pipeline for continuing action. This is hard both in revitalizing markets, where property costs are rising, and in distressed markets, where resident incomes are too low to defray a significant portion of the housing costs.

As with operating funds, local governments range in how much gap financing they supply. At the high end of the continuum, cities can provide general revenue dollars or find other specific local fund sources for housing. The low end of commitment is to spend HOME dollars, since they have no use other than housing, as well as any housing-dedicated dollars from state government. A middle ground is to spend CDBG dollars to plug financing gaps, since these funds have some restricted alternative uses. Most cities maintain fairly steady amounts for housing from federal pass-through funds, supplied through HOME and CDBG, despite the opportunity to redirect CDBG resources elsewhere.

What about best practice cities? These local governments raise additional gap dollars from local sources, often a special or one-time source, to subsidize housing projects. The 20 study cities beyond Boston, Cleveland, and Portland almost uniformly reported a shortage of gap financing. Significantly, half of these 20 cities did make a substantial contribution to the housing finance pool from local resources, indicating that affordable housing and neighborhood revitalization remained important and politically visible issues.

Where local government has expanded gap financing, the keys are using special, sometimes one-time local funds; political support from the top; an entrepreneurial leader identifying potential funding sources and supporters; and the maintenance of a stable federal pass-through core. In most years, however, even with added local funds, gap dollars do not match the supply of seemingly feasible projects.

Control over Land and Structures

CDCs and other developers need vacant land to develop or structures to renovate. It makes sense that property in hot markets would be in short supply, but, in fact, developable property is scarce in many weak markets, too. In some cases many homes have been lost to abandonment and foreclosure. These properties are prime candidates for CDC redevelopment, provided neighborhood conditions are not too adverse.

The property transfer issue is no small matter, however. Indeed, when asked about the adequacy of local government supports for CDCs, CDC directors in 23 cities rated "provides timely delivery of sites/buildings" as the lowest scoring item among nine cited.[3] Of the 20 cities not profiled in this report, about one-third took some action to ease foreclosure, clear title, and dispose of property. Most provided only partial solutions. Progress was slow; about as many cities suffered a setback in some property transfer effort as made noticeable progress. Additional city focus, along with collaboration by other players, may have been required. Some changes needed enabling legislation at the state level.

Best practice cities designed and implemented systematic, multiprogram responses to the issues of property disposition. They recognized the centrality of efficiently making property available to CDCs and other developers and devoted significant added resources to making improvements in their systems. Each used property availability to shape and contribute toward its broader housing strategy.

Processing Project Fund Allocations and Development Permits

When CDC directors were polled in 1999 about the local government's community development policies and activities, they gave low ratings to cities' ability to "approve projects/zoning/permits in a timely way." The pattern was the same in our best practice cities. CDC leaders in Boston, Cleveland, and Portland gave positive

ratings to local government performance in every area except the transfer of property and awarding of permits, which got negative reviews.[4] Cities apparently have not effectively met developers' needs for timeliness in these functions—even where other support for community development is high.

INSTITUTIONAL RELATIONSHIPS IN THE COMMUNITY DEVELOPMENT SYSTEM

Local governments do not magically become effective in ensuring that CDCs have the functional supports necessary to produce affordable housing and other community projects. Rather, a combination of circumstance and intentional action are required. In the best practice cities, four factors appeared to be critical to a well-functioning city role in the community development system:

- City government and residential neighborhoods had evolved a positive relationship.
- City government forged a special relationship with CDCs as a key vehicle in dealing with affordable housing issues.
- City government responded to the appeals of an effective affordable housing lobby.
- City government was a learning organization—capable of assessing its own experience and improving internal practice and external relationships as a result.

City Government and Residential Neighborhoods

In most cities, local governments and CDCs began as antagonists and, over time, eventually became partners in community development. This evolution came in three phases: (1) conflict, (2) accommodation, and (3) interdependence.

Phase 1: Conflict. The conflict in Boston between city government and neighborhoods was immortalized in Herbert Gans' *The Urban Villagers*, describing the demolition of a working-class neighborhood in the 1950s to make way for high-rise luxury apartments.[5] There was little protest inside the West End, but residents of other Boston neighborhoods watched the demolition and vowed "never again."

Community development in Cleveland originated not with urban renewal, but rather with organizations growing out of urban riots and civil rights activity of the late 1960s. Populist Mayor Dennis Kucinich and neighborhood organizers had initially forged a strong relationship. By 1978, that alliance had dissipated, punctuated by fist fights between community organizers and members of the Mayor's Community Development Department. A number of neighborhood-based advocacy groups would survive the battle and be transformed into CDCs.

Portland avoided most of the city government versus neighborhood conflicts of the civil rights and urban renewal era—but only because its conflicts occurred earlier, in the decade after World War II. The combatants were not neighborhoods and city hall, but rather factions within the city—including long-time residents versus newcomers, reformers versus traditionalists, and business interests on one side of the Willamette River versus those on the other.

Phase 2: Accommodation. When Edward Logue came to Boston in 1960 at the request of Mayor John Collins, he brought a clear understanding that urban renewal could not be undertaken without engaging local residents. The first Boston CDCs arose as vehicles through which to engage the community in the reconstruction of their neighborhoods. By the mid 1970s, community groups had transitioned from protest and organizing to housing development, using urban renewal land and federal subsidies.

Cleveland pulled back from conflict to collaboration 1979. The new city government, with help from foundations, secured funds to assemble a planning process—Civic Vision—bringing together downtown interests and neighborhoods. Chris Warren, a key community organizer, led the committee that focused on the future of the neighborhoods, as conflicts receded.

In the late 1970s, Portland's older residential neighborhoods, wary about urban renewal, poverty, and racial inequality, decided to work cooperatively with city government. Mayor Neil Goldschmidt, architect of the alliance, included neighborhood groups in decision-making. City government opted to provide financial support for voluntary neighborhood associations as an alternative to grassroots confrontation or top-down controlled citizen participation.

Phase 3: Interdependence. In "Power, Money, and Politics in Community Development," Margaret Weir describes the relationship between local political systems and community-based organizations. Weir notes three types of relationships:[6]

- In "elite-dominated" cities, there is little history of mobilizing neighborhood groups or connecting them to the city government.
- In "patronage politics" cities, city government has co-opted local groups through a carrot and stick system of rewards. Some groups are in, others out. Participation is limited. Neighborhood power, while real in some instances, is manipulated and often demobilized.
- In "inclusive cities," neighborhood organizations exercise independent power or win influence because city government finds them useful allies. Power is relatively stable, enabling community groups both to be strong partners and to develop their skills and capacities.

All three best practice cities exhibit the characteristics of "inclusive cities." City government and neighborhoods have developed working relationships that have passed through turbulent times to equilibrium. The neighborhoods rely on city government for resources, and local officials look to neighborhoods for political support. These relationships, based on mutual gain, are not always without conflict. But it is generally a lover's quarrel arising from a foundation of strong relationships.

Forging a Special Relationship between City Government and CDCs

In our best practice cities, city governments deliberately decided to use CDCs as a central vehicle in tackling affordable housing issues in the neighborhoods.

In Cleveland, the Cleveland Housing Network, comprising neighborhood-based CDCs, became the central, if not the sole, developer of housing for low income people in the 1980s. By 1989, with the election of Mayor Mike White, CDCs also became a crucial component of a new strategy to build market rate units for middle-income households.

The close relationships have been important. Cleveland exhibits little sense of "us versus them" in city government and neighborhood dealings. Many of the current players, both inside and outside city government, have worked together since the 1970s. At each point in the transition from advocacy to community development, they have seen their roles expand and their connection to power and decision-making increase. Today, CDCs, bankers, and other major players in Cleveland's community development support system marvel at the degree to which the city and the outside players have become part of one system. Obviously there are exceptions to the sense of well-being. But the fact that so many neighborhood players are now in city government, and the tradition of working together and not worrying about turf, has become part of the common language in Cleveland.

Elected Mayor of Boston in 1983, Ray Flynn quickly emerged as an aggressive CDC supporter. Throughout the 1980s, CDCs increasingly became the city's vehicle of choice for addressing neighborhood housing needs—although not to the exclusion of private developers. Flynn became a national spokesman for CDCs and their role in affordable housing. When Tom Menino took over Flynn's job in 1993, one CDC-supporting mayor replaced another. Menino shifted somewhat from affordable housing during the real estate crash of the early 1990s, but he remained attuned to CDCs and refocused on housing when the market

turned. By the mid 1990s, housing affordability had become Menino's top priority.

In both Cleveland and Boston, CDCs emerged as strong vehicles for affordable housing only after a long evolutionary process. Does this mean the emergence of CDCs linked to city government is inevitably a slow progression that cannot be jump started? Experience in Portland would suggest no. In this city, CDCs quickly became a vehicle for affordable housing as a result of deliberate and strategic intervention by the city and other key actors.

In 1993, researchers for this project rated Portland's CDC industry as "nascent"—a diplomatic way of saying "nonexistent." Neighborhoods were described as demographically stable and well organized "due as much or more to public-sector initiatives as to community organizations." The city's five emerging CDCs had little production capacity, and several public figures expressed doubt about the capability of local CDCs to produce housing. By 1989, when Oregon began encouraging CDCs through a state program, only one Portland CDC, REACH, had significant production capacity. The situation had not changed much by 1991.

Today, 15 Portland CDCs produce housing, and six are becoming highly productive organizations. City support from a key city council member and the Bureau of Housing and Community Development contributed to the CDCs' rise, along with growing public recognition of affordable housing shortages. The Portland Development Commission, historically not a supporter of nonprofits, also made substantial adjustment to collaborate. Today Portland has a clear strategy to strengthen CDCs in providing affordable housing.

City Government and the Affordable Housing Lobby

In a textbook version of public policymaking, city government sets policy and strategy—and others follow. But the picture in our three best practice cities is more complex. Policy and program development looks more like two-way arrows than top-down mandates.

In all three cities, participants in the community development system beyond city government exert major influence. Affordable housing is a salient local issue, and many institutions promote an affordable housing agenda. Importantly, those institutions have strong ties to city government, and therefore can exert constant pressure on agencies as they adopt policies, reframe programs, or reconsider regulations.

City Government and Organizational Learning

Each of our three best practice cities exhibits a capacity for organizational learning: to examine their policies, strategies, and performance and change their internal practice and external relationships to reflect lessons learned.

City government is not a monolithic institution. It includes both the people who work for the city and the bureaucracies they inhabit. From an outsider's perspective, neither is viewed in a particularly flattering light, and the challenges confronted by large institutions when faced with the need to adapt and change internally are typically substantial.

The prevailing assumption about city employees is that they are long-time civil service and union-protected bureaucrats, risk-adverse, with little imagination, energy, and interest in advancing the community development agenda. A progressive mayor may bring in some good people to head agencies, and the first lieutenants in those departments may be public entrepreneurs. But boring down within the individual bureaucracies, energy flags, competence wanes, and progress dies. Contracts and permission forms sit on desks. Rules are narrowly interpreted. The competence level in the depths of the bureaucracy raises the perennial complaints about how "slow" the process is in city hall even in our best practice cities.

The organizational view of city government sees problems in terms of the institutional relationships among the organizational elements—the organizational ecology. Urban governments are institutionally complex.

The intricacies of the formal structure—the departments, bureaus, offices, authorities, city council—are rivaled only by the informal relationships among these various elements.

Our best practice cities intentionally worked to improve the coordination of the organizational ecology of city government and overcome the many institutional obstacles to internal change. These cities tried, for example, to deal with the differences in the goals and mandates of individual departments, some working at cross-purposes, even when the objective—affordable housing—is clear. The tax collection agency, for example, wants to maximize collected revenues, while the community development department wants to minimize taxes to lower renovation costs.

Such internal conflicts are common across the institutional ecology of city government. In each of the best practice cities, the mayor or a highly placed commissioner has worked hard to mitigate these conflicts by arguing for the importance of neighborhoods, by championing the participation of CDCs, by shaping the allocation of resources to operating support and project gap financing, and by guiding the appointment of sympathetic and entrepreneurial lead staff.

RECOMMENDATIONS

The best lessons about city government's role in community development can be shared and learned by others. National and local supporters of community-based development could play a highly useful role in bringing about positive change by investing strategically, comparing and disseminating information from many cities, and using their influence with the community development community to press for adoption of best practices.

1. Funders and other community development supporters must encourage cities to adopt focused, market-responsive community development strategies.

   Unlike the best practice cities, most do not have a focused housing and community development strategy with a clear logical relationship to market circumstances. Training, technical assistance, and information sharing in this area could be helpful. Funders and other community development supporters could communicate their interest in strategic plan development in target cities and commit resources in a few test situations where intermediaries and CDCs are active in the process.
2. National funders can use their financial clout and public platforms to elicit cities' more active support of community-based capacity-building efforts.

   City government plays a key role in the community development system by providing operating support to CDCs, by joining capacity-building collaboratives, and by participating in coordinating activities. Some pressure for cities to assume this role must come from other local actors. But national funders of community development could help disseminate information about the value of the city's operating support role and how best practice cities handle this function. They could offer funds specifically as a match for local government resources and active participation.
3. National funders can use this same financial strength to encourage cities to provide more affordable housing dollars.

   Shortage of dollars to help finance affordable housing is a critical community development barrier. New local money may be the best source to supplement federal dollars. National funders and other community development supporters can help by supporting advocacy research on housing affordability challenges and solutions, offering to match new local funds, or substitute their own predevelopment dollars for city funding, which could then be used for new permanent finance.
4. Land banking is an important but underutilized strategy that could be more widely adopted with the right kind of national support.

Effective capture and reuse of property is very important to community development in both hot and weak markets. A land banking approach that gets property into the hands of the city and ready for disposition to CDCs, even as financing and other aspects of opportunity arise, appears especially useful. National funders could help develop and disseminate information about the land bank approach among its cities. There would also be value in education about other aspects of property transfer, at the local and state levels.

5. By working more closely with other players in the community development system, cities can improve speed and smoothness in administrative and regulatory tasks, probably at limited cost.

   While processing remains a challenge across cities, there are good ways to get funds allocated to housing projects and permits approved. National funders and other community development supporters could help convene, pay for a consultant, and/or bring information on practices in other cities. Some appetite for institutional learning is necessary. But since these processes are often well-recognized frustrations, there may be an opportunity to expand institutional learning.

6. While the relationships between city government and others in the community development system that contribute to best practice usually take a long time to build, the process can be sped up intentionally.

   The city can and should help forge the community development network by identifying the kinds of institutions and connections needed, by helping relationships grow with capacity-building resources, by providing its stamp of approval on well-run organizations, and by convening key players.

7. Efforts to educate candidates and elected officials are important to nurture new champions for community development.

   In best practice communities, the mayor or another powerful elected official champions CDCs, affordable housing, and neighborhood revitalization. CDCs could become more active in educating candidates and elected officials about the importance of affordable housing and the quality of CDC work.

8. Highlighting CDC accomplishments is a good way to encourage a more responsive city government.

   Funders and other supporters can expand their support for communication strategies to highlight CDC local accomplishments and pressing CDC associations and others to find the time and energy to undertake communication tasks.

9. Special task forces devoted to particular community development issues have proven to be an effective way to fix chronic or acute system breakdowns.

NOTES

1. For a comprehensive report on the first 10 years of the Living Cities initiative, see Walker, C., Gustafson, J., and Snow, C. (2002). *National support for local system change: The effect of the national community development initiative on community development systems*. Washington, DC: Urban Institute.
2. Walker, C. and Weinheimer, M. (1998). *Community development in the 1990s*. Washington, DC: Urban Institute, p. 10.
3. See a description of the survey and a summary of results in Walker, C. and Weinheimer, M. (1998). *Community development in the 1990s*. Washington, DC: Urban Institute.
4. With one exception in Cleveland.
5. Gans, H. J. (1962). *The urban villagers: Group and class in the life of Italian Americans*. New York: Free Press.
6. Weir, M. (1999). Power, money, and politics in community development. In R. F. Ferguson and W. T. Dickens (Eds.), Urban problems and community development (pp. 139–192). Washington, DC: Brookings Institution Press.

CHAPTER 18

Diverse Food Economies, Multivariant Capitalism, and the Community Dynamic Shaping Contemporary Food Systems

Jane Dixon

INTRODUCTION

A set of extraordinary historical circumstances is catapulting community renewal and community practices to the forefront of public agendas (encompassing those of the state and civil society). Critical events include:

- climate change related weather events raising the spectre of food insecurity beyond "The Third World" (IPCC, 2007);
- the 2008–2009 global financial crisis, with flow-on effects for livelihoods and social equity (World Economic Forum, 2009);
- peak oil scenarios, and associated demands for "alternative" bio-fuels using agricultural lands and crops, leading to food riots and exacerbating political instability globally as nations go in search of new energy supplies (McMichael, 2009).

Their potency lies in their synchronicity as well as their capacity to generate a welter of highly public, contradictory commentary and, thereby, undermining well-established authorities in the state, the scientific professions, and the more modern charismatic authority of the market (Dixon, 2003). The food riots in Central and South America during 2007 and 2008 were a highly visible reminder that even the most basic issues lie unresolved, and are possibly unresolvable. The ontological security that follows from assumptions that problems can be resolved at "higher" levels is evaporating. "Business-as-usual" is off the menu; and there appears to be openness to considering the entire panoply of remedies: from colonizing other planets to retreat into self-sufficient and reliant Earth-based enclaves; and from global to local movements calling for ecological and just solutions immediately and planned into the future.

In short, community-oriented actors—extending from global networks of organizations which privilege communitarian processes to locality-based services—are being offered another chance to prove their social problem-solving capacities if not their social transformation capacities.

Within a context of one of the great emerging challenges of the time—to feed the current and projected global population healthily, equitably, and sustainably—this chapter has three aims, namely to:

1. describe the centrality of "community" to the practical and discursive functioning of food supply chains and culinary cultures;
2. highlight the transformative possibilities of food systems which offer space (what 30 years ago was called "room to manoeuvre") for community renewal more broadly;
3. argue the case for the utility of contemporary economic geography to community practices theorizing.

In addressing the first point, I anticipate covering the fragments to the story of community's presence in food systems. The contradictory tensions surfaced by the corporate appropriation of community motifs and practices are amplified in the

second section. The final section amounts to a "beyond the fragments" argument, another community practice preoccupation (and in hindsight one that was prescient) from 30 years ago (Rowbotham, Segal, & Wainwright, 1981).

HOW "COMMUNITY" ASSERTS ITSELF IN FOOD SYSTEMS

I begin by asking how the idyll, concept, and language of "community" resonates through, and shapes, food systems.

Corporate Engagement with Community

There are many instances of how food corporations appropriate "community" for profit, in terms of both the feel-good factor (community idyll) and popular instrumental concerns, such as health and well-being.

Starting in the 1960s, giant food chains exploited civil society's genuine interest in counter-culture and ethnic cuisines by selling Mexican tortillas and heat-and-serve pizzas, and in the process fostered a mass market for a convenient ethnic experience (Belasco, 1993). Responding to negative concerns about deficits in the food supply or ideas of risk among food consumers, "community" was incorporated into numerous strategies: in what has been called the diets-making complex (Dixon & Banwell, 2004), the corporate-environmental food regime (Friedmann, 2005), and the corporate-social justice food system involving ethical trading initiatives like Fair Trade (Hughes, 2005). For example, the Nestlé corporation mobilizes positive community attributes of caring, sharing, and support for local capacity and leadership as part of its Corporate Social Responsibility Charter, the *Nestlé Creating Shared Value Report: Nutritional needs and quality diets*. The report is replete with depictions of village life, descriptions of micro-finance loans to developing country farmers, and vignettes on the company's health and wellness activities in select South American countries.

Equally, supermarket chains are showing marked enthusiasm for engaging with community concerns regarding the environment and social justice. Freidberg (2004) has identified the emergence of an "ethical complex" driving supermarkets to demonstrate socially responsible supply chain governance. In a most ambitious example, Marks and Spencer announced in 2007 what it called Plan A, "because we've got only one world and time is running out." The publically available strategy is to position the corporation as the most sustainable in the world by 2020, utilizing numerous interventions ranging from editing out products that are relatively harmful to the environment to supporting the company's suppliers to lower their ecological footprints in the production and manufacturing process. In what public health might call a social inclusion strategy, the company also wants

> to involve all of our employees in Plan A and help them share the word with family, friends and M&S customers, so that's why we're going to offer all eligible employees free home insulation and a home energy monitor, and give all employees a day leave every year to do volunteer work in the communities where they and customers live.
>
> (Marks and Spencer, 2010, p. 7)

The company documentation regarding Plan A shows pictorially and in the text a keen awareness that the health and well-being of suppliers, consumers, community, and the environment are interconnected.

State Sponsored Protection of Food Security and the Culinary Commons

While there has been debate about whether states have been retreating from civil society, there are signs that governments are becoming more interventionist in relation to national and local food systems. Justified in terms of addressing food supply security, diet-related disease, and farmer livelihoods, several Asian states are acting to protect traditional culinary practices in the face of the corporate food regime (Dixon, 2009). Japan and South Korea appear to be at the forefront of advocating that their populations continue to respect culinary practices and

foods that are deeply rooted in the community psyche.

However, these governments are not simply keen to ensure food security at the nutrition level but to secure an ontological security through protecting valued dietary practices. Enacted by the Japanese Government in 2005, the Basic Law on Shokuiku, for example, is intended to tackle numerous concerns: diet-related disease, poor eating behaviors (e.g., irregular meals), body image, food safety, over-dependence on imported foods, and loss of traditional food culture through globalization. Food producers and consumers are both covered by the Law which provides nutritional guidelines and culinary culture guidelines with advice like: "take advantage of your dietary culture and local food products, while incorporating new and different dishes," and "promote people's understanding of agriculture, forestry, fishery and food industry" (see www.maff.go.jp/).

For decades Cuba has had little option but to pursue a state sponsored food self-reliance strategy over four decades due to the U.S. blockade on food imports. Its urban agriculture and a vibrant organics industry are becoming a showcase for those eager to promote healthy cities, sustainable environments, and food secure populations (Dixon, Donati, Pike, & Hattersley, 2009).

Civil Society

Food Sovereignty Movements

Two well-known social movement responses to corporate food provisioning systems include the global Slow Food Movement and Via Campesina. The Slow Food International Manifesto was endorsed by delegates from 20 countries in 1989. Slow Food has evolved into an elaborately structured social movement, based on alliances between producers and consumers ("co-producers"), who are committed to making explicit the links between bio-physical, food sovereignty, and cultural issues. Today there are 85,000 individual members worldwide.

Based on recognition that food, place, and people are inextricably tied, the Movement's structure is built upon local chapters, which celebrate the communitarian and ecological nature of food. It is an exemplar of a sophisticated grassroots octopus, despite being highly rule-and-principle based and centrally run out of Italian headquarters. It has a publishing arm, global networking capacity, vast international face-to-face gatherings, a product/food service sector audit arm checking the "credentials" of all who attempt to trade on its reputation, an educational wing which runs a university, and a set of discursive practices which energize social elites and peasants alike. In addition, Slow Food has established the Slow Food Foundation for Biodiversity, committed to defend agricultural bio-diversity and gastronomic conditions (see www.slowfood.com). The Foundation does "not reject markets but rather seek[s] to 'multiply niches' as an alternative strategy to expansion of one set of products and procedures at the expense of all others" (Friedmann, 2005, p. 261).

More in tune with a labor organizing model, Via Campesina, aims to secure livelihoods from the land based on a philosophy that "biodiversity is not only flora, fauna, earth, water and ecosystems; it is also cultures, systems of production, human and economic relations, forms of government; in essence, it is freedom" (cited in McMichael, 2004, p. 277). It consists of several million landless peasants, family farmers, agricultural workers, rural women, and indigenous communities across 56 countries.

Via Campesina is responsible for catapulting the idea of "food sovereignty" as distinct from "food security" into global consciousness. This latter term arose from multi-state institutions, like the Food and Agriculture Organisation, in the middle of the last century. Food security refers to universal access to affordable and appropriate nutrition, but the way in which the "good nutrition" is produced and distributed is not questioned. Food sovereignty, in contrast, is concerned with the democratization of the producer–consumer relationship. Desmarais claims that Via Campesina's "strategies defy traditional patterns of organizing in the rural sector, and the sheer magnitude of its international presence—its dynamic nature,

cultural diversity, and wide geographical distribution—speak to its transformatory potential" (2007, p. 9).

Civic Agriculture

Organic agriculture—in the double meaning of free from industrial agro-chemicals and as arising spontaneously to meet human nutrition needs—has been the mainstay of food provisioning for millennia. With 20th century urbanization and industrialization demanding women's labor, civic agriculture traditions have been maintained through household gardens and community allotments. It has been central to community organizing and development over the 20th century. In the US, the 20 million Victory Gardens planted throughout American cities supplied 40% of the nation's food toward the end of World War II. They provided functions beyond supplying the population with cheaper fresh produce, supplying another plank for nationalist sentiment and cohesion as well as improving the nutritional status of the population (Hynes, 1996).

Civic agriculture was provided a new impetus from the environmental and food counterculture movements of the 1960s and 1970s. Proponents shifted the focus away from simply increasing economic and nutritional efficiencies in food production, and instead adopted a broader perspective which used localized food production as a way of developing and strengthening communities (Lyson, 2004; Dixon et al., 2009). They have broadened the civic-oriented distribution chains through farmers' markets, community supported agriculture or box schemes, and harvest trails (Knowd, Mason, & Docking, 2005).

The current occupants of the White House have revived a civic agriculture leadership role, through turning over part of the gardens surrounding the presidential home to food production, just as it had been used by Eleanor Roosevelt for her own Victory Garden. These thoroughly modern "monarchs" are emulating the traditional royal figureheads of Prince Charles in the UK and his championing of organic food systems, and the King of Thailand's patronage of the King's Product line of regionally branded specialty foods.

Gleaning

Providing the training ground for a new wave of, often young, community activists is the ancient ritual of gleaning: collecting "left-overs" or edible waste. An illustrative Australian case study details the reclaiming of foods from dumpsters to redistribute it either by direct consumption by the dumpster divers themselves or for preparing meals from the ingredients for non-commercial exchange at street stalls and soup kitchens. According to Edwards and Mercer (2007), the resulting "gleaning culture" is characterized by a commitment to the informal economy, free food, and an anarchic organizational format that challenges the dominant materialist and capitalist ethos of Australian society.

THE TRANSFORMATIVE POSSIBILITIES OF COMMUNITY REFERENCED AND INITIATED FOOD SYSTEMS

Some highly contradictory processes are in play as Johnston, Biro, and MacKendrick (2009) note in their discussion of the pursuit of what they term "food democracy" in a market-dominated world. These are particularly marked with the corporate initiatives which respond to consumer concerns regarding the provenance of their food and support for local growers. At the same time, they further entrench the commodification of the food system.

Both Nestlé and Marks and Spencer tout the hundreds of thousands of farmers who supply them and the good that income does for children and communities. Yet we know also that vast inequities arise when only a few producer communities are permitted into corporate supply chains and others are locked out because they cannot establish the capacity to meet the rigours of the supply chain requirements (Hughes, 2005; Lyons, 2007). When the market can provide livelihood opportunities for some communities only, this situation creates an unintended

exclusionary dynamic. Furthermore, the corporate tendency to continuously move production platforms to the lowest wage and cost regions is the antithesis of guaranteeing sustained livelihood opportunities (Fishman, 2006). Even in the locations where they operate over the long term, corporations can force out smaller competitors thereby accruing significant influence over producer communities which lose bargaining power. Further, dominance by any one actor in supply chains has consequences for system resilience (Larsen, Ryan, & Abrahams, 2008).

Thus far, examples illuminate how community arises in two senses in food systems: the first is the corporate, government, and non-government insertion of references to "community" as a desirable social unit; and, the second is as community initiated economies based on food production. For many in this category, the ability to deliver on a range of ethical concerns is predicated on being able to access corporate supply chains. Thus, it is timely to pursue an understanding of the transformative potential of this diversity of initiatives.

A NEW THEORETICAL INSIGHT: THE DIVERSE ECONOMIES APPROACH

Whether transformative potential is necessarily anti-capitalist has provided a central platform of debate within community practice circles for decades. For Gibson-Graham (2006) however, this is a sterile and gendered debate, and in its place they have established a "postcapitalist politics" framework. Rather than pose industrial, exploitative economies with a singular "alternative economy" like "*the* community economy" there is a need in their opinion "to liberate economic difference" (p. 85). With its foundational construct of "diverse economies," Gibson-Graham argue that transformative potential can entail market mechanisms as long as they privilege "care of the local community and its environment" (p. 80). They argue that what is important is not some essentialist notion of a particular model of development or enterprise but whether "interdependence is recognised and acted upon or whether it is obscured and perhaps denied" (p. 84); as is the case in orthodox economic analyses which valorize surplus value and ignore the social and environmental consequences of economic transactions.

With the exception of gleaning and some not-for-profit cases of civic agriculture, the examples provided above embed themselves within the capitalist market. At first glance they fall within the Gibson-Graham purview of a diverse economies approach. However, they do not all pass the critical ethical test posed by the authors, who suggest that the following key questions need to be worked through collectively:

> What is necessary to personal and social survival?
> How is social surplus to be appropriated and distributed?
> Whether and how social surplus is to be produced and consumed?
> And, how is a commons produced and sustained?
>
> (Gibson-Graham, 2006, p. 88)

They argue that economic development is "a (by)product of ethical debates and decisions, rather than of the working out of structural imperatives" (p. 167). Not surprisingly, the corporate examples described earlier are the most troubling in terms of their ethical potential because they have a hierarchy of needs which is topped not by protecting the commons, but growing profitability. Within the corporate context, environmental externalities are discounted in often dubious self-regulatory audit schemes (Campbell, 2009). Clearly, both Nestlé and Marks and Spencer promote social value, such as providing employees one day a year to undertake volunteer activities or encouraging customers into committing to a physical fitness campaign. Whether all employees or producer communities benefit from the distribution of economic surplus is not known, but it would be expected that the vast proportion of surplus value goes to shareholders. It is debatable as to whether the communities in which the firms operate as sites "of decision, of ethical

praxis," which is critical element of a post-capitalist politics. Rather than communities becoming co-producers with the corporations, they are repositories of natural resources, labor power, and consumer markets, whose survival depends on the corporation.

RESONANCES WITH EARLIER COMMUNITY DEVELOPMENT THEORIZING

The community economy is a critical part of the mix for Gibson-Graham's idea of diverse economic institutions, and indeed many of their examples derive from, or at least resonate with, local economic development initiatives of a quarter a century ago. In its most progressive formulation, the community economics field of the 1960s onwards was oriented to re-socializing economic relations. Based in Gramscian politics, participatory democracy through worker ownership was discussed as the most progressive form of politics and one which forged links between labor and community movements. Community practice scholars drew inspiration from Mondgragon in Spain, the rural electricity cooperatives, and the Community Development Cooperative movement in the US (Blakely, 1994), from red Bologna and other communist local governments (Mowbray, 1986), from state sponsored UK initiatives (Craig, Mayo, & Sharman, 1979).

Gibson-Graham argue for "the resignification and enactment of alternatives" (p. 81). Eschewing the anticapitalist rhetoric, they propose the need for "a counter hegemonic discourse … that can establish [some of the] contours of a shared political practice" (p. 81). This line of reasoning very closely resembles the feminist notion of "prefiguration," or the practice in the here-and-now of politically desired ways of living. Harris (2009) calls this a "politics of the possible."

Gibson-Graham's work resonates with another long-standing debate within community development: how to proceed beyond the fragments of the local, the small, and the different; or, in their words, "how do we multiply, amplify, and connect these different activities?" (p. 80). Based on some key reference works of the 1990s, the authors argue that the "ideal of community" is just that, and the idyllic becomes only remotely possible if one departs from the fiction that there is a "human immanence" and a belief in a "common being." Instead, a more accurate and empowering ontological position is of "being in common." In practical terms this involves liberating community endeavors from conformity to the local, face-to-face, and small-scale interaction.

Along with other economic geographers, Gibson-Graham (2006) argue for the recognition of the contingent and fluid nature of environmental–social relations which arise from networks of large and small actors and non-human "actants," such as landscapes and bio-organisms. Reference to ecological relationships is a relatively novel development within community discourse. For human ecologists though the idea of human–nature interactions is not new; and it is interesting to note in agri-food studies the rediscovery of Marx's notion of the "metabolic rift" to describe the current rupture between production, consumption, and the environment (Campbell, 2009; McMichael, 2009).

Social networks are central to the Gibson-Graham distinction between "common being" (the dominant understanding of community) and "being-in-common," or working together to achieve both shared and individual ends. Actor networks exemplify the community development field's observations from the 1980s and 1990s that power is expressed in multiple forms and sites. Diverse networks can potentiate participation by more people and possibly spread reward for involvement to more people also; but it remains debatable whether enrollment in corporate supply chain networks signals a diminution in opportunities by some actors to assert their authority and needs. As Edwards and Mercer (2007) describes it though, with grassroots initiatives, groups can simultaneously derive intrinsic rewards *and* have

their efforts absorbed or emulated by mainstream actors, and in this way they influence the mainstream albeit often briefly.

MULTIVARIANT CAPITALISM

Gibson-Graham's diverse economies approach prompts the question of whether diverse economies are the logical outcome of this particular phase of capitalism. Albert (1993) argues that by the 1990s capitalism had pushed aside the state on the basis that it was constraint on economic growth. Few who subscribe to neoliberal dominance would disagree with this diagnosis. Drawing on very different materials, Boltanksi and Chiapello (2005) agree that the current phase of capitalism is based on "the permanence of change" and a plurality of enterprise formats ranging from the giant transnational corporation to the globally networked individual working in his or her own business from home.

These descriptions about the dynamic nature of capitalism, coupled with readings on the changing nature of state–market–individual relations—which posit the current dominant form of capitalism as being flexible in organizational structure and ownership—begs the question as to whether Gibson-Graham's conception of diverse community economies can be understood as another variant within the current capitalist era. If so, it is then possible to argue that we live in an era that some call flexible capitalism or better still "multivariant capitalism."[1] This is an era characterized as Gibson-Graham argue by the privileging of no particular organizational form or commitment to profit-making: community economic enterprises, sectors, and regions can be economic profit seeking or not; although the postcapitalist profit-seeking ones are different from other profit-seeking entities in their ethical intent and their multi-functional nature. They ask difficult questions about social need, surplus, and distribution. According to Harris (2009), the diverse economies approach is excited by difference instead of feeling defeated by domination; and is more likely to advance "socio-environmental change." Yet I would agree with Boltanski and Chiapello that we should not lose sight of flexible capitalism's propensity to proliferate relations of exploitation.

CONCLUSION

Community discourses are reappearing throughout industrial and alternative food systems. What is becoming clear is that many "alternatives" are not necessarily anti-capitalist and could not exist outside a capitalist framework. This chapter argues that there is a rich new vein of economic geography theorizing to help structure an understanding of the multiplicity of food provisioning systems. A "postcapitalist" framework, based on notions of diverse economic forms, helps to us to better understand the potential and multiple functions of disparate food system initiatives as they are driven by a wide spectrum of political ends and means, are geographically dispersed, and are socially and culturally specific. The framework contains elements of progressive feminist and socialist community development theorizing of 40 years ago. It reminds us that food's very fundamental human and ecological character introduces a lifeworld authority that constantly undermines the market authority of corporations and the bureaucratic authority of states. Whether a plethora of postcapitalist activities, many of them dependent on capitalist relations, can have transformative potential awaits the experience that lies ahead.

NOTE

1. David Adamson raised this point with me at the International Community Development Journal Symposium, 2008.

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CHAPTER 19

Sustainability in Community Development

Stephen M. Wheeler

The reasons that sustainability has become a leading theme worldwide are well known. Concerns such as climate change, resource depletion, pollution, loss of species and ecosystems, poverty, inequality, traffic congestion, inadequate housing, and loss of community and social capital are ubiquitous. These problems interrelate; for example, global warming emissions are caused in part by inefficient transportation systems and land-use patterns, poorly designed and energy-intensive housing, and economic systems that do not internalize the costs of resource depletion and pollution.

Several factors converged in the 1970s to raise awareness. An MIT report, *The Limits to Growth* (Meadows, Meadows, Randers, & Behrens, 1972) reported a computer generated "systems dynamics" model predicting future levels of global resources, consumption, pollution, and population. Every scenario fed into the model showed the global human system crashing midway through the 21st century, so the researchers concluded that human civilization was approaching the limits to growth on a small planet. This prediction was highly controversial, but revisiting the model in 2002, with three additional decades of actual data, the team concluded that its initial projections had been relatively accurate and that humanity has entered into a period of "overshoot" in which it is well beyond the planet's ability to sustain human society (Meadows, Randers, & Meadows, 2004). The energy crises of 1973 and 1979 raised global concerns about resource depletion and brought these concerns home at the gas pump to millions of Americans. Two international conferences in 1973 and 1992 drew global attention to the need for sustainable development.

Several perspectives on sustainable development emerged. One of these viewpoints is that of global environmentalism, which has focused on resource depletion, pollution, and species and habitat loss (e.g., Blowers, 1993).

Counter to these environmental perspectives has been the approach known as "technological optimism," which holds that human ingenuity and technology will be able to conquer environmental problems.

Economists set out to better incorporate environmental factors into economic models (e.g., Costanza, 1991). Some began to question on a much more fundamental level the desirability of endless economic growth on a planet with finite resources (e.g., Barnes, 2006; Daly, 1996).

A third main set of perspectives is that of social justice advocates, many of them in developing countries. These critics point out global inequities that have led the United States, for example, with about 4% of the world's population, to consume some 25% of its resources (e.g., Shiva, 2005). Such critics have argued that sustainable development first needs to address global disparities and that rich countries need to substantially reduce their consumption.

Finally, spiritually and ethically oriented observers have argued that the global crises facing humanity are due to misplaced values, a cognitive perspective that does not adequately recognize interdependency and/or the lack of an ethical perspective that takes the needs of other societies and the planet into account (e.g., Goldsmith, 1993).

These different perspectives on sustainable development have led to diverse arguments, analyses, and proposals ever since. For example, economists tend to assume that market mechanisms such as emissions-trading systems or setting the proper prices on natural resources and pollution are adequate for addressing sustainability problems. Many environmentalists, on the other hand, argue for strong regulation by the public sector and public investment in areas such as alternative energy and land conservation. Equity activists call for radical rethinking of global capitalism and tend to be highly critical of institutions such as the World Bank and the World Trade Organization. Meanwhile, ethically or spiritually oriented thinkers seek leadership in and education about a different set of societal values, and in some cases seek guidance within organized religious traditions. Elements of all these approaches seem useful at different times, and an awareness of them all is vital in forming an understanding of the pragmatic application of sustainability ideas within communities.

Sustainable development can be defined as development that improves the long-term welfare of human and ecological communities; it tends to require certain approaches on the part of community development leaders and professionals. One obvious starting point is to emphasize the long-term future. Rather than thinking about the next economic quarter, the next election cycle, or even the next 10 or 20 years, as is common in local planning documents, we must start to think about what current development trends would mean if continued for 50, 100, or 200 years. Often, when a longer view is taken, short-term trends that seem acceptable often appear disastrous. Getting the public and the decision-makers to understand the long-term implications of current trends, in addition to their near-term impacts, is an essential starting place.

Another main approach within sustainability planning is to emphasize interconnections between community development issues. Land use, transportation, housing, economic development, environmental protection, and social equity are all interrelated. Likewise, developing an understanding of how actions at different scales interrelate is essential as well. Building, site, neighborhood, city, region, state, national, and global scales fit together; actions at each scale must take into consideration and reinforce actions at other scales.

Another theme within sustainable community development is attention to place. Local history, culture, climate, resources, architecture, building materials, businesses, and ecosystems provide a rich and valuable context for local sustainability efforts. Working with these resources is also a way to build community pride and identity.

Tied to an emphasis on place is an acknowledgment of limits. Any place can only handle so much change before it becomes something different (an outcome that is, of course, sometimes desirable). There are limits to the number of people or the amount of traffic that can be accommodated easily in a community before the kinds of place-based attributes valued by community members become undermined. Likewise, there are limits to the quantities of resources that our society as a whole can use without damaging either local or global ecosystems. "Growth" itself must be reconsidered within a sustainable-development paradigm, probably moving, from quantitative expansion of goods consumed to qualitative improvement in community welfare. An organization named Redefining Progress has, in fact, developed an Genuine Progress Indicator that it believes can measure such a shift at the national level, instead of the Gross Domestic Product, which, as is often pointed out, rises significantly during environmental disasters such as the Exxon Valdez oil spill, since large sums are spent on clean-up and public relations (Talberth, Cobb, & Slattery, 2006). At the local level, efforts to rethink growth should not take the form of exclusionary growth controls, designed to keep out lower-income residents by restricting the amount of multifamily housing, but should instead involve a more comprehensive rethinking of how the community will coexist with local, regional, and global resource limits in the long run.

A final theme implicit within sustainable development is the need for active leadership by planners, politicians, and other community development professionals. In the past these players have too often facilitated unsustainable development or have acted as handmaidens of power in the service of large landowners, developers, corporations, or economic elites.

ENVIRONMENT

Sustainability is often thought of as primarily an environmental concern, and certainly environmental initiatives are important within any sustainable community development agenda. These can be of many sorts, but one of the most timely and challenging types of initiative aims to reduce greenhouse gas (GHG) emissions. In the United States, some 27% of GHG emissions stems from transportation uses, another 27% is related to building heating, cooling, and electrical use, and about 20% results from industry (World Resources Initiative, 2007). Local governments can affect all these areas.

Communities can best reduce private motor vehicle use through three types of initiatives: better land-use planning, better alternative travel mode choices for local residents, and revised economic incentives for travel. Local governments can also set an example by converting their own vehicle fleets, including buses, to cleaner technologies such as hybrid engines and use of compressed natural gas or biodiesel.

Communities can modify building codes to require passive solar design of structures, higher degrees of energy efficiency, use of energy- and water-efficient appliances, and recycling of construction waste and debris. Subdivision ordinances can be modified to require solar orientation of lots in new subdivisions, and zoning codes can be amended to ensure solar access to each lot (by restricting the height of structures on adjoining lots near the southern property line). Other eco-friendly strategies such as handling rainwater run-off onsite, using gray water for irrigation or toilets, minimizing asphalt paving, promoting the use of alternative construction materials and green roofs, providing incentives for solar hot water or electricity, and encouraging shade trees to provide summer cooling can also be incorporated into these codes. Communities can require that a certain percentage of electricity they purchase be generated from renewable sources. Some cities and towns have historically owned their own electric utilities, which give them even greater ability to lower GHG emissions and promote green practices.

To reduce the 20% of GHG emissions stemming from industry, local governments can seek to identify such sources within their jurisdictions and work with them to reduce emissions, for example, by providing technical assistance, grants, or favorable tax treatment for eco-friendly practices. Giving priority to reducing emissions may also affect economic development policy choices.

Of the three Rs—reduce, reuse, recycle—recycling has got the most attention in terms of municipal programs, but in the long run much greater energy and materials savings are likely to result from the first two. Reusing wooden shipping pallets or replacing them with more durable shipping materials offers many advantages over recycling them as chipped wood for mulch or throwing them away. A system of washing and reusing glass bottles, for example, as exists in many European countries offers far greater energy savings than collecting, crushing, and recycling them. Communities may want to eliminate some materials altogether. Cities such as San Francisco have banned use of non-biodegradable plastic bags. Portland, Oakland, and about 100 other cities have banned the use of Styrofoam.

Ecosystem protection and restoration offers another main area for environmental initiatives. Efforts to restore creeks, shorelines, and wetlands; to replant native vegetation; to recreate wildlife corridors; and to preserve existing habitat can form centerpieces of local environmental initiatives. Traditional forms of local government regulation, such as zoning codes and subdivision ordinances, can be amended to ensure that such features are protected within new development. For example, a community

can require a substantial buffer (30 to 100 feet or more) along waterways, thus both preserving ecologically valuable riparian corridors and opening up the possibility for a recreational trail system. Cities and towns can also require developers to preserve heritage trees and important areas of wildlife habitat on project sites.

LAND USE

Local governments in the United States have primary control over the development of land within their boundaries, and land use in turn affects everything from how much people drive to how much farmland and open space remains near cities. Managing the outward expansion of communities is one main sustainability priority. "Smart growth" has been a rallying cry among U.S. local governments since the 1990s, especially since suburban sprawl often increases local costs for infrastructure and services (Ewing, Pendall, & Chen, 2002).

Smart growth is generally defined as development that is compact, contiguous to existing urban areas, well connected by a grid-like network of through-streets, characterized by a diverse mix of land uses, and relatively dense. The two ways that cities and towns can do this is through area plans that contain precise design requirements for new development and through subdivision regulations that require connecting street patterns, neighborhood centers, greenways, and other community design elements.

Infill development, which includes reuse of existing built land as well as construction on vacant or leftover parcels, is one main smart-growth strategy. The tens of thousands of old shopping malls, business parks, and industrial sites in American communities offer prime opportunities for infill and for creating new, walkable, mixed-use centers for existing neighborhoods. But infill is often more difficult for developers than greenfield projects, and substantial municipal assistance may be required. Community development staff can facilitate dialogue between developers and local constituencies, assemble land through redevelopment powers, develop design guidelines or a specific plan for the area in question, and provide infrastructure and amenities to complement new development.

A good mix of land uses is a further goal frequently cited within the sustainable communities literature, as well as by advocates of the New Urbanism and smart growth. Since the 1910s Euclidean zoning has generally sought to separate land uses within American communities, leading to the creation of vast housing tracts in one location, large commercial strips and malls in another, and office or industrial development in yet others. One result is that Americans need to drive enormous distances to get to basic destinations. Separation of land uses also makes it very difficult for anyone to walk anywhere, or for motorists to "trip-chain," that is, carry out a number of different tasks in one relatively short trip.

Improving land-use mix requires fundamentally rethinking local zoning codes and economic development. Many more neighborhood centers can be included within new development on the urban fringe, while new infill housing can be added to downtowns and office parks. Zoning can be changed in existing neighborhoods to allow a greater variety of local uses, including home offices, second units within or behind existing homes, and apartments or mixed-use buildings along commercial streets.

The scale of new development should be reconsidered as well. Bigness has been a defining feature of recent American land development, whether residential, commercial, or industrial, but from a sustainability viewpoint large scale is not always desirable. Such development often provides little diversity, interest, or sense of place and generates large amounts of traffic. Local sustainability planning is likely to emphasize smaller local businesses, more incremental growth of new neighborhoods, and a finer grain of use and form within development. Such modest-scale land development can potentially create more diverse, interesting, and vibrant communities in the long run, with fewer long-distance commuting needs.

Park and greenspaces planning is a final area of land use that is essential in the

creation of more sustainable communities. Many communities today emphasize networks of parks and greenways with a variety of environments for different user groups. Increasingly, native vegetation and restored wildlife habitats are part of the concept instead of the English-style trees-and-lawn planting scheme. The idea is to reconnect residents to the landscape on a daily basis, both through small-scale parks and landscape design near homes and through larger networks of greenways and wildlife preserves throughout urban areas.

TRANSPORTATION

A community's transportation systems determine a lot about its resource consumption, GHG emissions, civic environment, and quality of life. For the past 80 years both infrastructure priorities and patterns of land development in the United States have meant that it is virtually impossible to get many places without a motor vehicle, and that the per capita amount we drive annually has risen about 2% a year. Retrofitting our communities to make other modes of transportation more possible—and to reduce the amount that we need to travel daily—will be a long process. Improving the pedestrian environment is one important step. This means coming up with a whole new package of street and urban design improvements to enhance the walking environment. Such a package may include street landscaping, pedestrian-scale lighting, narrower lanes and roadways, lower traffic speeds, improved medians, sharper curb radii at intersections, and better-connected street patterns within new development. Pedestrian-friendly boulevard designs can be employed in place of today's unsightly and dangerous arterials. Traffic-calming strategies, including a range of design strategies such as speed humps, traffic circles, staggered parking, and extensive landscaping, can be employed in residential neighborhoods to slow traffic.

In general the street design philosophy in many communities is shifting from one of increasing the capacity and speed of streets to one of promoting slow-and-steady motor vehicle movement. Street design nationally is also moving toward "context-sensitive design" that respects existing historical, cultural, and ecological environments and promotes walking, bicycling, public transit, and neighborhood use of streetscapes (Federal Highway Administration, 2007).

In the past few decades an increasing number of communities has developed bicycle plans and pedestrian plans to coordinate investment and policies for these two modes of transportation. Ever since the passage of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), federal transportation funding has been more flexible, allowing resources to be used for these purposes. An increasingly creative mix of public transportation modes is also appearing in cities and towns (Cervero, 1998). Large-scale metro and light-rail systems have been built in cities ranging from Dallas to Denver, Portland to Phoenix. But "bus rapid transit" systems, in which high-tech buses provide light-rail-style service, provide a less expensive alternative to rail systems in places such as Los Angeles and Albuquerque. Some communities are experimenting with "ride-on-demand" service using small vehicles such as vans, while others have built old-fashioned streetcars with very frequent stops in urban areas. The ideal is to provide residents with a web of interwoven transit options. "Transit-oriented development" land-use strategies then can seek to cluster new development around transit routes, increasing ridership and providing a range of destinations and residences close to transit.

Pricing is a final piece of the transportation planning puzzle. The aim is both to make transit and ride-sharing attractive and to discourage long-distance drive-alone commuting. Carpools ("high-occupancy vehicles") are often given their own toll-free lanes on urban freeways, while a few places have made transit use cheap or free. Cities and towns can provide economic incentives for residents to drive less; the most effective policies include raising the cost of parking and developing employer-based trip reduction programs. Internationally, a number of

large cities, including London, have established toll zones requiring motorists to pay a substantial sum to enter city centers. Most European cities also maintain at least some parts of their downtowns as pedestrian-only zones.

HOUSING

A community's housing stock affects its sustainability in several ways. For one thing, large amounts of energy and materials are required to construct and maintain housing. Communities can revise local building codes to require more energy-efficient structures and appliances, as well as water-efficient plumbing fixtures. But on a larger scale imbalances of housing with jobs and shopping generate high levels of motor vehicle use, traffic, pollution, and GHG emissions. Ideally, communities will provide slightly more than one job per household (since many households have more than one worker). The price and size of the available housing must also balance with the needs of workers employed in the community. One typical problem is lack of affordable housing for service workers, teachers, firefighters, nurses, and other essential professions. These personnel must either pay a large percentage of their salary for housing or must commute from more affordable communities farther away.

There is no easy solution to a community's housing affordability problems, but several strategies together can potentially make a difference. One basic step is to ensure that sufficient land is zoned for apartments, condominiums, townhouses, duplexes, and other forms of housing that tend to be less expensive. Another common strategy is "inclusionary zoning," in which developers are required to include a certain percentage (often 10–20%) of units affordable to households making a certain percentage (typically 80%) of the county median income. Other strategies include legalizing and encouraging creation of secondary units on existing single-family home lots, encouraging creation of land trusts that will lease housing units at below-market rates, and subsidizing nonprofit affordable housing providers to build affordable housing.

ECONOMIC DEVELOPMENT

Economic development strategies are among the most challenging to revise from a sustainable communities perspective. Many cities and towns have traditionally sought any available form of economic growth, particularly through large, polluting employers, rapid land development, malls, big-box development, and even casinos. Although substantial municipal subsidies are often offered to such businesses, gaining them does not necessarily guarantee the community a stable and sustainable future. Multinational firms may move their jobs elsewhere, leaving behind toxic legacies. Big-box retailers such as Wal-Mart often do not pay a living wage and drive smaller local businesses out of business. Rapid suburban expansion brings traffic, overburdened local services, and loss of local culture and identity. Few of these businesses have any commitment to the ecological or social health of the community, and many promote increased and unsustainable levels of material consumption.

Sustainable economic development is instead likely to emphasize the nurturing of green and socially responsible employers within a community. These businesses will use local resources, have clean production practices, pay decent wages, and contribute back to the community through civic involvement. They will be of a range of sizes, including many relatively small, locally owned enterprises with deeper community roots than current employers. Rather than seeking rapid overnight expansion, such firms will add employment at a slower but more sustainable rate.

One strategy is to support existing local businesses and encouraging them to undertake both innovation and greener production practices. Another strategy is to grow new, desirable businesses, frequently through the creation of business incubators that provide affordable office space and shared services for start-ups and the

preferential issuance of public contracts to green businesses. Investing in public education and training is a further municipal commitment to its economic future. Finally, in recent years many jurisdictions have passed "living wage" laws requiring that workers be paid significantly more than the federal minimum wage. This policy both improves social equity and potentially increases workers' spending power within the community.

SOCIAL EQUITY

As a symbol of the integrating approach common within sustainable development, advocates have often spoken of the "three Es"—environment, economy, and equity. Of these, equity is by far the least well developed and perhaps the most difficult to bring about in practice. We live in a society, both in the United States and globally, that has become more and more inequitable. Such rising inequality brings about many sustainability problems, from the degradation of ecosystems by impoverished people struggling to survive to the loss of social capital and mutual understanding essential in healthy democracies.

Ensuring social equity is in substantial part the responsibility of federal and state levels of government, which can promote it through tax policy, funding of social services, establishment of decent minimum wages, and guarantees of fair treatment and civil rights. But local communities can promote equity goals as well. Providing adequate amounts of affordable housing, livable minimum wages, and a supportive environment for small local businesses are among the ways to do this. Ensuring that underprivileged neighborhoods receive excellent services, schools, parks, and other forms of municipal investment is also essential. Environmental justice is another key equity theme; too often lower-income neighborhoods and communities of color have borne the brunt of pollution, toxic contamination problems, and unwanted facilities. Cities and towns can address environmental justice through active steps to protect those most at risk, improve siting of hazardous land uses, bring about fairer and more transparent decision-making, and include at-risk populations in local government processes.

Additional services important for social equity include adult education and literacy programs, preschool and after-school activities, drug and alcohol abuse treatment programs, and assistance for those with disabilities, mental health issues, or a history of homelessness. Good public education in general, of course, is also crucial. Such initiatives can help build the human capital vital for healthy communities in the long run. The problem of funding always exists, but grant opportunities are available for certain types of program, and creative, sustained attention by community development officials and political leaders can help build better support in the long run.

PROCESS AND PARTICIPATION

A healthy democracy is an important element of sustainable communities in that it can enable informed decision-making, meet the needs of diverse constituencies, and fulfill ideals of fairness and equity. For this reason, community-sustainability groups have emphasized a variety of process indicators that reflect the health of our political system and society. Sustainable Seattle, for example, included "voter participation," "adult literacy," and "neighborliness" in its set of sustainability indicators (Sustainable Seattle, 1998). The Jacksonville Community Council (JCCI) included not just voter registration but "percentage of people surveyed who are able to name two current City Council members" in its quality-of-life indicators, which have been updated for nearly 25 years now (JCCI, 2006).

Conflicts of interest, often around land development, are rife within U.S. local government. Historically, "growth coalitions" of developers, landowners, real estate interests, construction companies, and politicians have dominated local politics in many communities (Logan & Molotch, 1987). These interests have often funded electoral

candidates, and their members have frequently held elected or appointed office. Ending such conflicts of interest and improving the transparency and visibility of local government processes is vital, as is making public office attractive to a wider variety of candidates, including those without wealthy backers. Ensuring high participation rates in elections and citizen knowledge of development issues is a related challenge.

From a sustainability perspective it is vitally important to establish a creative and collaborative local government decision-making environment in which participants can agree on positive, proactive strategies, "think outside the box," and learn to respect each other's points of view. To enable a constructive, collaborative planning environment instead, a number of procedural reforms can help. Transparent and well-publicized government processes can ensure that residents understand the process and do not feel excluded by backroom deals. Strong conflict-of-interest regulation can alleviate citizens' sense that officials are just out for themselves. Workshops and charrettes (design workshops) can be conducted in a collaborative and collegial spirit rather than in the top-down and patronizing one that is sadly all too common. And local residents' ideas can be very consciously incorporated into planning alternatives and reflected back to them, so that it is clear what their input has been.

That being said, local residents also need to understand that they are not the only stakeholders involved in public decisions. Any given decision affects multiple overlapping communities at different scales, including regional, national, and global. From a sustainability perspective, the practitioner's role is to take into account the needs and concerns of all these different communities, including the needs of the planet itself, and to help local residents understand this complex picture.

Operating as a professional with a concern for sustainable community development may require a great many skills. It may require active efforts to frame debates, develop background information, and outline alternative courses of action. It may require careful organizing both within government and within the community to pull different constituencies together and develop institutional and political backing. It may require specific intervention in debates to call attention to the long-term implications of decisions. It may require constant efforts to weave together all aspects of community development, including physical planning, urban design, economic development, social welfare policy, and environmental planning, so that the public understands the interconnections. And at times it may require standing up against special interests that resist thinking of the long-term future of places. But such is the challenge of working within local government and communities. Good communication, networking, facilitation, presentation, and political skills can help in this regard. Passion and a sense of humor can help as well.

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PART III

*B*uilding and Organizing Community

CHAPTER 20

Introduction to Part III

James DeFilippis and Susan Saegert

The idea of community as emergent animates most theories of community organizing and community building. Neither community building nor organizing would be necessary if communities were solid, well functioning, and satisfactory for all their members. However, the two schools of thought differ in what communities entail and how they come into being. Within the community organizing tradition, communities are divided between the "haves" and the "have nots." This vision sees communities as in dialectal tension between the struggles of the "have nots" to realize their goals and the "haves" who are positioned to achieve their collective and individual interests by virtue of their greater power. Community organizing seeks to mobilize the interests of the "have nots" and organize them into effective units of collective action so as to change the balance of power in the community. In contrast, community builders approach locales as potential communities that lack the social ties and identification of shared interests required for these locales to function as communities. Community builders start by building relationships among local residents and organizations and developing settings within which mutual interests and opportunities for cooperation in achieving them can emerge. Community builders assume that functioning communities do not have one single fault line of privilege versus disadvantage that divides them. Rather people and organizations are presumed to have multiple and shifting interests and capacities. The task of community building is to provide opportunities to build relationships that can lead to effective collective actions and satisfying relationships. As the chapters in this part illustrate, the line between these two perspectives increasingly blurs. However, the starting point for efforts in the two traditions almost always differs.

Community organizers begin with oppositional strategies and tactics that heighten conflict between the "haves" and "have nots." For those who accept this division as a given, strategies for community building are seen not as genuine efforts to build communities that do not exist but as efforts by the "haves" to reduce unrest among the "have nots" or at best to provide a slightly higher level of access to resources without challenging the underlying division. The first chapter by Fisher, DeFilippis, and Shragge traces the history of these two traditions in the United States. They argue that larger political trends either enable or constrain efforts to challenge existing arrangements of power. They locate the origins of both traditions in the Settlement House movement in the Progressive era. This movement rested on four beliefs: (1) that social and economic causes rather than individual motivation or ability accounted for social inequality; (2) a focus on cross-class solidarity that provides integrated social services and an inclusive community identity; (3) a communitarian perspective that strives to build inclusive social networks; and (4) the willingness to advocate for social, political, and economic justice. Only a few Settlement House leaders privileged the fourth of these goals. Thus much of social work practice that grew out of this movement falls into either individually oriented service delivery or community building. The Great Depression sharpened

the conflicts between the "haves" and "have nots" and led to more confrontational approaches to organizing, some of which included strong challenges to the dominant political economy of capitalism. The rest of the chapter lays out the dialectic between changing political and economic climates and the type of community organizing and building that emerges in each. In each era, oppositional forms of organizing provoked criticism on grounds that they were undemocratic and practiced what is now referred to as reverse exclusion of more privileged groups. Community building and organizing efforts that focused more on developing human capacities and cooperation among all groups met with the critique that they put the burden of change on individuals harmed by unequal power distributions and inadvertently supported the replication of existing patterns of inequality. By examining community organizing during periods of political conservatism, these authors bring us up to the oppositional organizing of groups like the Tea Party. The chapter concludes by arguing that political economic trends are the main drivers of the type of community organizing that occurs.

The remaining chapters in this part acknowledge the strength of the political economy in creating an unlevel playing field to begin with. However, they posit or at least strive for ways to introduce collective agency among the "have nots" as a force as well. Community organizers posit opposing and already existing and identifiable interests for both the "haves" and "have nots." The initial work of organizing must be done to support local "have nots" in recognizing their interests. Problems of building relationships are acknowledged and addressed. However, identifying collective goals and identity among the "have nots" is presented as largely a matter of process. Alliances with "haves" are strategically cultivated and usually issue based and temporary. The best known national exponents of community organizing choose to work with already existing identifiable collectives, thus side stepping in theory, if not always in practice, the need for building social relationships and local organizations from scratch. Stall and Stoecker label the first approach the power-oriented model of organizing or the Alinsky model. They contrast that with what they call the woman-centered model which takes building and sustaining relationships as central and which calls for the cultivation of a wide range of human capacities beyond the exercise of power. They then compare the models in terms of their assumptions about human nature, power and politics, leadership development, and the organizing process. Different understandings of the relationship of public and private spheres underlie many of the divergent positions of the two models. They conclude that both models have strengths and weaknesses. Therefore combined models are likely to prove more effective. Specifically, they commend including the building of primary relational bonds around social reproduction as a good way to broaden the social change agenda. At the same time, they conclude that the public sphere remains an arena in which conflict is necessary. Therefore, power-oriented public sphere organizing remains a prerequisite for success.

Bill Traynor begins by placing oppositional community organizing in a period in which local, state, and national instutions encountered more rooted forms of capital and a politics in which it was more feasible to hold the private and public sector accountable. He understands the community building approach as very much a product of the era of rapid global movement of capital and devolution of government functions to the nonprofit and private sectors. He first defines community building and traces it to foundation-led efforts to expand and improve the workings of community development corporations. In contrast to the class analysis that underlies the practice of community organizing, community development derives from a pluralist notion of democracy and seeks to rebuild a functioning public sphere. Traynor offers a sober analysis of the internal contradictions and difficulties CDCs faced in attempting to integrate community building into their development-oriented organizations. He also critiques community organizing practices as relying on "levels of commitment,

loyalty, time, and belligerence that have never been for everyone and increasingly stand out as in-organic to the experiences of most people" (p. 215). In contrast, he proposes that community building is best understood as having roots in a market-based model, rather than a model of political conflict. Levels of commitment and goals can vary across individuals and across time. His focus is on establishing peer-to-peer relationships rather than on binding individuals to an existing group. The crux of his argument is that community building can better be understood as a popular economic mobilization rather than as a vanguard political movement. He then lays out a framework for this form of organizing which he calls network organizing.

The next two chapters question whether the distinction between cooperation and conflict as strategies is the most useful way to understand how "have nots" achieve their goals through collective action. Saegert critiques the community building school of thought's emphasis on social capital. Encouraged by foundations, many community building intiatives take their cues from Robert Putman's (1993, 2000) identification of social capital as conducive to both well-functioning democracy and economic prosperity. She points out that Coleman's (1988) functionalist view of social capital views it as network resource. He does not imply specific outcomes will be obtained either at a societal or community scale. Bourdieu (1985) situates the reproduction of "haves" and "have nots" in their networks of social capital. In direct contrast to Putnam, social capital then is seen both as a tool for the reproduction of inequality and as a promoter of conflict. Her chapter offers an analysis of the essential roles both of the cultivation of social capital within and across groups and of the use of conflict in organizing that aims to redistribute power and resources.

Greenberg looks at how different ideological bases and group identities prove crucial to the success or failure of organizing efforts, not because they are ideologically correct but because of the way they work in the particular local historical and organizational context. Thus the position of a group on issues of conflict and race are crucial. But the choice made will be likely to succeed not because of some inherent property of the position, but because it is congruent or incongruent with the political opportunities that emerge in specific contexts. He argues that organizing efforts that are very congruent with the inter-organizational context stand greater chances of achieving goals, but are less likely to restructure basic power dynamics of a locale.

Briggs drills down one more level to look at the enactment of civic processes meant to engage citizens in the public sphere. This close-up look at how individuals actually interact reveals the class, race, gender, and role divisions within communities that make the development of inclusive, productive civic engagement very difficult. Thus his chapter brings us back to an acceptance of the structural differences in interest and group identification that characterize society. However, rather than treating these divisions as givens, he views them as variable codes and scripts potentially subject to cross-group understanding and transformation. He concludes (p. 242) that

> we should collect and share principles for reading communication codes and power relations, especially in multicultural settings, and for responding in ways that promote mutual learning. Such competence is critical for doing democracy "up close" in a world of diverse publics and complex public problems.

DeRienzo's chapter reminds us that community development efforts depend on the idea that communities exist. However, as discussed in the introduction to this book, sociologists have long proposed the disappearance of community. In contrast, the second perspective, attributed to John Dewey, portrays community as not given but as emergent. Neither position allows a theorist or practitioner of community development to take the entity that they seek to develop as a given. DeRienzo views community as distinct from the physical neighborhood, and as having a contingent reality. For him community can be emergent, but it is not a given. DeRienzo describes current

economic, social, and political forces in the United States that tend to undermine the existence of community. He then addresses forms of community organizing and evaluates their potential for creating community in the current context. His chapter provides a transition to Part IV on globalization and community development in two ways: (1) he clearly identifies how the mobility and geographic dispersion of capital creates the crises community development must address; and (2) he complicates the geography of community by questioning the assumption that propinquity is automatically a basis for effective organizing.

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CHAPTER 21

History Matters

Canons, Anti-Canons, and Critical Lessons from the Past

Robert Fisher, James DeFilippis, and Eric Shragge

The history of community initiatives reveals a complex past, with varied goals, politics, and shapes. This history and diversity result from a number of factors, chief among them the historical context that shapes and helps produce a dominant form of community-based effort in each era. This dominant type not only mirrors broader contemporary phenomena but responds to and affects them as well. Eras characterized by more liberal reform foster and allow opportunities for the proliferation of more Left-oriented community initiatives. More conservative or reactionary eras produce not so much a decline of community efforts, but rather a decline of Left-oriented community efforts and a rise of not only highly moderated but especially reactionary forms of local organizing.

For a generation now we have found ourselves in a conservative/reactionary context, one characterized by a proliferation of community efforts, and an equally widespread rise of reactionary and conservative uses of community. At the same time, there has been little understanding of the transformation that occurs in community practice in reactionary and conservative contexts. On the one hand, these reactionary and conservative pressures on the field of community organizing are being relatively ignored. Or they seem to be ignored but actually reflect organizational decisions that perceive the context as so constraining that the organizers have little choice but to pursue accommodating strategies. On the other hand, we find a growing popularity, even romanticization, of the concept of community and community-based work.

Conservative political economies and social contexts produce and support conservative initiatives. The relationship is commonly accepted throughout our society. Reactionary regimes since 1980 have had a profound effect, shifting policy and discourse to the Right on issues ranging as widely as the environment, poverty, income inequality, crime, and war. Most community efforts of a progressive nature have been heavily curtailed and constrained in the past three decades. Many of them have been incorporated by public and private funding, transforming the field to emphasize community building and consensus models rather than community organizing or conflict models. And, at the same time, Right-wing and conservative efforts have proliferated.

Even in eras hostile to oppositional efforts or Left activism, there is always a dialectical process in which community initiatives develop and respond to the tensions and contradictions of the time. For example, civil rights dissent developed at the community level in the South in the 1950s to address apartheid racism (Morris, 1986). Accordingly, even in our current context there are critical community initiatives doing essential work to challenge the neoliberal hegemony that dominates the era. These efforts, as with civil rights efforts in the 1950s, win victories, raise consciousness, engage people in struggle, plant seeds for social change, and provide models for future radical practice. They do so usually as oppositional efforts. The flip side is true for more progressive eras such as the 1960s, which, while often seen as glory days for Left

initiatives, were also the seedbed of conservative and reactionary efforts that arose 10 to 20 years later as a powerful Right-wing movement.

While we argue here that the political-economic context of every era heavily influences the dominant tendencies of community organizing in that era, we emphasize that there is a dialectical relationship, between the broader political economic context and grassroots efforts. Context is always relevant and critical to understanding local efforts, but it is never determinative.

LESSONS FROM THE PAST

We start with selected key points from this history of community-based efforts in the United States. We emphasize that community organizing has a long history and that historical context is critical in understanding community efforts. Then in the selected history that follows we embed essential lessons, especially the importance of conflict organizing and social movement building. We conclude by illustrating how community organizing cuts across the political spectrum and includes efforts ranging all the way from Left to Right.

Community Organizing has a Long, Rich History

The history of community action dates back at least to the late 19th century and extends throughout the 20th century. Intentional community organizing started with the decentralized, communitarian responses of the late 19th and early 20th centuries, most notably the social settlement house movement. To be sure, there were earlier efforts, but it is in the 20th century that community-based activity takes on a more significant role. With industrialization and increasing density in large cities, urban residents formed community associations and voluntary activities for a wide variety of goals that they could not meet on their own and could not rely on the private or public sector to address.

The more or less accepted canon of the field of community organizing emphasizes three major heydays in the history of community work in the United States: approximately 1900–1920, 1930–1946, and 1960–1975. This canon of noted community efforts is rich with lessons from the past for community action efforts in the present and future.

As with most canons, there is disagreement on which examples to include. Social work scholarship has possibly the richest and deepest canon, emphasizing its own roots in the settlement house movement and tracing its interest and role in local-based organizing through leading roles in New Deal programs in the 1930s, War on Poverty programs in the 1960s, and the women's movement. Those associated closely with the Alinsky tradition of community organizing might begin with Alinsky's efforts in the 1930s, implicitly anointing him as the father of community organizing in the United States, and emphasizing his work, that of the Industrial Areas Foundation in the 1960s, and similar efforts associated with the "backyard revolution" of the 1970s. Similarly, activists of color will include Alinsky but not exalt his contribution. They focus their attention instead on the deep resistance of African-Americans before the 20th century, and include not only efforts of luminaries such as W. E. B. Du Bois but also community building and service delivery work in the early 20th century; the efforts of Marcus Garvey and Father Divine in the 1920s and 1930s; and especially black community, labor, and electoral efforts tied to civil rights and Black Power movements of the 1960s and 1970s.

The dominant examples and texts noted above compose our general understanding of the origins, history, and models of community-based social change. While the examples in this multiple-stranded canon of community organizing vary there is also almost complete agreement on the types of historical contexts that help produce such efforts. The progressive canon emphasizes that community efforts have a long history, but largely in specific eras and historical contexts—which they helped create—which provided more opportunities and supports for progressive social change.

The Importance of Historical Context

Each historical era has a dominant form of community initiative, one produced by the interaction between the broader political economy and the social struggles and oppositional efforts that respond to it. This is not a one-way street where national political economy dictates the nature, form, and success of community initiatives. The process is always much more dialectical. Certainly issues of human agency—defining the very nature of a community organization, its goals, methods, daily choices—play a critical role in the life of any community effort. But the larger historical context heavily influences what conceptualizations and choices are available or encouraged, what goals are salient, and what strategies seem appropriate and likely to succeed.

Progressive Era Organizing

The dominant example of community-based initiative in the first decades of the 20th century was the social settlement house. It was both a strong reflection of the political economy of the Progressive era as well as catalyst for the critical progressive changes of that time. Settlement leader Vida Scudder saw the turn-of-the-century city as a "cleavage of classes, cleavage of races, cleavage of faiths: an inextricable confusion" (cited in Shapiro, 1978, p. 215). Society seemed to be coming apart at its class and ethnic seams. In response, reformers developed a social movement which argued that society, not simply the individual, was responsible for social conditions, and that the environment, not simply one's personal characteristics, heavily shaped life experience (Quandt, 1970).

Flourishing in the early 20th century, settlements attracted social reformers to engage with the problems of the new urban-industrial order at the local level by living in settlement houses in slum, especially immigrant, neighborhoods. The settlements reflected the social gospel missionary impulse as well as the Progressive era rejection of the individualism, greed, and faith in laissez-faire capitalism. They responded collectively to the oppressive conditions of slum areas and the dire needs of people living in these deplorable conditions, and, given their concern for order, aimed to do so before social unrest between the classes tore the society apart.

Settlers in the most progressive houses developed a community practice that included four essential elements: (1) a rejection of the individual causes of poverty and an emphasis on social and economic conditions; (2) an integrated approach that provided services, engaged residents, and focused on developing cross-class solidarity between neighborhood residents and settlement workers; (3) a communitarian perspective on the essential importance of building community and community connection as a means of increasing the participation and networks of primarily poor recent immigrants; and (4) a willingness to organize and advocate for social, political, and economic justice at the local, state, and national level (Fisher, 2005).

Only a few settlement houses and leaders such as Jane Addams, Lillian Wald, and Florence Kelley challenged capitalism and supported efforts to change the system. For most settlement leaders, the goal was reform-oriented collective responses to the challenges of the emerging urban-industrial order and mass migration. As communitarians who understood the value of community building and community organizing, they used the local level not only as a site for democratic participation and service delivery, but also as a staging ground for broader initiatives. They aimed to affect the overall political economy and public policies around such specific issues, such as housing reform and child welfare. Aware of the limits of individual settlements, they formed the National Federation of Settlements in 1911 to coordinate the hundreds of settlements nationwide and advocate for broader initiatives that could not be addressed at the local level.

The settlements achieved a great deal, even continuing into the 21st century to serve as a model for an integrated community practice. And yet the middle- and upper-class nature of most early 20th century

reform efforts heavily influenced settlement initiatives, providing a pragmatic and optimistic reform fervor and faith in public life and public service, while limiting efforts to nonradical and nonstatist initiatives and solutions. But the lessons of the settlement houses are clear: the political economy of the Progressive era and the social struggles its contradictions produced heavily shaped the opportunities, choices, and support for a dominant form of communitarian, reform-oriented community organizing the social settlements.

Depression Era Organizing

The Depression era of the 1930s presented a different context for organizers, occasioning a very different type of dominant form. The collapse of world capitalism created an urgency both for leaders and for ordinary people and demanded more radical politics. In response, communities organized to harness the energy and anger that spilled over on a daily basis. The interaction of Depression-era conditions, radical local organizing, a vibrant and radical union movement, and New Deal federal policies all combined to create a dynamic and critical era in the history of community organizing.

While community efforts of the Communist Party, the Catholic Workers Movement, or Saul Alinsky, to name but a few, differed widely, these dominant models of the era were all characterized by militant strategies and tactics, a radical analysis of community problems, and expanded frameworks designed to mobilize more people and communities in support of democratic and just solutions. They organized at the local level because that was where people experienced problems on a day-to-day basis and where they could engage people to participate in social change efforts. But given the national and worldwide nature of problems in the 1930s the dominant forms of this era sought to take local residents beyond their own communities to see problems in a broader light and focus on developing organizational frameworks at the national level.

The local efforts of the Communist Party were best expressed in the Unemployed Councils, which formed to address community problems such as housing evictions, unemployment, hunger, and racism. In addition to the radical militancy of the Unemployed Councils, community efforts operated on multiple levels of practice. On one level were the basic principles—such as a critique of capitalism, the nature of class conflict, and the need for working-class democracy—that undergirded all efforts and tied local efforts intellectually to the world beyond the community. The next level included the national campaigns that tied community efforts to broader struggles and campaigns, such as campaigns for national social insurance and anti-lynching legislation. The third level—the community level—was the site of the day-to-day activism of members to address local issues, whether an eviction of a neighbor, a local family's need for help from the relief bureau, or a protest at City Hall. At all three levels of organizing, theory and practice were deeply interconnected, designed to get people involved in local public life and use community organizing as a staging ground to address deeper systemic problems (Naison, 2004). The crippling flaws in communist organizing in the 1930s rested in the antidemocratic manipulation of local efforts in order to support campaigns developed by or with the consent of operatives in the USSR. That said, these efforts provide a vivid and provocative historical example which valued community as an organizing site, recognized its limits, and offered an organizational theory and practice to go beyond the limits of local efforts.

The efforts of Saul Alinsky began in Chicago in the 1930s. Since his work in the Back of the Yards neighborhood are generally well known, we will briefly discuss his efforts and model in terms of how they contributed to the critical lessons of organizing in this period: (1) the emphasis on militant, conflict tactics, and (2) the development of ideological and organizational frameworks that expanded the impact of community organizing. The former underscores how a context such as the Great Depression produced and legitimized conflict tactics. The times seemed to demand it.

The Alinsky method of community organizing learned its tactics and approach from the Communist Party and the Congress of Industrial Organizations (CIO). The Alinsky method encouraged organizers to get community people in touch with their anger, to "rub raw people's resentments," to use any and all nonviolent tactics in order to publicize issues and win victories, and thereby see the power of collective direct action. Alinsky believed that almost any and all tactics were justifiable to protect democracy and advance the interests of working people. He understood that power concedes nothing without struggle, and the more creative and unpredictable a community's strategies and tactics the more effective their efforts. Of course, Alinsky's theory and practice did not only use conflict. His efforts used a wide variety of tactics to achieve their goals. But it was Alinsky's use of militant tactics for which he is best known. In the late 1930s, with so much at stake due to both economic depression and the rise of fascists, militant protest fit well with the turmoil in society.

Alinsky explicitly rejected ideological organizing, and later on he emphasized in response to the New Left that organizing must be "nonideological." He saw ideological organizing as fundamentally undemocratic, as contrary to community organizing. Alinsky thought that the community should be an end in and of itself; that community was the perfect site for democratic process. He sought to counteract the limits of community by developing loosely connected "people's organizations." To that end he founded the Industrial Areas Foundation (IAF) and through the IAF he spread his approach. "Alinsky efforts" since then have proliferated. But while his organizing theory recognized the importance of building a structure beyond the local community, his militant, confrontational mode of organizing always emphasized the primacy of local work, the commitment to local people and the local community. Undoubtedly he did so in part because there were so many other social movement efforts at the time working on a national scale. But he also did so because he was uncertain how to resolve the tension inherent in building a national organizational structure while focusing on the specific needs and people involved in each local community.

1960s Organizing

Perhaps the high point in the progressive canon of the history of community organizing is the 1960s. Extending approximately from 1960 through 1975, it is full of examples of Progressive and Left community-based efforts, all of them either produced or renewed by the social movements of the day.

The radical ferment of the 1960s grew out of the civil rights movement. All efforts stood on the shoulders and used the models of the black struggle for equality after World War II. Civil rights efforts such as the Montgomery bus boycott in 1955 and other anti-segregationist community-based struggles before and after it lay the groundwork for Mobilization for Youth in 1958, the founding of SNCC (Student Non-violent Coordinating Committee) in 1960, and SDS (Students for a Democratic Society) and its community-based ERAP (Economic Research and Action Project) projects shortly thereafter. The Ford Foundation, NIMH (National Institute of Mental Health), and Kennedy administration followed in the early 1960s with well-funded experiments in community organizing, committed to local control and citizen participation in service delivery and advocacy efforts. The federal Community Action Program began its support of Community Action Agencies in 1965. The Association of Community Organizations for Reform Now (ACORN) was founded in 1970, as were many other community efforts. The period was a heyday for the experiments and initiatives in community action and local democratic participation. As Frost puts it,

> During the 1960s a wide range of political, social welfare, church, labor, and government entities shifted their focus to the local and communal level … The massive shift of organizing sites to the community contributed to what came to be called the "backyard revolution" of the mid-1960s and 1970s.

It also influenced gendered conceptions of the sites and agents of resistance and social change. "This understanding of the community as an important site for organizing more fully incorporated women's activism, challenged male-defined notions of 'workplace,' and revealed the community as a place of work for women" (Frost, 2001, pp. 23–24).

Community-based efforts such as those of the Unemployed Councils and Alinsky were in the minority in the 1930s because the primary locus of change was the factory, not the community. By the 1960s, however, due in part to a growing conservatism among labor as well as the fact that the primary agents of social change in the 1960s—African Americans and college students—were less heavily involved in the industrial factory system, community efforts began to replace factories as the primary sites of social change.

But what was distinctive for this period was the extensive role played by social movements in framing the type of organizing that occurred. There was certainly broad interest in the local community, in and of itself, as the site of radical change and opportunities for democratic participation; but there was also a theoretical framework of community as inherently alternative and oppositional to mainstream society. Tom Hayden, SDS leader, called for "a politics of responsible insurgence rooted in community after community," reflecting "the felt needs of their locales" (Fisher, 1994, p. 104). More like Alinsky-style organizing than the strategies of the Old Left, the emphasis was on "letting the people decide" and "immediate action" rather than developing "a full-scale program" (Payne, 1966, p. 87). But 1960s organizing was not about narrow conceptions of community. Community was defined broadly to expand activism beyond the local and to offer a critique of mainstream society's anti-community features. Community was used both as a site and as an alternative. Efforts were focused on building actual community institutions as well as an overall sense of community. From Martin Luther King, Jr., and the civil rights movement's use of the vision of "beloved community" onward, community was both a strategic structural site as well as a critical oppositional concept and vision.

But there was also concern about the limited scale of communities, the structural limits of community organizations, and the relation of community organizing to social movement building. And most community organizing efforts had an "anti-organizational impulse, stressing the movement before the organization" (Breines, 1982, p. 50). Community leaders saw their overall work as more tied to movement building, such as the civil rights, student, antiwar, or women's movement, than to community per se. Organizing in the 1960s was almost always about blending community organizing with movement building, with an emphasis on the latter but with a deeply internalized conviction that community work was central to and inseparable from movement building.

Social movements have always been central to effective community efforts. Social movements provide opportunities, direction, and support for local efforts. Even more than community organization, they have the power to force claims, politics, strategies, and tactics on to the state and national political stage, thereby legitimizing and catapulting them beyond traditional barriers. Community initiatives are usually the product of or tied to broader social movements.

Critically, history also demonstrates that local organizing gives birth to, galvanizes, and sustains social movements. Just as community efforts need movements, movements do not develop out of or exist in a vacuum. The populist, labor, or civil rights movement, or the feminist movements of the past century, all developed out of local organizing and became, as social movements, far greater than the sum of their local organizational parts (Fisher & Shragge, 2007).

The progressive canon of efforts in the three historical periods discussed underscores that some of the most noted community efforts in the last 100 years have been ones that understood and practiced key lessons. They understood that community

efforts were political. They remained connected to and sought to build on their movement roots, benefited from a critique of the limits of the dominant political economy and culture, and understood that local problems were almost always caused by forces and decisions that rested outside the community. They therefore sought to organize at both the local and national level, and used a broad range of strategies and tactics, including conflict tactics, which both reflected their times and sought to change them.

UNDERSTANDING THE ANTI-CANON

Research in the past and present of community organizing reveals an "anti-canon" which must be included in the broader history. The past, present, and future of community efforts cannot be effectively understood without the place and persistence of reactionary forms of community and community intervention, and without understanding the role that reactionary contexts play in producing comparable forms of community action.

Community Efforts are Not Inherently Progressive

Community organizing takes varied political forms; and there are as many conservative and reactionary uses of community in U.S. history as there are democratic and oppositional ones. The politics of a community effort depend on a wide variety of factors, including the reason(s) for organizing the group, the ideology and politics of the leaders as well as the members, the dominant social movements at the time, and, especially, the political economy of the era.

What is clear in studying community efforts in eras such as the 1920s, 1950s, and since 1975 is how they are yoked in a historical continuum of conflict and change. Periods of conservatism and reaction are often just that, reactions against—backlashes that seek to undermine prior progressive gains, to moderate former progressive efforts, and to support conservative and reactionary ones. But these eras are not simply backlashes. They also represent deep currents and ongoing elements in American political life, ones that are all too important and prominent to be considered anything less than central to understanding community efforts.

1920s

The history of community organizations in the 1920s offers a stark contrast to the efforts in periods that came just before and just after it. The 1920s are an archetypal conservative political economy. Society receded from concern with social issues into more individualist and materialist pursuits. Right-wing community efforts and social movements resurfaced, as well, such as religious fundamentalism, the Ku Klux Klan, and other nativist organizations. And the conservative context not only supported Right-wing efforts but it also moderated and reconfigured progressive ones.

Prior to the 1920s social settlement workers and other nascent social work forms of community organization were committed to aiding individuals, building community, and changing society. After World War I, most community organization and social work leaders rejected having anything to do with social causes (Berry, 1999). Settlements and other community efforts did not decline in numbers as much as they faded in significance and, for most at least, shifted their programming (Chambers, 1963). In place of the core settlement elements of collaborative practice, community building, and social action, the 1920s institutionalized a much more restrictive and confined practice. Jane Addams said that social work reflected the "symptoms of this panic and with a kind of protective instinct, carefully avoided any identification with the phraseology of social reform" (quoted in Lundblad, 1995, p. 667).

Not everyone dropped the idea of community. Many who were previously interested in community activism, now under pressure to change their ways, redefined community organization to be more professional and less activist. The focus was now

on efficiency and effectiveness. This new emphasis in community organization, which resulted in the formation of precursors to the current United Way, fit closely with the business-minded temper of the time (Fabricant & Fisher, 2002).

The funding of community organizations changed as well. Aggregate funding in the 1920s improved but became more circumscribed, with allocations for services but not for advocacy. The broader political economic context thus had a powerful conservative impact on community-based efforts in the 1920s, fostering reactionary efforts and incorporating and moderating liberal and Left organizations.

1950s

The most prominent form of community organizing in the 1950s was the neighborhood homeowners' associations which sought an exclusive, homogeneous conception of community designed primarily to maintain community and protect the value of house investments. To that end, they did more than keep out "undesirables." They pressured elected officials or community leaders for service provision in the form of street cleaning and garbage removal. They helped enforce deed restrictions that regulated a wide variety of community planning and housing issues, including minimum sales prices, uses of the house, even who could own or reside there (Plotkin, 2005). In these organizations, community protection always went hand in hand with community maintenance. And homeowners' associations sought protection against their chief threat: racial integration.

Restrictive covenants speak to the core values and objectives of suburban community formation. As Fogelson (2005, p. 123) argues for affluent suburbs,

> What was it about them that required the imposition of "protective restrictions"? To answer these questions, it is necessary to look beyond the restrictions to the deep-seated fears that were embodied in them—fear of others … fear of change, and fear of the market.

These enclaves and their associations also speak to the conservative uses of community in a mobile, often rootless society. Inherent in these communities is the constant search for and re-creation of community so common to the American experience. And given that most were fleeing diverse and messy cities, communities they created emphasized order, stability, and homogeneity.

These neighborhood improvement associations demonstrate how "constructions of race and manifestations of racism" are tied to community formation (Gotham, 2000, p. 629). And in racially tense urban environments, especially northern cities in the 1920s and 1950s after the great migrations of African Americans, homeowners' associations were focused mostly on racial exclusion rather than community formation (Plotkin, 2001). Massive conflicts therefore erupted in the 1950s between largely white working-class, Roman Catholic, single-family homeowners on the one side, and African Americans on the other. In Sugrue's study of Detroit in these years, most white residents in outer-city neighborhoods thought their economic interests and communal identities were threatened by racial integration. They turned to homeowner associations to defend their interests and their world (Sugrue, 1996). When legal means failed, anti-communist rhetoric and violence ensued.

> White Detroiters instigated over two hundred incidents against blacks moving into formerly all-white neighborhoods, including harassment, mass demonstrations, picketing, effigy burning, window breaking, arson, vandalism, and physical attacks. Most incidents followed improvement association meetings.
>
> (p. 233)

Similar conditions of competition for space, housing, and community as well as similar uses of homeowners' and neighborhood associations were evident in many other cities.

Community efforts such as homeowners' and property associations have a long history. But conservative eras such as the 1950s tied these associations to a reactionary politics. Segregationist goals were

intertwined with community betterment, interconnecting the protection of property values with a politics of neighborhood exclusion and racism. This continued in the next reactionary political economy, the years since the late 1970s. Writing about Los Angeles, Davis found affluent homeowner organizing to be not only the source of the anti-property tax initiatives in the late 1970s, but also a critical force behind the "deliberate shaping" of "fragmented and insular local sovereignties" that modeled suburban development throughout the United States (1990, p. 164).

Post 1975

In the decades after 1975, the impact of conservative global and national contexts on local organizing continued to be enormous with organizing often focusing on social rather than political economic issues. Prominent examples could include groups such as Restore our Alienated Rights (ROAR) in Boston, opposing busing, anti-abortion organizing and picketing, and Christian fundamentalists organizing at both the national and local level to advance their fundamentalist vision and issues. It is easy to argue that the New Right movement has been the most successful social change initiative since 1980. The fusion of disciples and proponents of free-market economics and anti-communist/Cold War politics, on the one hand, with leaders and congregation members of Christian fundamentalist churches on the other, resulted in the most powerful political grouping of our era.

Many of their efforts were at the national level, and most of it was top-down rather than bottom-up. But a great deal of the New Right was also focused on mobilizing people at the grassroots, in their local communities. In the 1970s, in fact, many campaigns, such as opposition to the Equal Rights Amendment, came out of grassroots, community efforts. New Right efforts were successful primarily because they straddled critical divides evident in the Left/progressive canon of community organizing. They blended issues of both political economy and culture. They used conflict strategies and tactics against their enemy targets—the forces of radicalism and liberalism. They understood the value of community-based organizing, but they understood even better the importance of national organizations, in concert with local efforts, fighting for state power. They always saw themselves as part of a broader social movement. And they always focused on blending local work with electoral politics, a blend avoided by most progressive forms of community organizations since Saul Alinsky's efforts in the late 1930s (Fisher & Tamarkin, 2009).

Of course, since 1975 a wide variety of efforts continued to promote democratic resistance and Left politics. Nevertheless, the neoconservative political economy that largely determined the direction of most community organizing since 1980 has moderated most of them, pushed them away from oppositional strategies, and even adopted Left-populist practices in Right-populist grassroots efforts. The load shedding of public responsibility by the national government foisted new burdens on local groups. The dramatic increase of nonprofit organizations in the past three decades, including community-based efforts, is a manifestation of this national policy. And the proliferation of community work must be understood as a byproduct of neoconservative politics and policies, the result of the interaction of community concepts and practices, on the one hand, with the broader national political economy, on the other.

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CHAPTER 22

Community Organizing or Organizing Community?

Gender and the Crafts of Empowerment

Susan Stall and Randy Stoecker

Women's work and community organizing are both, to an extent, invisible labor (Daniels, 1987). What people see is the flashy demonstration, not knowing the many hours of preparation entailed in building relationships and providing for participants' basic needs. Our analysis begins with the historical division of American culture into public and private spheres that split the "public" work done mostly by men in the formal economy and government from the "private" work done mostly by women in the community and home (Tilly & Scott, 1978). The cult of domesticity in the mid-19th century attempted to idealize and confine women's activities to the domestic private sphere (Cott, 1977). But African American, Latina, and Asian American women, treated as units of labor, were historically excluded from the dominant ideal of the family as a protected private haven (Glenn, Chang, & Forcey, 1994). Instead, women of color and low-income women expanded the boundaries of mothering and the private sphere beyond the private household as they raised and nurtured children in extended family networks within communities struggling for survival (Stack, 1974). Central to the institution of black motherhood, for example, are women-centered networks of blood mothers and "other mothers"—"women who assist blood-mothers by sharing mothering responsibilities" (Collins, 1991, p. 119).

The public and private spheres have influenced each other through routes such as the economic impact of women's unpaid domestic labor or the impact of economic policy changes on family quality of life but have been organized around different logics. The separation of spheres also led to two different community organizing styles. Community organizing typically begins in the expanded private sphere of the neighborhood. But because the neighborhood is not as isolated as the family, and its networks include secondary as well as primary relationships, it can also be a public sphere space. This may particularly be the case for the men in those neighborhoods, who are pressured by the separation of spheres to think of themselves as public sphere actors. Consequently, there is a public sphere approach and a private sphere approach to community organizing that parallels differences between the community experiences of men and women. The community organizing model we believe most exemplifies the public sphere approach has been most associated with Saul Alinsky. The community organizing model we believe best exemplifies the private sphere approach has been developed by a wide variety of women.

THE ALINSKY MODEL

The very term *community organizing* is inextricably linked with the late Saul Alinsky, whose community organizing career began in the late 1930s. While a graduate student at the University of Chicago, he took a job to develop a juvenile delinquency program in Chicago's "Back of the Yards" neighborhood—a slum of poor Poles, Lithuanians, and Slovaks downwind of the Chicago Stockyards. When he arrived, the Congress of Industrial Organizations

(CIO) was organizing the male stockyard workers living there. Expanding the CIO model beyond workplace issues, Alinsky organized the BYNC from local predominantly male neighborhood groups, ethnic clubs, union locals, bowling leagues, and an American Legion Post. The success of BYNC in getting expanded city services and political power started Alinsky off on a long career of organizing poor urban communities around the country (Finks, 1984; Reitzes & Reitzes, 1987). Alinsky had little patience for the version of community organizing practiced by predominantly women social workers, saying, "They organize to get rid of four-legged rats and stop there; we organize to get rid of four-legged rats so we can get on to removing two-legged rats" (Alinsky, 1971, p. 68). Alinsky also argued that a career as a community organizer had to come before all else, including family, and to enforce this he would keep his trainees up all hours of the night at meetings and discussions. Heather Booth, who went on to help found the Midwest Academy and Citizen Action, quit the Community Action Program of Alinsky's Industrial Areas Foundation (IAF), believing that the IAF was not sensitive to women's issues and provided them with inadequate training (Reitzes & Reitzes, 1987).

Alinsky's approach has influenced an entire generation of organizers, producing powerful organizations and visible victories across the country: Back of the Yards and TWO in Chicago, SECO in Baltimore, FIGHT in Rochester, MACO in Detroit, ACORN in Little Rock, ETCO in Toledo, and COPS in San Antonio, among others. These organizations have in some cases saved entire communities from destruction and produced influential leaders who have gone on to change the face of the public sphere.

THE WOMEN-CENTERED MODEL

Unlike the Alinsky model, the women-centered model of community organizing cannot be attributed to a single person or movement. We trace the model to two main sources. First, bell hooks (1990) notes the historic importance for African Americans of "homeplace" as a site to recognize and resist domination. Historically, African American people believed that the construction of a homeplace, however fragile and tenuous (the slave hut, the wooden shack), had a radical political dimension: it was about the construction of a safe place where black people could affirm one another and by so doing heal many of the wounds inflicted by racist domination. Later, in the late 19th and early 20th centuries, African American women involved in the Black Women's Clubs organized day care centers, orphanages, and nursing homes. Others, such as Ida B. Wells, organized campaigns around such issues as lynching and rape (Giddings, 1984). While engaging in individual and group actions to create "Black female spheres of influence within existing structures of oppression," Black women often find that they must simultaneously work for institutional transformation (Collins, 1991, p. 141; Gilkes, 1980).

Anglo women's "municipal housekeeping" activities of the 19th and early 20th centuries are the second source of current women-centered organizing efforts. Then public spirited women, in attempting to overcome disapproval of their public role, explained that they were only protecting their homes and families by extending their activities from the home into the public arena. Women claimed the right to be guardians of the neighborhood, just as they were acknowledged to be guardians of the family (Haywoode, 1991).

Since then, women have created numerous voluntary and benevolent associations to campaign for concrete reforms in local neighborhoods and broader reforms in municipal services, education, labor, housing, health care, and children's rights (Berg, 1978; Tax, 1980). The most famous of these were the settlement houses, founded primarily by college-educated white middle-class women who believed they should live in the neighborhood where they worked (Bryan & Davis, 1990, p. 5). The most well-known settlement house organizer was Jane Addams, who with Ellen Gates Starr

founded Hull-House on Chicago's west side in 1889. They developed parks, playgrounds, community services, and neighborhood plans. They also participated in reform movements promoting labor legislation for women and children, care of delinquents, and women's suffrage. But community organizers often viewed them as engaging in charity work rather than adversarial social action (Brandwein, 1987; Finks, 1984), and clinical social workers saw them as violating the detached casework method that emphasized individual treatment over social reform and community development (Specht & Courtney, 1994).

The women-centered model also carries a history of success different from the Alinsky model. The activism of women in the early settlement movement, the civil rights movement, and the consciousness-raising groups of the radical branch of the 1970s' women's movement allowed women to challenge private and public arrangements in ways that would forever affect their relationships, housework, parenting practices, and career paths. The consequent changes in women's health care and women's knowledge of their own bodies, in cultural practices around dating and relationships, and the relationship between work and family are still reverberating through society. Today, women of color and low-income/working-class women create and sustain numerous protest efforts and organizations to alter living conditions or policies that threaten their families and communities (Bookman & Morgen, 1988; Garland, 1988; Gutierrez & Lewis, 1992; Haywoode, 1991; McCourt, 1977; Naples, 1997; Rabrenovic, 1995). These include, but are not limited to, tenant (Leavitt & Saegert, 1990), low-income housing (Feldman & Stall, 1994), welfare rights (Naples, 1992), and environmental issues (Krauss, 1997).

COMPARING THE MODELS

Human Nature and Conflict

The Alinsky model and the women-centered model have very different views of human nature and conflict.

Among all the tenets of the Alinsky model, the assumption of self-interest has the strongest continuing sway and is greatly influenced by the centrality of the public sphere in the Alinsky model. Since Alinsky saw society as a compromise between competing self-interested individuals in the public sphere, conflict was inevitable, and a pluralist polity was the means by which compromise was reached. Because poor people are at an initial disadvantage in that polity, the organizer's job is to prepare citizens to engage in the level of public conflict necessary for them to be included in the compromise process. Reflecting the conflict orientation that is necessary for working in the masculine competitive public sphere, Alinsky contended that the only way to overcome the inertia that exists in most communities was to "rub raw the resentments of the people in the community" (1971, p. 116), relying on symbols and images that reinforced a "successful forceful masculinity."

The women-centered model begins with women's traditional roles in mothering, not inherently linked to biological sex but derived from a "socially constructed set of activities and relationships involved in nurturing and caring for people" (Glenn et al., 1994). These activities and relationships become transformed by "community other mothers" in the black community who build community institutions and fight for the welfare of their neighbors (Collins, 1991). Building on Collins' work, Naples describes "activist mothering" as a broadened understanding of mothering practices "to comprise all actions, including social activism, that addressed the needs of their children and the community" (1992).

Rather than a morality of individual rights, women develop a collectivist orientation (Robnett, 1996) and learn a morality of responsibility connected to relationships (Gilligan, 1977). Their activism is often a response to the needs of their own children and of other children in the community (Gilkes, 1980).

Women-centered organizers view justice not as a compromise between self-interested individuals but as a practical reciprocity in

the network of relationships that make up the community (Ackelsberg, 1988; Haywoode, 1991; Stall, 1991).

Power and Politics

For the Alinsky model, power and politics both occur in the public sphere. When power is zero-sum, the only way to get more is to take it from someone else—a necessity in a masculinized public sphere structured around competition and exploitation. Alinsky was adamant that real power could not be given but only taken. Thus, poor communities could gain power through public sphere action—picking a single elite target, isolating it from other elites, personalizing it, and polarizing it (Alinsky, 1971).

In women-centered organizing, power begins in the private sphere of relationships and is conceptualized as limitless and collective. "Co-active power" is based on human interdependence and the development of all within the group or the community through collaboration (Follett, 1940; Hartsock, 1974). The goal of a women-centered organizing process is "empowerment"—a developmental process that includes building skills through repetitive cycles of action and reflection that evoke new skills and understandings, and in turn provoke new and more effective actions (Education Center for Community Organizing [ECCO], 1989; Kieffer, 1984). Empowerment includes developing a more positive self-concept and self-confidence, a more critical worldview, and the cultivation of individual and collective skills and resources for social and political action (Weil, 1986).

The Alinsky model sees community organizations as already in the public sphere and, consequently, already part of the political system. Alinsky believed that poor people could form their own interest group and access the polity just like any other interest group. They may have to act up to be recognized initially, but once recognized, their interests would be represented just like anyone else's. Because Alinsky did not question the masculine competitive structure of the public sphere and the self-interested personalities required of its participants, he did not see a need for dramatic structural adjustments in the political system.

The women-centered model approaches politics from a consciousness of the exclusionary qualities of the public–private sphere split. As a consequence, women have politicized the expanded private sphere as a means to combat exclusion (Kaplan, 1982). Cynthia Hamilton (1991), a community organizer in South Central Los Angeles, described a primarily women-directed organizing campaign to stop the solid waste incinerator planned for their community in the late 1980s. These low-income women, primarily African American and with no prior political experience, were motivated by the health threat to their homes and children. They built a loose, but effective, organization, the Concerned Citizens of South Central Los Angeles, and were gradually joined by white, middle-class, and professional women from across the city. The activists began to recognize their shared gender oppression as they confronted the sarcasm and contempt of male political officials and industry representatives—who dismissed their human concerns as "irrational, uninformed, and disruptive" (Hamilton, 1991, p. 44)—and restrictions on their organizing created by their family's needs. Eventually, they forced incinerator industry representatives to compromise and helped their families accept a new division of labor in the home to accommodate activists' increased public political participation.

Leadership Development

Leadership is another characteristic of these models that shows the influence of the public–private split. The Alinsky model maintains an explicit distinction between public sphere leaders, called "organizers," and private sphere community leaders. One goal of the Alinsky model is to develop those private sphere community leaders to occupy positions in formal organizations that can extend their leadership beyond the community into the public sphere. For Alinsky, the organizer is a paid professional consultant from outside the community whose job is to get people to adopt a delegitimizing frame

(Gamson, Fireman, & Rytina, 1982) that breaks the power structure's hold over them. The Alinsky model maintains a strict role separation between outside organizers and the indigenous leaders. Organizers have influence, but only through their relationships with indigenous leaders. Both the location of the organizer as outside of the local community and the elevation of rational, dispassionate role-playing contribute to the gendering of this role.

There is less separation between organizers and leaders in the women-centered model because women-centered organizers, rather than being outsiders, are more often rooted in local networks. They are closely linked to those with whom they work, and they act as facilitators of the empowerment process, premised on the belief that all have the capacity to be leaders/organizers. This is a conception of leadership as teaching (Payne, 1989). They find they need to deal with women's sense of powerlessness and low self-esteem (Miller, 1986) before involving them in sustained organizing efforts. Women-centered organizers develop "group centered" leadership (Payne, 1989) that "embraces the participation of many as opposed to creating competition over the elevation of only a few" (ECCO, 1989, p. 16). Analyses of women-centered organizing and leadership development efforts also underline the importance of "centerwomen," or "bridge leaders." These leaders use existing local networks to develop social groups and activities that create a sense of familial/community consciousness, connecting people with similar concerns and heightening awareness of shared issues (Robnett, 1996). These leaders transform social networks into a political force and translate skills that women learn in their families and communities (e.g., interpersonal skills, planning and coordination, conflict mediation) into effective public sphere leadership.

The Organizing Process

Finally, these two models adopt organizing processes that reflect the influence of, and different conceptualizations of, the public–private split. Within the Alinsky model, the organizing process centers on identifying and confronting public issues to be addressed in the public sphere. Consequently, the organization needs to be public and traditionally masculine—big, tough, and confrontational. Door knocking is the initial strategy for identifying issues. Those issues then become the means of recruitment to the organizing effort. The organization bills itself as the best, if not only, means of resolving those issues. The public activities of the mass march, public rally, explicit confrontation, and celebrated win are all part of building a strong organization that can publicly represent the community's interests.

In the Alinsky model, the organizer is not there just to win a few issues but to build an enduring formal organization that can continue to claim power and resources for the community—to represent the community in a competitive public sphere pluralist polity. These organizations typically have traditional decision-making structures that mirror the male-dominated public sphere structures they confront. The organizer is supposed to build the organization from the community's preexisting formalized organizational base of churches, service organizations, clubs, and so forth. This emphasis on building formal organization reflects the public sphere emphasis and the gendered assumptions of the Alinsky model.

The women-centered organizing model emphasizes creating an ideal private sphere-like setting rather than a large public sphere organization. The process begins by creating a safe and nurturing space where women can identify and discuss issues affecting the private sphere (Gutierrez, 1990). This model uses the small group to establish trust and build "informality, respect, [and] tolerance of spontaneity" (Hamilton, 1991, p. 44). The civil rights organizer, Ella Baker, was dubious about the long-term value of mass meetings, lobbying, and demonstrations. Instead, she advocated organizing people in small groups so that they could understand their potential power and how best to use it, which had a powerful influence on the Student Nonviolent Coordinating Committee (Payne, 1989). Gutierrez and Lewis

affirm that "the small group provides the ideal environment for exploring the social and political aspects of 'personal' problems and for developing strategies for work toward social change" (1992, p. 126). Moreover, smaller group settings create and sustain the relationship building and sense of significance and solidarity so integral to community.

Because the women-centered model focuses less on immediate public sphere action, a continuing organization is not as central in initial organizing. In place of the focus on organization building are "modest struggles"—"small, fragmented, and sometimes contradictory efforts by people to change their lives" (Krauss, 1983, p. 54). Engagement in modest resistance focused on the expanded private sphere allows women to immediately alter their community and gain a sense of control over their lives.

CONCLUSION: SEPARATE MODELS, LINKED ISSUES

This chapter represents an attempt to get behind the scenes of social movements—to look at the community organizing that provides the foundation for effective social movement work. We have elaborated two models of community organizing that have developed both from the gendered positions of their founders and their consequent experientially derived conceptualizations of the public and private spheres. Although we do not see the qualities or values of the Alinsky model or the women-centered model as inherently linked to biological sex, community organizing is shaped through the specificity of men's and women's action within particular historical circumstances and periods.

What are the implications of these two models for the future of community organizing? Within the field, women-centered organizing has transformed the traditional organizing agenda so that issues formerly considered "private"—violence against women (Park, 1997; Wittner, 1997), toxic waste disposal (Krauss, 1997), and postpartum depression (Taylor, 1996)—have, through women-centered organizing, been moved from the realm of private troubles to public issues, in many cases transforming the agendas, the constituents, and the strategies of traditional organizing. Community organizing is committed to democratic goals and is supportive of humane ends. With the greater influx of women into the Alinsky model of community organizing and the popularization of feminist goals among men and women, there is evidence that the inclusion of sexuality, emotionality, and procreation in community organizing is slowly transforming its gendered logic and practice, the sexual division of labor among community organizers, and the issues that community organizations are willing to address (Stall, 1986).

Still, the corporate and government sectors show no signs of becoming less competitive, and there are continuous conservative cries to preserve a private sphere protected from the brutalities of public life. In this context, the weaknesses of one model are the strengths of the other.

The strengths of the women-centered model are in building the relationships that can sustain a struggle over the long haul. The social role of motherhood is still important for women's activism. And while we have argued that the women-centered model can span the boundaries between the public and private spheres—making personal issues into public issues—we are concerned that the model cannot, by itself, transform the public sphere. Women-centered organizing can move private sphere issues such as health, housing, and sanitation into the public sphere. But their resolution is subject to the competitive processes of that sphere. Thus, the women-centered model, and community organizing in general, faces a "paradox of empowerment"—the need to organize simultaneously at the personal and structural levels (Rappaport, 1981).

But how do we combine the models? First, we need to understand whether there are times when one model is more viable than the other. Second, we need to learn whether certain circumstances might call for certain organizing models. Third, we need

to investigate the existing examples and the future implications of women engaging in the Alinsky model of organizing and men engaging in women-centered organizing.

The gendered biases of social movement theory have led to neglect of not just women's work in social movements but of an entire substructure of action, based in informal groupings, predominantly of women, engaged in building the relationships necessary to sustain long-term struggles. We need to correct these biases to recognize social action that may not immediately appear as such, because it provides a foundation for the social movement action more typically studied.

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CHAPTER 23

Community Building

Limitations and Promise

Bill Traynor

Among the important shifts in the community development movement over the last decade has been the incorporation of "community building," resulting in a more comprehensive approach to community renewal than has been practiced in the past and challenging community-based organizations such as community development corporations (CDCs) to broaden their efforts and reconnect with residents. In the process these same organizations have been retooling and reexamining their relationship with, and role within, the communities they serve. Practitioners, funders, and policy experts in our field are exploring a broader approach to community redevelopment which includes an aggressive effort to redevelop the civic and social infrastructure alongside the physical infrastructure.

But this work has not proven easy to grasp or to practice well, and today it remains only sporadically resourced by foundations, in part because its impact is hard to measure. Moreover, most of the work that has been supported has been limited to encouraging CDCs and others to engage residents in *their* work—a supply-side strategy—popularized through the Comprehensive Community Initiative (CCI) era of the 1990s. Rather than investing in building new community infrastructure so that residents can better connect with each other (an essential component of social capital development) the CCI era invested in large, well-established community-based organizations. Rather than investing in new thinking and practice, this era saw efforts to adapt traditional community organizing practice to a new setting. The result was "community organizing-lite," a largely undisciplined and underresourced foray into community building that raised more challenges than it was able to address.

Nonetheless, the lessons we have learned as a field during this time have been important ones, so while "community building" remains elusive as a movement per se, its potential as a field of practice continues to grow. This is critical as the conditions for community building, particularly in urban neighborhoods, continue to erode. A renewed commitment, coupled with new thinking and practice focused more on building a new demand environment in community is needed if this work is to have an impact.

WHAT EXACTLY IS COMMUNITY BUILDING?

Efforts to define the term "community building" have been a ritual part of nearly every conference on community building in the last decade. This ritual has illuminated different facets of our collective understanding, but has been unable to reveal a universally useful definition. Some of these definitions, posted on the National Community Building Network (NCBN) website, are representative of the range of ideas embraced by "community building":

- "An ongoing process where members of a community share skills, talents, knowledge and experiences that strengthen or develop themselves and the community."

- "Continuous, self-renewing efforts by residents, community leaders and professionals engaged in collective action aimed at problem solving and enrichment that results in improved lives and greater equity and produces new or strengthened institutions, organizations, relationships, and new standards and expectations for life in community."
- "Community building has come to refer to a variety of intentional efforts to (a) organize and strengthen social connections or (b) build common values that promote collective goals (or both)."

For the purposes of the community development field, it has been possible (and some may feel enough) to define community building in reference to a number of important shifts in the *practice* of community development, mostly in response to changing conditions that practitioners and supporters of community development were experiencing. Some of these conditions were external; wholesale demographic shifts driven by new waves of newcomer populations, the need to create more complex community development strategies for both hot market environments and chronically soft markets, and the shrinking of federal and state commitments to urban redevelopment to name a few. Other conditions were attributable to the development of the community development industry itself which had drifted for two decades toward a concentration on affordable housing production as the principal strategy for community renewal at the expense, some thought, of more comprehensive approaches. The "community building" response was varied but included:

- A shift toward more comprehensive approaches to community development that involve a wide range of non-bricks-and-mortar activities. Also, a perspective that recognizes the multiple linkages between housing and economic development and the wide range of efforts that the Local Initiatives Support Corporation (LISC) has referred to as "social development."
- A heavier emphasis on community organizing as a strategy for identifying and developing community leaders and shaping the kinds of local issues that affect the progress of the community renewal effort.
- A renewed emphasis on community planning, and the development of a community building plan, as a prerequisite to development activities.
- A more intensive effort to include and involve neighborhood residents in the organization, planning, and implementation of community renewal efforts. This stems from a recognition that when residents have a stake in making positive change, the change is likely to be more long-lasting.
- More emphasis on making sure there are clear lines of accountability between the CBO and the community that it represents.
- More interest in developing collaborative relationships among CBOs and achieving a continuum of support at the neighborhood level.

Community building seen in this way—as a set of activities complementing or enhancing an affordable housing or economic development agenda—has now been widely practiced by many CBOs over the past decade and with mixed success.

More recently, community building is emerging in a different light—being seen as an important (some would say essential) activity which stands on its own as a field of practice. Today, there is a growing recognition by practitioners that there is a fundamental condition that consistently undercuts all our efforts to rebuild struggling communities—chronic disengagement. In many communities, civic life—from the city council chambers to the block club meeting room—can be a hostile environment for the average person, ruled by cynicism and division, and dominated by entrenched habits of isolation and detachment. Exploring the sources of this disengagement could be a whole separate chapter. It is enough to say that *a community needs a functional civic infrastructure in order to shape and sustain*

physical and economic development of any kind, whether implemented by nonprofits, private developers, or the public sector. This is particularly true of urban areas that have now experienced four or five decades of decline, combined with historic demographic shifts from "old timer" to newcomer populations. The degradation of the civic habits and institutions that supported public life in these places has been dramatic if not complete. Those habits and institutions have not been rebuilt to either accommodate these new populations or to address the mobility and diversity of city life in the 21st century.

The unique hallmark of community development is that—in the information age and the global economy—it remains steadfastly place based. Place—we would maintain—is still important, especially for those who cannot afford to purchase another place when this one gets too run down. But while our field is engineered to build the physical things place-based communities need—the new homes, community centers, small businesses—and increasingly to engage residents in those efforts, we have been not engineered—or resourced—to build the infrastructure of relationships and conditions needed to re-weave a strong community fabric in place; that is, connecting people to each other and removing the barriers to engagement in public life. The fact is that as powerful and effective as community building and community organizing efforts have been over past decades, we have never really embraced the possibility that our principal challenge now may be nothing short of *creating newly functional civic environments* and finding a way to repopulate public life in our cities.

In this context, "community building," in its most ambitious form, is increasingly being seen as the process of creating a newly functioning public sphere that attracts and engages more than the miniscule fraction of residents whose voices are typically heard. Simply reforming the practice of CDCs and others to expand programming or engage residents in their work will not meet the real challenges of community building. Rather, the challenge of community building moving forward is to find ways to shape a new environment that holds myriad opportunities for people to step back into public life in a way that feels safe, fun, and productive. This will require new thinking and new practice and a willingness to work both on the supply side of the problem as well as on the demand side.

SUPPLY SIDE COMMUNITY BUILDING: REFORMING THE DELIVERY SYSTEM

For the most part, community building emerged in the early 1990s as a supply side strategy, fostered first by foundations and others frustrated with the pace of change represented by the "bricks and mortar" CDC approach. Their goal? To use the same delivery system that was created to deliver bricks and mortar to deliver "community building"—essentially to reform the supply side institutions to be more engaged and responsive to residents.

Many of the earliest CDCs, born from community organizing and driven by a local constituency, routinely packaged efforts like youth development, community organizing, and adult education with their real estate development work. For many years, however, biases among funders of community efforts, and among community development practitioners themselves, toward a housing production agenda made sustaining these broad, activist approaches extremely difficult. Eventually, by the early 1980s, the CDC movement became synonymous with affordable housing development. At best, the major funders of CDCs viewed community building work as ancillary to the principal real estate development work of the CDC. Alternatively, the few dollars available for community organizing flowed toward so-called "pure" organizing groups. Despite the paucity of interest and funding, a small minority of CDCs continued to mount broad efforts.

Attitudes shifted in the 1990s and community building practices emerged into the mainstream of the CDC movement. Most major national foundations, and many regional and community foundations,

sponsored their own versions of CCIs, experiments in the fusion of community building practice and community development. Technical assistance organizations, consultants, and intermediary groups also got involved in this work in large numbers. In addition, a number of national alliances formed to support this work. Most notable of these was the NCBN, an alliance of funders of "locally driven urban initiatives" formed in 1993 to influence public policy and provide forums to discuss community building initiatives, and the Aspen Institute's Roundtable on Comprehensive Community Revitalization.

The "CCI era," driven by funding from powerful foundations such as Annie E. Casey, Ford, Rockefeller, Edna McConnell Clark, and others, touched most of the major metropolitan areas of the country at one time or another in the decade of the 1990s. Though these initiatives differed in many ways, the essential premise was the same: provide multi-year funding and technical support to existing CBOs to take on the challenge of comprehensive community change. And these initiatives saw some success in reforming CBOs to take on new work. A 25-year-old CDC in Boston retools to conduct a resident-driven planning process for the first time in two decades. A Denver organization expands its work to major efforts in community organizing and cultural development. A Washington, DC, development corporation fields a team of four community organizers to build resident leaders and shape a community agenda. A St. Paul economic development group begins a major youth leadership effort.

It may be fair to say that in the mid to late 1990s funders and policy people were far more exuberant and clear about the potential for community building than the practitioners—the staff and leaders of the CBOs who were called on to carry out this work. The CCI era was decidedly "funder driven" and in fact many of the foundations which sponsored CCIs were shifting their practice as well, as Foundation staff were getting intensively involved in the operations of the initiative. For CBOs, this shift by funders to the CCI approach came after years of accumulating a real estate development portfolio, and at a time when organizations were embattled by budget cuts and worsening local conditions. Moreover, for the previous decade, CBO Executive Directors and Board Leaders had built their organizational capacity around a funding environment that really only valued a narrow real estate production-oriented agenda. The rules were changing and there were few organizations with the energy and capacity to take on the kind of organizational challenges which this work posed.

But with some early successes, an encouraging funder environment and a growing awareness of the need to change, many CBOs took on the challenge of significantly broadening the scope of their work. They participated in these efforts for a wide variety of reasons. Many saw it as a source of core operating support or "soft" program money that they could use as flexible revenue to fill gaps in staffing. Some CDCs, recognizing that the future would hold fewer housing resources, were searching for another important role to play in the community. Others, recognizing the limitations of real estate based strategies, were trying to address the "human development" needs of their residents. Still others, who have got away from or never developed the ability to organize and mobilize their constituency, felt the need to develop more political clout in an age of dwindling resources.

RETOOLING THE CBO: LIMITS AND CHALLENGES

Through the CCI era, practitioners and funders alike learned a great deal about the challenges of transforming CBOs to take on a robust community building approach. It turns out that building and integrating the core capacities required by successful community building efforts is not as simple as adding another program or product. Rather, these changes often demand a fundamental redefinition of the organization and its relationship to the community it serves.

Because many of the groups participating in community building initiatives principally

work in real estate development, they sometimes have a difficult time adapting to community building approaches. Their real estate work tends to be structured, disciplined, and outcome oriented. Yet, curiously, this same level of discipline and structure often does not extend to the newer work. First, community-based groups remain preoccupied with a real estate development agenda, which is still viewed as the bread and butter of the organization. Second, a strong bias remains, reflected in the labeling of real estate related work as "hard" and non-real estate related work as "soft." Soft work is viewed as work that is hard to define, can be accomplished in the margins, and that just about anyone can do. These efforts are often taken on with a lower level of expectations, a measure of ambivalence, and/or a lack of clarity by the organization's leadership.

More troubling for some CBOs, the CCI sponsored community building program could be like a Trojan Horse, arriving as a promising source of flexible operating support but causing some unintended and unanticipated consequences for the organization, its board, and its executive director. Community building strategies focused on "building resident engagement" or "developing the residents' voice in decision-making," if they had any success, put pressure on the CBO to listen, be responsive, and open up its decision-making apparatus to new voices. At a fundamental level, new habits of sharing power and influence are called for and unless the CBO is prepared to change in this way, tensions inevitably result.

Unfortunately, many of these community building projects were ill defined at the point of funding. Early efforts tended to be loosely organized with little quality control. Because the quality and outcomes of this work can be more difficult to measure than, for instance, housing production, it can be difficult to distinguish between excellence and mediocrity, between a group that is going through the motions and a group with real ambition. Developing strong enough body of best practice or industry standards for this work, from which to easily separate the high quality performers from the rest of the field, has thus far been elusive. CBOs and funders alike continue to grasp ways to define excellence in practice and success.

THE EMERGENCE OF "COMMUNITY ORGANIZING-LITE"

Ultimately, the principal community building tool of the CCI era has been a weak derivative of the traditional Alinsky style of community organizing, sometimes referred to as "community organizing-lite." Bona fide Alinsky-legacy organizers don't recognize this practice as "organizing" and are loathe to consider the "community builders" of the CCI era as "organizers" at all. And it is true that, depending on the circumstances, organizing-lite can veer wildly and easily into advocacy, social services, and civic engagement work or even more hard to-define forms of "soft" community work. Suffice to say that because the practice was built as a "supply side" intervention—to connect existing groups to the community—the quality and the approaches that have been used are as different as the intentions of the host organizations.

In the CCI era, "community organizers" embedded in CDCs and other non-"organizing-only" CBOs often complained of a lack of support and direction from their boards or staff supervisors. When new organizers were brought into the organization, they rarely had the support and guidance they needed to succeed. In many cases there was no culture of organizing in the CBO, and the executive director was not oriented enough to the work to provide adequate support to the organizer. Sometimes, because of past history, key staff or board members were skeptical or fearful of community organizing. By and large the community organizing strategy was not sufficiently clear or well understood. Under these conditions, the organizer's work inevitably becomes more and more disjointed. The organizer becomes seen as a kind of utility outreach/event specialist whose job is to service the other "line staff" in the organization. This situation can be extremely

frustrating for the organizer. It was not unusual, in many of the CCIs to see two to three "organizers" come and go in a year or two. Minimally, the new organizer is underutilized and the community building effort suffers.

If the organizer is dynamic and successful, despite a lack of organizational support and direction, the situation can become even more hazardous. In some cases, organizers successfully built new constituencies (task forces, committees, etc.) among residents, only to then meet resistance as they attempted to integrate these new people into the organization. The new constituents inevitably challenge the existing leadership seeking a role in redefining the organization or shifting its programmatic emphasis. The friction that this dynamic causes between the CBO and emerging groups of resident leaders can ultimately be productive, but, if handled haphazardly, it could also be very damaging to the CBO and the community renewal effort.

The limitations of grafting community building on to a complex and fast moving community development agenda, and the ineffectuality of "community organizing-lite" thinking and practice both proved daunting and both have led to questions about whether the impact has been worth the investment. In the CCI era, even the best organizer supported by the best CBO had trouble breaking through the levels of disinterest, distrust, and disenfranchisement that they found in many urban neighborhoods. Ultimately, these community builders were practicing a set of approaches developed at another time, for another reason, on behalf of community institutions that, for the most part, were at least ambivalent about the role and purpose of community building.

BUILDING COMMUNITY IN PLACE: RETHINKING OUR VIEW AND PRACTICE

An effective approach requires a clear view of the problem, and our principal failure as community builders over the last decade is that we have not fully come to terms with the depth and breadth of the problem. Most community building efforts, even those that have recognized the importance of rebuilding civic infrastructure, have launched strategies that assume a level of civic functioning—however basic—that simply does not exist. Even community organizing approaches, whose goal is to effect forms of "collective action" and representative democracy, depend on some functional level of community infrastructure that is hard to come by. That is not to say that there aren't highly motivated and functional community members at work, or that there aren't functional institutions at work at the community level. But a disconnected array of individuals and institutions—even if you can manage to periodically, and with great effort, marshal episodes of collective action and get "representative" voices on your board or task force—does not necessarily constitute a functional community.

COMMUNITY ORGANIZING IS NOT COMMUNITY BUILDING

A major lesson of the CCI era is that community organizing, "lite" or not, is probably not the right tool for the job of rebuilding community. Community organizing—at least the Alinsky-legacy form that is the most widely practiced and upon which organizing-lite practice has been loosely based—is a specific, tactical and highly structured approach to power building and to confronting entrenched interests. It is fundamentally a *political form* which trades on ideological and didactic notions of connectivity, affiliation, and belonging designed to recruit and mobilize a small subset of the population. It is a form that was shaped by the ideological warfare of political parties and the labor movement in the beginning of the last century and further shaped and molded by the cold war and then later on by the civil rights movement. Today, the modern version of the best of Alinsky-legacy organizing has rooted itself in faith-based institutions with "faith" serving as a proxy for weakened political and class-based ideology. Nonetheless, the paradigm of

"belonging" in these groups—whether fueled by faith or political ideology—calls for levels of commitment, loyalty, time, and belligerence that have never been for everyone and increasingly stand out as in-organic to the experience of most people.

This in-organic quality of Alinsky-legacy organizing is not, as some claim, due solely to the call to confrontation—which is admittedly a difficult leap for many people and an extraordinary leap for most CDCs. More troublesome for community building purposes, is that the processes and habits that we are left with, even in a barely derivative organizing-lite approach, are still highly structured and mostly tactical. The practice focuses on winnowing "leaders" from the pack, claiming those leaders as its own, engaging those leaders in fairly narrow and formal leadership roles, and encasing those leaders in rigid and ideological structures which are at least partly designed to give the institution legitimacy. Some elements of this, such as formal, semi-permanent leadership roles, rigid and hierarchical "committee" structures, and the perpetuation of leadership styles focused on "speaking for the group" or "leading the meeting" are, today, simply habits of organization that are artifacts of a political organizing form.

The in-organic quality of community organizing puts it in alignment with a range of other community and political institutions whose "habits of organization" fail to resonate today. In fact, data show that over the past few decades, people of all classes and races are fleeing structured, high affiliation-level organizations of all kinds in great numbers. In their place, demonstrated by recent internet-based *communities-of-connection* type movements, buttressed by a genuine information technology revolution, is a new 21st century paradigm for "belonging"; one that has *market* rather than *political* roots. In this new market paradigm, ideology is replaced by value, and loyalty is trumped by choice. The "member" of the new millennium wants to be connected but not obliged; to be part of many, and owned by none, and to be surgical in his commitment of resources and time. Low-level affiliation (more akin to "club" membership than to vanguard membership), flexibility, provisionality, and informality are the hallmarks of the new membership organization. In these groups, the evidence is not that people are getting involved less, but that they are getting involved in a different way.

A new form of organizing is needed which understands and capitalizes these changes in the nature of affiliation and which is explicitly designed to meet the challenges of building community infrastructure in place—still a critical environment for community for those who choose, or who are stuck in, struggling urban areas. In the community development world we are not building community in the ether—we are building it in specific places, presumably places where the presence of "community" is lacking and could be helpful if it were built. In today's urban areas, marked by density, diversity, persistent poverty, ambiguous economic prospects, and public institutions (like schools) suffering from a paralyzing level of dysfunction, it could be argued that effective community building that leads to a robust community infrastructure is the *only* pre-condition that can possibly impact these conditions. It also happens that it is the only pre-condition that those who live and work in these areas can take an active role in changing. In a global economy where places are connected only indirectly to the sweet spots of economic growth, a highly functional, efficient, and active civic environment may be the most important competitive economic advantage of the age for those who are most dependent on place for opportunity. This new community organizing approach has to aspire—not just to getting poor people represented in the supply side, or to yielding episodic moments of collective action—to building a functional civic infrastructure that optimizes the aggregate contribution of all residents and stakeholders toward making that place work. In short, to building a "demand environment" for economic development and a functional civic sphere.

AN ALTERNATIVE APPROACH: BUILDING THE "DEMAND SIDE" OF COMMUNITY ENGAGEMENT

At the cellular level, place based "community" starts with a single relationship of trust and mutual benefit that one resident or stakeholder shares with another. It is the aggregate of those relationships, along with the loose connections that bind a diversity of them together, that forms the *structural framework for community*. But, it is the cumulative capacities for collective decision-making, problem solving, mutual support, collective action, information sharing, and, most importantly, the creation and exchange of value (time, goods, services)—which this infrastructure facilitates—that is ultimately "community."

The fact is, at the cellular level, there are far fewer peer-to-peer connections now than in the past. There are far fewer organically grown institutions that are helping these peer-to-peer connections form. And there are even fewer efforts explicitly designed to build the loose connections that help to weave those peer-to-peer connections into a productive community fabric. In short, the "demand side" of community change and community development—the extent to which the aggregate actions and voices of people are driving change in community—has been severely fractured and decimated over the decades. Fewer voices, fewer different voices, sporadic action, and the inability to generate genuine representative samples of both, constitutes a market failure in the classic sense. Where there is no demand there can be no reasonable gauge of value. Where there is no reasonable gauge of value, there can be no effective supply or efficiency in delivery. In this environment, attempts by foundations, intermediaries, many CBOs, and many municipal governments to improve the quality of life for poor and struggling families are a veritable "shot in the dark." Colored by decades of failed attempts at reform, it is no wonder that cynicism and distrust among residents for these well-meaning institutional interventions continue to be pervasive.

To effectively attack the challenges of building genuine community, radically new thinking and practice is needed, starting with an acknowledgment that there is no short cut to reaping the aggregate benefits of community without an aggressive investment in building genuine community at the cellular level. At a minimum this means investing in opportunities and space for peer-to-peer connections, allowing for new forms of community institutions to emerge based on more organic habits of connection and affiliation, and resourcing the information infrastructure—literally the roads and rails of opportunity today—that even the poorest residents need to get connected to civic and economic life. In short, this requires new efforts aimed at developing the "demand-side" of community, guided by a different paradigm of community and community building—one that sees community as a marketplace and community building as a market making strategy.

COMMUNITY BUILDING AS A POPULIST ECONOMIC MOVEMENT, NOT A POLITICAL MOVEMENT

Viewing community as a latent marketplace of potential relationships and opportunities, governed, as marketplaces will be, by the availability of value and choice is a helpful starting place to develop new thinking and practice. In this way, community building can be attacked as a process of *popular economic mobilization* rather than as a vanguard political movement. There are those, myself included, who see the formation of strong communities as a political act in an economic and political environment that would rather not hear from or respond to poor people, people of color, and their communities. But for those who are doing the hard, day-to-day community building work of meeting neighbors, getting involved in schools, building block clubs, or organizing clean-ups, it is a more simple matter of trying to *maximize the value of place for themselves and their families*. Our concern should be helping to support residents in this process as well as helping remove the barriers to this pursuit.

But this will not be easy. In today's urban communities, this process—the process of "getting involved" is, for the most part, difficult, boring, non-productive, and often scary, especially for newcomer populations. An environment marked by these characteristics is the last place any of us would want to spend time, so it's not surprising that most people don't and won't. *Community building* needs to focus on changing this experience, by reshaping the fundamental interface for thousands of people—in a given place—to meet other people, build relationships of value, participate in civic life, and pursue individual and family economic goals. Simply put, community building has to build *habits of engagement* to replace the deeply embedded *habits of detachment* that dominate place.

THE NETWORK ORGANIZING FORM: ADVANTAGES FOR COMMUNITY BUILDING

Community as a marketplace does not require thousands to act in consort through carefully orchestrated episodes of collective action—the community organizing-lite approach—it only requires that the net aggregate, cumulative impact of their actions and decisions lead to a functional and accountable civic sphere—which includes opportunities to act collectively. But how to create an environment that actually encourages civic engagement? Some activists, like myself, who have been struggling with how to shape a strategy designed to shape a new place-based environment have turned to network theory for direction.

A network is best understood as *an environment of connectivity* rather than an organization in the traditional sense. At its best, it is an environment that is *value* driven and self-generating, where control and decision-making is dispersed and where "being well connected" is the optimal state for any participant. Networks are established in order to create efficiency and optimum value for its participants—with only as much infrastructure as is needed to create effective connectivity. For instance, I would describe our network in Lawrence, Massachusetts, not as an organization, but as a *bundle of thinking, language, habits, value propositions, space and practice—all designed to comprise an environment that more effectively meets people where they are and offers myriad opportunities and levels of engagement*. The network form is attractive for community building precisely because it relies on and fosters a robust, active demand environment through the pursuit of value and exercise of choice. It is also desirable for community building because its fundamental characteristics—low-level affiliation, value and choice driven, flexibility, informality, responsiveness, etc.—are more organic to the experiences of most people and therefore more accessible as a form of belonging.

As community builders, we can't control all aspects of the civic environment or guarantee that we can enact a wholesale shift in habits. But we can be intentional about the kinds of environments that we are part of creating, and funders can do a better job of resourcing creative, new approaches focused on shaping the demand side. The network form, adapted to the community building task, provides clear clues for shaping a new form of organizing, and increasingly practitioners are recognizing some common characteristics of this form.

Fun First

First, the environment has to be welcoming, friendly and fun. Community building is not all business, its not even mostly business. It is relationship building and the business flows from the strength and the patterns of relationships that are built. In this way, relationships are the "roads and rails" for progress and positive change at the community level. With this infrastructure much can happen, without it much will fail. Therefore community building does not start in meetings. It starts—typically—with eating and talking. Abundant opportunities for *people to people connections* have to be programmed into the life of the network.

Low-Level Affiliation

Unlike traditional organizing which formally or culturally challenges you to be all in or all out, the network seeks an explicitly "low level of affiliation" and assumes that this is but one of the many things you are choosing to be a part of. It is a layer of engagement that fully accommodates the members' other interests in life; family, church, work, block club, book club, etc. This is a more organic life condition for most people and much more in sync with the kind of transactional affiliation that is the norm of most people in the information age. Instead of loyalty, ideology, or guilt, the network relies on value—through specific value propositions and new relationships—to attract members.

Form Follows Function

The forms of organization that dominate the network environment have to be informal, flexible, and action oriented. A network has to be vigilantly responsive and therefore has to be a "shape shifter" in order to move capacity to the places it is needed. The semi-permanent forms of traditional community building—standing committees, formal leadership positions etc.—are not helpful in a network environment because they are not easily dismantled. In a network organizing environment, two important principles shape what form a certain activity should take—whether that is a sewing class, a city budget reform effort, or a program "committee." The first is "*form follows function*"; a habit in the network where the group will always ask itself this question—"what form best suits this function?" The upshot of this habit is that, by and large, network members are organized in very informal, provisional, and flexible groups where positional leadership titles are de-emphasized, leaders change often, and the group is decidedly next-step focused. The other principal is "*open architecture is best*." Again emphasizing informality and provisionality, the groups embrace the idea that people will come and go and therefore they work hard to keep the group perpetually accessible to new people. This is accomplished with simple facilitation techniques designed to hold on to the institutional memory of the group while making the work and the deliberations accessible to new voices.

The Connector as Leader

Leadership in the network environment is focused more on being a connector than a spokesperson or even a facilitator. In a network environment the connections are all. The more connected you are to other people, information, and opportunity the more value you can extract from the environment. So in this context there is no more valuable a role than helping others to form and find those connections. Increasingly, members are trained to be "weavers" and the "weaver" is an honored and acknowledged leadership role in the network environment.

Information Rich

Self-navigation, peer support/exchange, and viral marketing are hallmarks of an effective network environment. For these things to happen, the environment must be "information rich." In fact, access to good, timely information is one of the primary value propositions of membership in the network. Building a network environment therefore requires early and significant investments in communications and information technology, and the reinforcement of member behavior focused on dissemination of information. Effective network members are not brokers of relationships or information, they are transmission nodes.

Interactive Spaces

Building place-based community using a network approach has the added characteristic of shaping new places and forums for "bumping-up" time. In a network, you want to create as many opportunities for people to bump up against other people as possible. This is advantageous to information sharing and relationship building. The problem is

that opportunities that are too contrived or controlled will diminish the sense of choice that is so critical to all of us. We can however, try to redesign the spaces and interactions that already exist so that they are more conducive to peer-to-peer connections. Informal time can be programmed into meetings and events. Spaces can be redesigned to encourage intimacy and comfortability. Organizing activities that encourage residents to meet and interact on their stoops or in their homes is critical toward developing the doorstep-level connections that help people feel connected on the street and block. In many ways, the stoop, the sidewalk, the street, the alley, the next corner: this is the toughest frontier for community building in dense urban areas.

Diversity of People and Choices

The power of being connected in a network environment is directly related to how diverse are its membership and its choices. The network organizer is intentional in starting and connecting a variety of activities—programs, issues, projects—that would attract a variety of people to the network and offer a range of choices for doing different things. They are also intentional about shaping many levels of engagement which meet the needs of a wider range of people, allowing for and encouraging members to get only as involved as they want to be at any given time. An important part of the choice environment is also the choice to create something that you think is important for the network to invest in. A healthy network environment is designed to support the development of myriad small, short-term activities that resonate with members.

Using Collective and Aggregate Power

A network environment takes advantage of two kinds of accountability and mobilization mechanisms in order to (a) decide what is valuable to the members, (b) establish values and norms, and (c) articulate demand and move to collective action. Most of our CBOs and community building work relies on the deliberation of small numbers of people in order to establish credibility and make decisions. The network allows for that to happen as well. But it allows for another dimension—the aggregate articulation of demand. Like a market environment, the network looks at the decisions (choices) that members are making in order to understand what is valuable and what is needed moving forward. Also, the network can act like a consumer collective and use its collective demand to shape the services that are available to struggling families. A network community building approach, invests in ways to "listen" to the network—effectively to see and hear what members are doing with their time and energy. An effective ability to track network activity is necessary to wielding aggregate power.

Network forms are only a part of a new wave of thinking about engagement and connectivity. In marketing, in national and state politics, in national and international movement building, the principles of network forms are taking hold and proving potent. These principles can be applied to place-based community building as well. In low-income communities, as in the rest of the world, groups that offer an affiliation that is more transactional and more provisional will earn engagement from a busy and discriminating public. Groups that build an infrastructure that provides a range of value that is responsive to rapid change will be able to sustain engagement. And groups that demonstrate a genuine interest in, and infrastructure for, listening and responding to their members will build powerful constituencies.

There is latent power and effectiveness in urban communities which can be unleashed by the potency of robust networks of relationships. New thinking and practice is needed which embraces, rather than fears or ignores, the challenge of rebuilding civic life. While it's true that, at the cellular level, relationships are built one by one, networks of relationships can grow exponentially if community builders and their allies stop worrying about defining "it" and get a lot busier building "it."

CHAPTER 24

Building Civic Capacity in Urban Neighborhoods

An Empirically Grounded Anatomy

Susan Saegert

For over half of the last century, many urban neighborhoods have experienced poverty and severe public and private sector disinvestment, and spawned community activism that attempts to redress these problems. Community capacity building emerged in the last several decades as an approach that emphasized relationships, coalitions, and consensus building and voluntary, often entrepreneurial, action (cf. McNeeley, 1999). It differs from the two other main models of community based initiatives, community organizing in the power-oriented mode and community development, mostly through the establishment of community development corporations (CDCs).

Community building (Chaskin, 2001) emphasizes development of relationships within and outside the community and use of community assets to leverage assets from outside to solve common problems. Common elements include relationship building, leadership development, increasing relational and organizational skills of residents and organizations, sustaining stakeholder engagement, developing a sense of common purpose and an action agenda, and increased local institutional capacity. Community capacity purports to be a generally useful resource that can be applied to achieve multiple goals. These goals may involve, for example, economic revitalization, improving the neighborhood for children and families, increasing the quality and quantity of the affordable housing stock, or getting better public services from local government.

Foundations have promoted this as a new and more effective model for community based initiatives that restores a component of shared community vision and democratic participation to community development, that addresses the need for social services as well as bricks and mortar development, and that promotes synergy among the varied social, human, political, and economic resources that different sectors of the community can leverage. In a politically conservative era, it also promises to avoid the confrontational and polarizing tactics of more traditional approaches to community organizing.

Critics contend that "community building" begs the question of structural inequality and power differentials that put communities in need of "building" in the first place. Community building initiatives often masquerade as "local initiatives" cloaking the involvement of powerful outside actors (DeRienzo, 2008). Not only have most community building efforts been initiated by outside actors, the capital provided by foundations, government, and private sector actors are critical to their success. Thus community building often provides a local consensus that makes it easier for outside interests to achieve their goals in a particular community by engaging the residents actively in a shared agenda, but an agenda in which the voices of the more powerful speak louder than others.

SOCIAL CAPITAL

Social capital is often seen as a main component of both community building and effective civic capacity. Both concepts imply

the need for social networks that connect people over time and promote their ability to identify and achieve shared, as well as individual, goals. Employing a functional view of social capital, Coleman (1988) identified aspects of networks rich in social capital that have implications for the work of community building: (1) network closure (cf. parents, teachers, and children all attended the same church and knew each other in different roles), (2) good information flow, (3) shared values and norms, and (4) the ability to reward and punish those who keep and break norms. While community organizers mostly reject the terminology of social capital, the practice of community organizing aims at forming networks with these properties.

DeFilippis (2001) criticizes the reliance in community development circles on social capital as a "magic bullet." DeFilippis aims most of the critique at Putnam's (1993, 2000) version of the concept which ignores differences in power and interest among groups in society. He points out the greater utility of the idea of social capital as presented by Lowry (1977) and Bourdieu (1985) because they focus on the amount of socially organized assets available to groups that differ in power, and the role of social capital in reproducing this inequality. Most importantly, they understand the inextricable link between different forms of capital: human, cultural, social, and economic. However, he does not reject the significance of the formation of networks of social capital in efforts of poor communities to improve their lots. He pointed out that communities per se are not actors and do not possess anything. Those roles are left to institutions and individuals. And the power and interests of different institutions in a community differ, leading to conflict among different entities capable of acting and owning. DeFilippis (2001, p. 799) concludes that "We need to create social networks that allow individuals to realize capital, while simultaneously allowing these networks to realize the power needed to attract and control that capital (for the benefit of the networks)."

While definitions of social capital share a common core, the social implications drawn from the concept vary considerably, and often contradict each other. Community organizers more often draw on the sort of class structure analysis that underlies Bourdieu's definition of social capital, which contains the same essential components as those provided by Coleman and Putnam: "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition" (Bourdieu, 1985). Bourdieu linked social capital to cultural as well as economic capital. He understood all forms of capital as aspects of social reproduction that perpetuate social class and unequal access to economic capital and power.

Recognition of the exclusionary side of social capital leads some to question its potential for building civic capacity. Even when networks cross boundaries of race and class, Clarence Stone (2001) sees social capital as working at a micro scale that is quite different from the relationships required for civic capacity. Social capital is in theory a broadly useful asset across a wide range of situations and increases with continued association. Stone suggests that civic capacity must address very contentious community problems and thus is more fragile. Repeated interactions among people of different ethnic and class backgrounds around these issues can well increase suspicion and distrust. Far from benefiting from embeddedness in everyday life, Stone believes civic capacity requires rising above the ordinary and developing institutionalized relationships that can sustain commitment to solving inherently conflict prone problems.

Other community activists and scholars recognize the intransigence of social injustices and the ways in which mainstream social capital is used to reinforce them. Yet they still see possibilities for social capital to promote the civic capacity of disadvantaged communities. For example, Warren and his colleagues (Warren, 2001; Saegert, Thompson, & Warren, 2001) view social capital as a resource for negotiating conflicts based in deep historical divisions such as race and

class. This approach takes the ability to negotiate conflicts as a measure of the strength of social capital. Networks rich in social capital are a means for increasing mutual respect and the ability to act collectively. The social capital of networks facilitates the development of a common agenda and increases commitment of members to pursuing that agenda. Therefore, networks with high social capital are able to take confrontational positions when their agenda encounters opposition.

COMMUNITY BUILDING vs. COMMUNITY ORGANIZING

A rhetorical divide has emerged between community builders, who emphasize social capital, and community organizers who work with disenfranchised communities to make demands on the existing power structure. Critical urban scholars often view both options as two sides to the same coin of the decentralization and privatization of state functions (cf. Lake & Newman, 2002).

Community building and community organizing both emerged as ways to engage residents of poor communities in solving their own problems (Alinsky, 1969, 1971; McNeeley, 1999). They both build on long-standing traditions in social work and political activism in the US and have accommodated an increasingly conservative political climate in the last three decades (Fisher, 1996). They share an approach which emphasizes (1) community residents working together to identify and solve their problems, (2) development of a sense of common purpose and an action agenda, (3) support for leadership development and increased organizational skills of residents and groups, and (4) sustained stakeholder commitment to achieving collective goals. They differ most around the definition of the community and the rhetoric of cooperation versus confrontation. Community builders downplay differences in self or group interest and structural and historical factors that create and maintain economic and political inequality. Presuming that shared interests will emerge, they seek to nurture a broad range of overlapping social networks within which different combinations of individuals and organizations can reach consensus about the achievement of particular goals. Community organizers start with a focus on the inequality of power and resources, identify a community of interest defined against the power structure, and emphasize confrontational tactics.

While many community organizers define their goal as building power, community builders prefer to talk of developing civic capacity. A third stream of community organizers, often led by women, focuses on the human and relational development of community members and organizations (Stall & Stoecker, 1998). This model lacks the oppositional edge of power organizing and therefore seems more compatible with community building. In an effort to identify the common core of different successful community change projects, examples were selected to include both increased civic capacity and access to real material improvements in the quality of life for residents. Definitions of civic capacity vary from the more stringent criterion of requiring participants to consider what is good for the community as a whole (Stone, 2001) to the more frequent use of the term as effective engagement with the public realm (cf. Williams, Shinn, Nishishiba, & Morgan, 2002). The more general definition of civic capacity does not imply community consensus, but rather civic engagement with the result of more democratic governance at various scales.

Civic engagement can be a mainly individual, small group, or organizational concern. The individuals, networks, organizations, and institutions that make up a community may participate out of self-interest in civic activities and still collectively contribute to the ability of a community to exert power and influence and to leverage and use resources (cf. Marwell, 2004). Community building efforts can promote expanding islands of common purpose and collective action which in some instances may cohere into a unified effort and in others may be decided through democratic processes with winners and losers.

In practice, the goals of building power and building civic capacity have similar outcomes. These include the following: (1) residents effectively engage important economic and political actors; (2) they influence the local social and economic agenda; (3) they gain access to public and private sector resources; and (4) they use their resources to influence the local physical and social environment.

In a prior version of this chapter, I mapped the strategies and outcomes associated with successful initiatives to compare the activities engaged in by both camps (Saegert, 2006). The model presented grew out of a project of the Aspen Institute Roundtable on Community Change to understand what successful community change efforts had in common. I focused on identifying the processes and the outcomes that were general to such efforts, and not confined to specific outcomes like housing or economic development, or improved public health. The methods employed included: (1) reviewing the existing written literature and drawing on my own experiences participating in and studying change efforts to develop a tentative description of what these efforts had in common; (2) selecting a small number of case studies that I would investigate more intensely through telephone and in-person interviews with major participants, and (3) conducting a day long workshop with experienced community organizers and community builders to review and critique my analysis. The model presented below was developed through this process.

A CONCEPTUAL MODEL LINKING COMMUNITY BUILDING AND ORGANIZING ACTIVITIES TO CIVIC CAPACITY

Figure 24.1 presents a generic model of the relationship between community building/community organizing strategies and outcomes. The model can be read as flowing from left to right or as a cycle. Prior levels of community civic capacity feed into any current community and civic capacity building strategies which lead to outcomes that influence future strategies.

Because both the strategies employed and outcomes are embedded in ongoing social relationships and processes, they are not always clearly distinguished. However, in order to understand the effectiveness of strategies, they must be separated conceptually from outcomes.

Community building and community organizing are local activities with local outcomes. These include increased contact

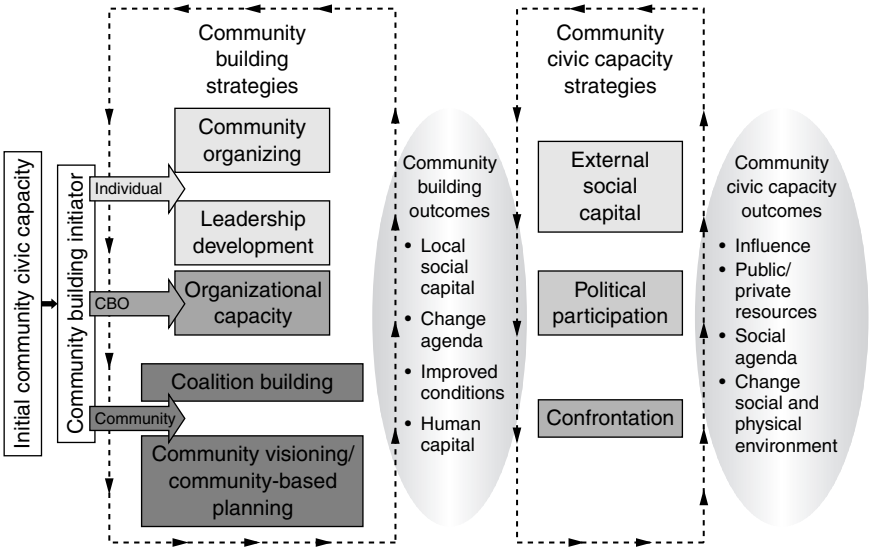

Figure 24.1 Building civic capacity

among community residents which in successful efforts leads to greater social capital at the local level. For example, residents get together to clean up vacant lots, to establish block watches etc. They also help each other with personal problems, provide referral networks for jobs, housing openings, and schools, and in general work to achieve individual and collective goals by using their own resources. In community organizing, these outcomes are secondary and may be less prevalent because of the focus on accountability of those with more power and resources. Community organizing in marginalized neighborhoods aims to develop one or more agendas for community change. Community builders may see this as emerging more piecemeal. Successful community building or community organizing leads to concrete improvement in community conditions such as cleaner vacant lots or less crime. Finally, community building and organizing activities affect the human capital of individuals. Leadership development most explicitly supports the acquisition of skills and knowledge by community residents. But even less active participants gain skills in group processes, knowledge of community resources, and competence in specific tasks. These may be as wide ranging as increased gardening skills from community garden projects through expanded knowledge of how to research complex economic, environmental, or political issues affecting the community.

The literature on community building implies that community building itself will increase civic capacity. This tendency is reinforced by social capital theorists (cf. Putnam, 1993, 2000) who see civic engagement as an incidental byproduct of informal voluntary association participation. Indeed, increasing civic capacity by developing what is often called bridging social capital is often seen as part of community building. Yet the development of social capital rich networks that include more socially, politically, and economically powerful others most often results from intentional actions and strategies employed by community builders. One example is the inclusion of local private and public sector influentials as members of advisory boards, steering committees, or more targeted coalitions. Community builders in the field report engaging in particular activities with the goal of increasing civic capacity. Aside from efforts to develop external social capital, these activities range from lobbying government officials, to petitions, to voter drives, and to confrontation-oriented "actions." More external social capital and higher levels of involvement with electoral politics and government indicate higher levels of community civic capacity. The ability to use confrontational tactics when needed is also a mark of civic capacity.

The outcomes of community civic engagement strategies are separate from the actions that lead to them. As one CBO leader stated, meetings with powerful stakeholders, lobbying, petitions, and actions are the exercises that lead to civic capacity, but they are not civic capacity itself. Civic capacity exists when a community can influence important decisions made by external public and private sector actors, when the community can access economic and social resources to achieve its own agenda, and when it can also influence the content of the larger social agenda.

The final community civic capacity outcome is less obvious and was pointed out to me in an interview. Communities not only need to be able to achieve the civic capacity outcomes listed, they need to be able to operate effectively at the many scales involved in using resources and implementing policies, decisions, and agendas to actually improve the community. For example, if the community brings a court case and wins a favorable judgment, they need to be able to assure that the judgment gets implemented in a way that achieves the community's purposes and is not diverted by other agendas of the many actors involved in implementation. Taken together, increased community civic capacity encompasses both power over others and power to do for oneself with others.

DIMENSIONALIZING COMMUNITY BUILDING AND COMMUNITY ORGANIZING

As indicated in Figure 24.1, important differences among different community building and organizing efforts occur in the strategic decision of who to involve first. The point of entry for community building and organizing can be individual residents and informal social networks, community based organizations (CBOs), or local institutions such as schools or churches, or the community as a whole, defined as either individuals and informal groups, or formal organizations, or both. While points of entry differ, most community building efforts end up engaging all three levels, though to different extents and in different ways. Thus one dimension for analysis concerns the breadth of community engagement.

A second important distinction lies in a preference for consensus building versus confrontational organizing. They begin from different assumptions about the possibility of solving problems cooperatively. But rather than being polar opposites, each strategy attempts to deal with the tension between the goal of increasing marginalized communities' access to resources, opportunities, and power in mainstream society and needing to challenge business as usual to achieve that goal.

Community builders work to increase social capital within the community and externally for the purpose of expanding resources and cooperation to achieve goals shared by all stakeholders. The identification of shared goals that cross boundaries of community, class, and levels of power are not seen as inherently problematic. Community organizers emphasize building and using power to achieve goals, primarily by winning resources and control of decisions from the public and private sector. They see the struggle for power in political terms and conflict and competition as essential parts of the process.

In its focus on people solving problems together, much of the community building literature downplays issues of power, conflict, and competition. These discussions of community building emphasize consensus, community conversations, partnerships, and cooperation. Achievement of goals comes through the development and use of social capital both within communities and across different sectors. Thus community civic capacity relies primarily on expanded social networks that include important private and public sector actors.

A third distinction derives directly from the application of social capital theory. Putnam and Coleman both argue that social capital is an "unintended" consequence of certain kinds of social networks. The spontaneous and unintended aspect of community building provides another divide between those who consider themselves community builders and those who identify as community organizers. It also opens up the consideration of community building strategies that build civic capacity to activities aimed at increasing control over resources through collective action that are not usually considered to be either community building or community organizing. For example, one of the case studies on which this model was based described the organizing processes of residents living in landlord abandoned buildings which they eventually transformed into Limited Equity Cooperatives. The residents often had no particular analysis of how to achieve their goals although some were influenced by oppositional movements such as the Rent Strike Movement in New York City and others drew on solidarity based tactics learned in their churches. Technical Assistance and Organizing groups who supported co-op formation also varied in their orientations. But the outcome was to transfer valuable New York City real estate into title held collectively by poor New Yorkers of color (Saegert, 2006).

CONCLUSIONS

Revisiting Cooperation vs. Competition and Confrontation

The comparison of consensus and confrontational/competitive strategies makes two points meant to further our understanding of

the contribution of community building to civic capacity: (1) community civic capacity requires the ability to exercise power as well as the ability to work collaboratively within and outside the community; (2) while the organizing strategies of consensus-oriented and confrontation-oriented approaches differ, successful development of community civic capacity depends on using the right approach at the right time, in the right place, and with the right people. The attainment of civic capacity requires the ability to form distinct interests and goals, to develop shared agendas, and to act collectively. It requires cultivating strong and weak ties, recognizing allies and enemies, and changing the cast of characters as contingencies shift.

Four issues are especially important for the civic capacity outcomes of community building strategies: breadth of engagement, democratic processes, centralization of the change agenda, and results in terms of power and resource access. In actual cases, trade-offs are made along these dimensions. Problems of exclusion, hierarchical decision-making, and inefficacy occur in all models.

Many, perhaps most, strategies, target particular groups within a community such as Latinos, or lower-income residents, or particular sectors, such as churches, schools, or organizations concerned with employment. Community civic capacity should be broadly representative of all populations and sectors. However, power differentials suggest that civic capacity needs to be built especially among marginalized groups. At the same time, starting with more marginal populations increases the difficulty and uncertainty of achieving effective civic capacity. Social capital approaches attempt to overcome this trade-off by developing cross-sector, cross-class, and cross-race relationships. In very different ways, confrontational and self-help strategies such as collective ownership attempt to offset existing resource deficits with people power.

Democratic processes occur at different scales in the different models. The community organizing/leadership development approaches increase the number of participants that can potentially influence decisions, but the structure of decision-making determines whether this translates into democratic decisions. The same is true for agenda centralization versus multiple agendas.

Processes of collective action are also nested within each other, as for example the gains in civic capacity of the owners of limited equity cooperatives often get expressed in larger community forums. CBOs involved in community building form and join community coalitions. Research on community building and civic capacity could explicitly address the history of community building at different scales and be alert for cumulative effects. It would be a civic capacity outcome in itself if certain communities became more able over time to attract and use resources for community building.

Second, while accounts of community building (cf. Chaskin, 2001; Warren, 2001) allude to particular conditions that have worked for and against a viable community fabric in particular communities, I found no studies that systematically examined how changes in immigration, regional or national job and housing markets, the strength of the economy, etc., affected community building and/or civic capacity. Many plausible connections exist from the effect of immigration and resident turnover on civic engagement and social integration to how changes in the stock market affect funding for community building initiatives. More qualitatively, the political and social culture of particular areas may have an effect on participation in community building efforts and their outcomes (cf. Duncan, 2001).

Taken together, these issues importantly influence the judgment of whether a particular community building/organizing effort increased community civic capacity. In some cases, the efficacy attributed to a particular community building initiative may just be the tip of the iceberg of prior community building and organizing efforts and investments. In other cases, the forces for social fragmentation and community civic incapacity may be so strong that much higher level investments are required for longer periods of time. Similarly, these prior conditions may affect the utility of different strategies in particular contexts. A next step in understanding contextual influences would be to go beyond

a case by case assessment, to the development of a systematic framework for analysis.

Community Building under Neoliberalism

This chapter began by noting the significance of the context in which voluntary, collective action is required to replace state provision of goods and services, and to provide social integration against strong economic and historical forces that weaken the bonds of family, community, and nation. Many practitioners and residents of marginalized communities turn to community building and organizing efforts that include cooperation and confrontation, that engage multiple stakeholders around divergent interests, and that both partially succeed and partially fail. They do so because they perceive few or no other alternatives to continued marginalization, lack of access to resources and opportunities, and continuing degradation of the physical and social conditions of their lives. They also often accomplish some, though rarely all, of their goals. Acknowledging the similarities as well as differences among community building and organizing models invites activists to view choices strategically, and based on the context and goals involved. The comparative approach used in this chapter also suggests the possibility of synergy and increased democratic civic capacity from the co-existence of different models in a particular community, even if the organizations involved do not always agree.

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CHAPTER 25

How Does Community Matter for Community Organizing?

David Micah Greenberg

OVERVIEW

This theoretical chapter describes ways that community context can matter for community organizing and its outcomes. In doing so it seeks to reframe a particularly contentious debate in organizing and development practice—the relative efficacy of conflict vs. consensus modes of organizing. Proponents of consensus organizing hold that "traditional" models of organizing, those which emphasize protest and divergent interests, are not likely to succeed. Proponents of other organizing modes, sometimes implicating community development practices, see consensus organizing as the manipulation of existing networks without changing terms of power. Instead of viewing conflict or consensus-based strategies in a vacuum, I view these strategies as emerging in local political cultures where patterns of conflict or consensus are *themselves* key dimensions of political institutions. This is an argument that community "matters" in community organizing, in that organizing promotes a vision or frame of community itself. This vision finds confluence or resistance from existing political structures and inter-organizational patterns of interaction. While institutional resistance to a campaign's frames about community may make it more difficult for campaigns to succeed, this resistance also holds open the possibility for broad shifts in power and in inter-organizational dynamics.

WHY LOOK AT ORGANIZING SERIOUSLY—AND CRITICALLY?

Community organizing can make a difference in poor people's lives. It can develop indigenous leaders, shift power toward the disenfranchised and toward persons of color (Fainstein & Fainstein, 1974), create social capital and community cohesion (Saegert et al., 2001), and direct additional resources to distressed areas (Rubin & Rubin, 1992; Greenstone & Peterson, 1973). However, any critical account of the role of organizing must also understand that it does not always accomplish its goals—or that it can produce different types of outcomes that may fall short of the transformative ambitions from which it stems. This fact, well understood by veterans of collective action, is often neglected both by writers on community organizing and by scholars of movement activity generally (Giugni, 1998). While much writing on organizing focuses on its successes, many efforts stumble or are defeated (Marcuse, 1999; Stone et al., 2001). Some campaigns may build power for the organization without achieving any external goals. Others may achieve their immediate objectives but not affect broader social or political dynamics. Given the range of potential outcomes of community organizing, is there any framework that can help us understand what dynamics may lead to different types of successes and failures?

Within communities of practice around organizing, one attempt to explain the scale and significance of changes lies in assessments of the relative merits of conflict and consensus organizing. This debate is closely

related to another highly charged question, whether or not community development corporations (CDCs) operate in a proper relationship to political action. Stoeker (1997, 2002) argues that CDCs operate within a flawed framework that emphasizes the manipulation of existing arrangements, as opposed to seeing the world in its truest terms: full of conflict and interests that relegate the disadvantaged to that status. In a later piece, Stoeker argues that CDCs who attempt to conduct community organizing will not be successful, even though *not* organizing will relegate them to irrelevance. Stoeker's positions about CDCs (and about organizing by CDCs) is situated in relationship to a belief that consensus organizing, a recently developed offshoot of organizing practice, is less effective than other models articulated in the United States since the 1950s. Although purposive attempts to change urban neighborhoods and government through collective action at the grass roots are probably as old as cities and states themselves (Castells, 1983), discourse about community organizing within the United States draws extensively on the institutional history of a practice developed from Saul Alinsky's work in the Chicago's Back of the Yards (see Alinsky, 1971). Alinsky emphasized contentious tactics and confrontation to provoke positive action toward communities by powerful actors. In recent years, a different approach to organizing emerged in reaction to organizing's tendency to emphasize conflict. For Michael Eichler, founder of the Consensus Organizing Institute, the confrontation model often results in failure because it refuses to create issues of mutual self-interest that can bring together broad constituencies:

> The organizer who sees the world in terms of absolutes is doomed. Most people, regardless of income, realize how complicated the world has become. Just ask any parent. We can no longer afford to oversimplify. Instead, we have to admit how complicated and contradictory the world has become.... We need to teach people how to analyze the self-interest of potential partners and have the ideological flexibility to mix and match partners.
>
> (1998)

Of special relevance to CDCs, Eichler directed a demonstration project for the Local Initiatives Support Corporation (LISC) to test principles of consensus organizing. This program used a consensus-organizing model to bring together stakeholders (including neighborhood associations, service groups, banks, and elected officials) in the Monongahela Valley region, Phoenix, and other areas, so they could come together to form new CDCs. For proponents of consensus organizing—prominently, Ross Gittell and Avis Vidal (1998), whose book describes the LISC demonstration project—this organizing for CDC formation proves that more confrontational organizing is counterproductive.

Arguments around conflict and consensus organizing stem, at least in part, from diagnoses of community development as an industry, and may be seen as purposive attempts to alter discourse and therefore practice by community groups. However, as hypotheses to predict *outcomes* of organizing, I argue that they are theoretically incomplete, because *both* do not sufficiently account for dynamics of community context and structure. As analysts of community change processes, proponents of both conflict and consensus organizing privilege issues of framing and tactics over issues of community structure. That is, those who hold that mobilization (on either model) is more effective believe that people's collective capacity to analyze community structure is one of the most important factors that determines whether or not they will be able to create change. Both argue that seeing the world in terms of powerful conflicts, on the one hand, or seeing the world in potential allies on the other (and adopting the tactics that stem from either analysis) will result in more significant outcomes for change. I argue that this position is analogous to what Margaret Archer (1988) calls "upward conflationism"—the theoretical stance that practices on the part of individuals and groups from below create larger structural patterns.

Archer's argument is that there are three types of errors that social theorists sometimes make. The first is a "downward

conflationism," with which she associates many Marxist writers. Downward conflationists write that structural forces, or those "above" the realm of individual and collective agency, help constitute the practices of those actors. The second is an "upward conflationism," held by microsociologists or rational choice proponents, who see larger cultural practices to be determined from the actions of individuals and groups from "below." The third error is a "medium conflationalism," where writers argue that structure and agency constitute each other. Archer's argument is that each type of "conflationism" makes it harder to gather insights about the periods of change or stasis. Archer's argument is relevant to the consensus vs. conflict organizing debate, because it directs attention to the possibility that different organizing campaigns (*agentic* efforts) may interact with different neighborhoods (*structural* factors) in different ways, sometimes succeeding in creating change, and sometimes failing to create change or to reinforce them. But if agentic issues—framing and tactics—are only one side of the story about organizing and its potential impacts, how can we conceptualize neighborhood and community context in a way that might be more complete?

WHAT ASPECTS OF COMMUNITY STRUCTURE MIGHT MATTER FOR ORGANIZING?

Community organizing is based in place. Place is the resource from which organizers draw residents and organizations. Place is also a *target* for change, in that it seeks to sway its concrete outcomes and local institutions that a campaign attempts to sway. However, the role of varied community contexts as both resource and target for organizing is significantly under-theorized in the organizing literature. That is, while sensitive to the possibility of varied community needs in the very model of local, self-defined empowerment, organizing practitioners often describe organizing practice as if it occurred in a vacuum of social or community space. For example, Delgado (1986) describes the ACORN model as avoiding inter-organizational work and seeking to create new power-building organizations through a universal process. In fact, in accounts of social movement activity more broadly, the role of varied context or local structure is often obscured. Even Castells' sympathetic, comparative account of urban movements sees the articulation of community as a stage in a mobilization process—and potentially a hindrance—in the development of class consciousness. This lack of appreciation of the *variety* of contexts is somewhat indicative of trends in the social movements literatures to see structure dichotomously, as political opportunities that are either "open" or "closed," (McAdam, 1982), with the former facilitating movement building and the latter shutting it down. Instead, I argue that political structure should be seen as a mediating variable with which movement interacts.

I argue that two aspects of community-level institutions should be taken seriously in our analysis of the context of organizing. The first aspect involves community organizational networks—the ways that local groups interact with each other. As writers on community structure have understood since analysis of inter-organizational networks in the 1970s (Lauman et al., 1977), power within neighborhood systems is greatly influenced by the structure of relationships among local groups. Although organizing creates relationships among individuals, it also may change the balance of power among existing community groups, or change the *terms* of interaction among them—affecting local dynamics of cooperation or contention. The second critical aspect of neighborhood institutions involves rules, policies, or practices on the part of place-based actors. While concrete "wins"—getting funds for a school program, getting the city to shut down an unwanted business—are significant accomplishments, we should also look carefully at the ways that organizing may redirect agencies to be increasingly open to political participation in a sustained way, as these are the changes most likely to benefit neighborhoods. In the case of organizing around housing or

community development issues, these practices are mostly likely to be seen among agencies or policies that influence local development activities and outcomes.

These two structures—organizational networks and political institutions—are both relational, dynamic structures. As relational structures, they are possessed of different *terms* of interaction, or different political cultures. One way to understand the context for organizing is to identify a neighborhood's distinct, recognizable, political culture typified by qualities of practice, terms of exchange, and recognized discourses. These terms of interaction are significant to assess from an organizing perspective, as campaigns occur within—and sometimes attempt to change—these political cultures. Within these local cultures, conflict and consensus are not simply key terms in the debate around organizing practice. They are also embedded within local political cultures themselves.

WHAT ARE SOME RELEVANT DIMENSIONS OF COMMUNITY'S POLITICAL CULTURE?

Drawing on the democratic deliberation literature (Mouffe, 2000; Benhabib, 1996) and the literature on race and political action, I argue that there are two important dimensions of political culture to consider in understanding how organizing emerges in diverse neighborhoods. These dimensions involve (1) the presence of *conflict*, and (2) the articulation of racial and ethnic *difference* in community. The first dimension, conflict, is widely understood as fundamental to political activity. The model I espouse for understanding neighborhood context adds an additional dimension, by understanding that conflict in the US is often set in relationship to issues of racial and ethnic difference. Both local government and community organizations make issues of racial and ethnic difference an important part of their culture, or otherwise make its omission also salient for the ways they project authority and challenge. For example, Mollenkopf's (1994) account of New York City during the Koch administration identifies discourse around race as a critical component to maintaining governing coalitions. In their extensive account of the Community Action program, Greenstone and Peterson (1973) write that community groups' mobilization of African Americans around issues of discrimination was an important part of the challenge they posed to urban political systems.

Along these lines, I argue that discourse about race and about conflict not only helps structure relationships between local government and residents, but also that these claims provide the basis for interaction among community organizations. This is because community organizations, many of which were formed in relationship to urban political challenges of the 1960s and 1970s, have their roots deeply touched by issues of race. In the 40 years after Community Action, urban challenge, and local disruptions, questions of race remain an extremely important component to local political challenges and political structures. For this reason, both community organizations and political institutions are intensely aware both of issues of conflict and issues of difference. That is, the ways that local groups interact with each other is informed by an understanding about the role of difference and the role of conflict in community life. I elaborate on both dimensions below.

Conflict

I define the presence of "conflict" in community culture as the *extent to which groups and government employ coercive means, contentious tactics, and tension*. This definition is consistent with the normative, theoretical literature on democratic deliberative theory (see Mouff, 2000), and also on social movement studies about the institutionalization of protest (Piven & Cloward, 1977). Sometimes coercive means and punitive tactics are employed by political machines, and by groups seeking to challenge these machines. But even outside "machine" political systems, issues of conflict are particularly salient. The salience of this dimension of political culture is illustrated by the

difference between the Giuliani and Bloomberg administrations' approaches to governance in New York City.[1] The Giuliani administration relied successfully on conflict-oriented, "hard-ball" approaches to governance and political action, seeking contentious, wedge issues (such as welfare reform and homeless rights) that mobilized the Mayor's white ethnic base. In contrast, the Bloomberg administration's approach to governance has been marked by relatively conspicuous efforts at consensus building around the same, potentially contentious policy issues. At the same time, a mayoral administration's strategy is not the only factor which defines a political culture, with many advocacy groups refusing to participate in consensus-building efforts.

Difference

I draw on language employed by democratic theorists (Benhabib, 1996; Young, 2000) to describe representation of racial and ethnic difference as a second important dimension of local political culture, calling it *the extent to which communities articulate fundamental distinctions among constituencies*. The presence of "difference" as a variable in local political culture should not be confused with the ways that race *objectively* figures into local outcomes, but instead as a critical frame for community action that is either voiced or not voiced. Either explicitly, through inclusion, or implicitly, through de-emphasis, political cultures make representations about race-based patterns of political and economic exclusion impacting their neighborhoods. Communities for whom racial or ethnic difference is an important component of political culture may have many national or ethnic associations, or support diverse, multi-lingual outreach by organizations and government. In contrast, local cultures that de-emphasize difference may frame action in more general terms, without explicit reference to the racial, ethnic, or class composition of their constituencies, even when constituencies are primarily people of color.

These two dimensions of political culture are separable from each other, as illustrated by in Table 25.1 and elaborated in descriptive paragraphs below.

Diverse-Inclusive Neighborhoods

First, cultures I characterize being "diverse-inclusive" (low evocation of conflict, high evocation of difference) attempt to incorporate new groups into neighborhood and civic life without excessive conflict. These cultures attempt to accommodate difference through sensitivity to diversity through communication, negotiation, and deliberation over contentious tactics and separatist/nationalist claims (on the part of organizations), or punitive or coercive modes of incorporation (on the part of local government). Some hypothetical cases might include resource rich, progressive suburbs with the political institutions to incorporate and provide in some way for new constituencies.

Consensus-Pluralist Neighborhoods

"Consensus-pluralist" local cultures (low evocation of conflict, low evocation of difference) emphasize attempts to build broad and inclusive agreement based on shared values. These cultures de-emphasize the potential that particular interests may supersede the ability of institutions to accommodate them. In such communities, coalitions may emphasize shared values, articulate a vision of "one community" acting in concert for self-betterment, build openness in communication among partners, and share information between state and public

Table 25.1 Two dimensions, and four types of community political cultures

	Low evocation of difference	High evocation of difference
Low evocation of conflict	Consensus-pluralist	Diverse-inclusive
High evocation of conflict	Partisan-advocate	Agonistic-pluralist

groups. Some hypothetical cases include places where New England, town-meeting type institutions prevail and have helped enforce deliberation and consensus building.

Partisan-Advocate Neighborhoods

"Partisan-advocate" cultures (high evocation of conflict, low evocation of difference) understand the basis for inter-group interaction within neighborhoods or cities in terms of particularist agendas driven by personal history and organizational affiliation. In these cultures, ideology, race, class, or other social groupings suggest little to actors about the need for change. These cultures are characterized by contentious tactics, but racial and ethnic difference is not a central frame through which political action is organized. Examples of these may include neighborhoods where community politics is dominated by a few, elite interests or associations that are not fully cohesive; or even ethnically diverse neighborhoods where "machine" politics provides the basis for incorporation, rather than cultural associations.

Agonistic-Pluralist Neighborhoods

Communities that emphasize both difference and conflict I call "agonistic-pluralist," borrowing the term from writers about democratic deliberation (Mouffe, 2000; Benhabib, 1996). Bonnie Honig's articulation of "agonism" characterizes this culture well:

> the inescapability of conflict and the ineradicability of resistance to the political and moral projects of ordering subjects, institutions, and values … it is to give up on the dream of a place called home … free of power, conflict, and struggle.
>
> (Benhabib, 1996, p. 186)

Such cultures stress tension and conflict as means toward political action, and frame this action within an explicit context of racial and ethnic difference. Progressive, contentious neighborhoods (New York's Lower East Side or Williamsburg; San Francisco's Mission District; Boston's Jamaica Plain) are examples of these types of communities.

HOW DOES ORGANIZING (OF DIFFERENT MODELS) INTERACT WITH LOCAL POLITICAL CULTURES?

Getting back to this chapter's original (but side-stepped) question, I argue *that in different neighborhood contexts, conflict organizing or consensus organizing might create different types of responses from local and state actors*. In practice, organizing groups take different approaches to collective action—some avoid conflict or seek it selectively, and some embrace it. Similarly, as campaigns are developed, leaders make decisions about whether to emphasize or deemphasize these issues of racial and ethnic difference. Claims articulated in campaigns are important not only because they appeal to identities of groups and individuals in organizing campaigns, but also because patterns of interaction between residents, local groups, and the state form complementary (or competing) claims to those advanced by the organizing. Regardless of its particular source, claims about community structure and community change intrinsic within organizing, and the tactics that followed these orientations, significantly inform the ways that other groups responded to organizing, helping determine whether they remained bystanders, joined up with the cause, mobilized against it, or otherwise attempted to influence the campaign.

The stakes that successful organizing might have on local political institutions becomes clearer to organizers and activists as they interact with neighborhood groups, elected officials, and governmental agencies about broad and potentially issues within community life. By holding meetings with residents, pushing agendas with members of other community organizations, carrying out actions and demonstrations, and interacting with governmental agencies and elected officials, groups learn whether their efforts might be incorporated into existing community dynamics, or if they pose a more radical threat to political institutions. As

leaders interact with staff and members of other groups, other organizations recognize the character of a group's claims toward race and toward conflict, how it relates to their own efforts, and whether it is complementary or dissonant with their own. That is, while the specific demands of campaigns can themselves be seen to be significant by other groups, equally important are the ways that these demands are viewed as an extension of broad claims about race and about conflict within community.

Where agreement forms, or where tensions stemming from divergent views about race and about conflict are quickly accommodated, collective action may build on previous successes, or continue general setbacks within that neighborhood. Where dissonance forms between groups about the orientation of organizing work, campaigns spark more friction within the community, and between residents and government. While this friction presents challenges for organizing, making it more difficult to "win," it also holds out the potential to reshape relationships among community groups and to change power dynamics between neighborhoods and city hall. These shifts in culture are also likely to be associated with shifts in local power structures—in the networks of organizations, or in the orientation of governmental institutions. Similarly, changes in the way that state actors frame their work is likely to be associated with changes in substance of their policies and their inclusivity of resident groups. This dynamic is illustrated by Figure 25.1.

As such, I argue that context "matters" for organizing outcomes, because participants in organizing themselves develop a collective understanding of place, and because contests over this representation influence what change becomes possible through organizing. This perspective is a critical augmentation to the debate on consensus organizing, as seen in different hypothetical scenarios. For example, what might be a radical orientation toward difference and conflict in one setting, proves to be accepted and easily incorporated by another community—as in the case of a progressive, challenge-oriented neighborhood group acting in a neighborhood with institutions that are already oriented toward norms of racial justice; in such a case, organizing (when successful) may exist to reinforce against "external" political forces (such as gentrifiers, with a different political orientation and resource demands) and to *maintain* local institutions. In another situation even tentative evocations of challenge or racial and ethnic consciousness may be met with fierce resistance, enact dynamics of

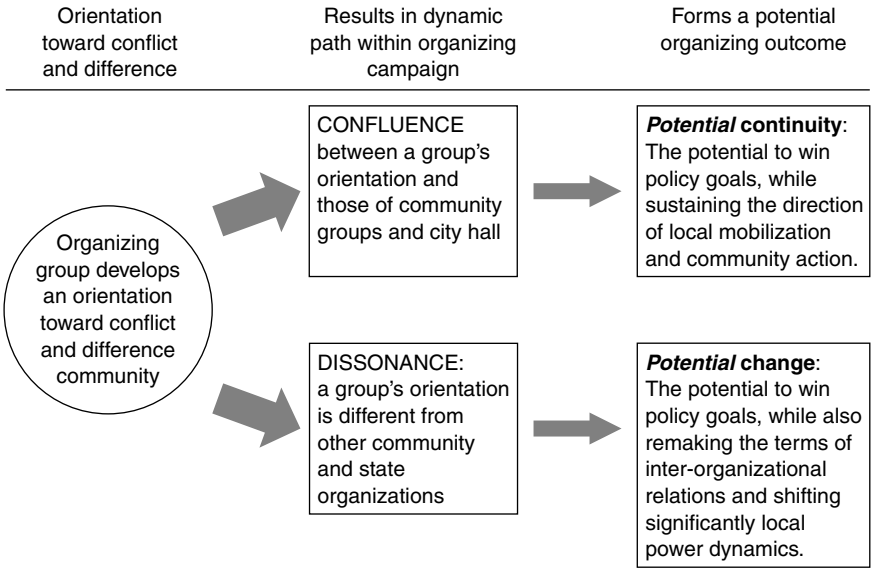

Figure 25.1 Theoretical model of organizing in context

contention and challenge, and carry the potential to introduce new policies and discourses as a result. Similarly, one could be consensus oriented in a dysfunctional, machine-dominated, conflictual community, and by winning campaigns introduce the potential for "a new way of doing business" where the consistent articulation of consensus-building principles still poses a radical threat to community dynamics.

WHAT ARE IMPORTANT CAVEATS?

In the model above, I talk about the implications of dissonance and confluence as *potential* outcomes, because success is likely dependent on factors other than the orientation of a group toward challenge or toward consensus. Although developing a specific orientation toward community—a frame for local action—is one way to attempt to capture "hearts and minds" of residents over the course of organizing (as the literature on social movement framing suggests), the power to *enact* community changes does not come through rhetorical appeal alone or through more passive appeal to identity. Instead, we should be open to other aspects of practice—ones that are more sensitive to the basic skills of organizational power building, such as building relationships, developing leaders, and providing opportunities for collective decision-making. In essence, while my argument is that framing processes cannot be understood in a vacuum, it is also that framing processes *alone* do not change neighborhoods. In reductionist terms, how "angry" a handful of residents are, how sensitive they are to issues of race, how inclusive and cooperative they are, or how color-blind they imagine themselves to be, does not alone effect change. Instead, residents must learn to build effective organizations.

CONCLUSION

My overall goal in this chapter has been to move toward a more nuanced theoretical account of organizing outcomes. In my view, this account would avoid both the dichotomously posed debates around consensus and challenge-based organizing. We should also be sensitive to exploring *ways* of contending—understanding that there is not just one form that struggle can take. We should also be sensitive the *specific context* in which these struggles occur—understanding that practices effective in one neighborhood might provoke a different response in others. We should also depict the phenomenon of organizing in a way that describes the role *both* of human agency and of social structure. The model described above tries to illustrate the interaction between the two broad categories of agency and structure—at least as collective action and movement activity at the neighborhood level illuminates them.

NOTE

1. The author acted as an organizer and advocate during both administrations.

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CHAPTER 26

Doing Democracy Up Close

Culture, Power, and Communication in Community Planning

Xavier de Souza Briggs

> The planner who approaches the cultural framework with technical expertise alone soon finds others' perceptions of his role quite narrow and his operating arena and impact highly circumscribed … On the other hand, focusing on process alone limits the planner to symbolic emotional support roles and unduly hampers his capacity for professional judgment.
>
> (Bolan, 1969, p. 308)

Decades have passed since Bolan insisted that planners be more than technicians or sources of "emotional support" in the communities in which they work, and the stakes are higher than ever. With ethnic diversity on the rise in traditional "settler states" such as the United States, Canada, and Australia, as well as in Europe, and with increased attention to diversity in many younger democracies in the developing world, professionals and others engaged in local planning and problem-solving (hereafter, "planners") face higher expectations that they behave in culturally competent ways and promote more inclusive decision-making (Sandercock, 2000). This is perhaps most visible in the ways that planners communicate and handle power dynamics within and among groups. Yet despite relevant and even provocative contributions in planning theory and the social sciences over the past two decades, there has been remarkably little effort to examine culture and power in face-to-face communication, such as in the planning meetings on which so much local work hinges. More specifically, researchers have often treated these topics as abstractions for theorizing, not as concrete problems and opportunities for the planners involved (Forester, 1985). Many practitioners, for their part, have either adopted "cookbook" recipes for handling groups and situations (generic rules for facilitating successful meetings or resolving disputes, for example) or have generated a rich craft knowledge from trial and error—but not necessarily in forms that are conscious, shareable, and open to debate.

I focus on face-to-face planning episodes and planners' choices within them, examining a brief ethnographic account of talk-based, face-to-face interactions or "speech occasions" (Austin, 1961; Searle, 1969). The accounts are derived from my fieldnotes as consultant to a large-scale, multi-neighborhood community planning and development initiative in a northeastern U.S. city. I emphasize that planners and other public service professionals should seek to understand and respond to the diverse communication codes and subtle power relations that shape face-to-face encounters, and I provide advice on how to do both (for details, see Briggs, 1998). Such understanding and response—"knowing-in-practice," to use Schön's (1982) phrase—are especially crucial where planners aim to get results while meaningfully involving various "publics" or stakeholders in decision-making. Those efforts require effective practices and constant learning, not just having the right values. Otherwise, many face-to-face interactions in a diverse society will struggle along at needlessly high levels of confusion, distrust, and even resentment. The risk and opportunities entailed in such interactions are especially significant when planners enter disadvantaged areas, as is the case with many community planning efforts.

But the principles developed here apply to most face-to-face encounters and are part of a larger effort to free planning in democratic societies from communication "distortions" (Forester, 1989), not to mention irrelevance.

WHY COMMUNITY PLANNING IS IMPORTANT AND HARD

Increased social diversity—in the US, it comes alongside growing economic inequality—has sharpened the focus on politics and public participation in local planning and decision-making in democratic societies. Friedmann (1987, p. 14), for example, argues that the pace of change and complexity of problems in the public arena call for "a renewal of politics, initially at the local scale of citizen encounters." Innes (1996) offers consensus building, and underscores the role of "communicative action" (Innes, 1995), to redefine the ideal of effective planning. Influential voices outside the planning field likewise agree that strong democracy is threatened by the loss of activities and associations that engage people locally, face to face (Barber, 1984; Fung, 2004). Renewed efforts now aim quite often to build local social cohesion or "social capital" (Putnam, 2000), empowerment, and "community capacity" (Chaskin, Brown, Venkatesh, & Vidal, 2001).

Democracy is a labor intensive business, especially in diverse societies. But relatively little action-oriented research has considered how to make that business work at the micro level, face to face, through talk—with planning or policymaking as a part. For the most part, we have "how to" guides on public meetings and other media that are terse on points of power and culture. In general, rhetoric is rarely studied today, as it was 2,000 years ago, notes Brown (1983, p. 136), "to explain the relationships between the practice of language and the exercise of power."

This study thus addresses an important gap in research and reflective practice, using a major community planning initiative to highlight cross-cultural confusion, power relations, and other problems in face-to-face meetings and, to a lesser degree, the contexts that surround them. For my purposes here, "community planning" is synonymous with "neighborhood planning": efforts by which residents and others in a spatially defined area, often working in tandem with planning professionals, seek to develop a blueprint for their collective future—to protect what they have and secure improvements in their quality of life. In America, the roots of such planning efforts run deep, at least as far back as the reformist era of the late 19th and early 20th centuries, when settlement houses began to appear in crowded industrial cities (Rohe & Gates, 1985). Community planning is policy development on the micro level, often with deliberation at its heart, but it is also an effort by local stakeholders to write themselves a story. Baum (1997, p. 295), in a detailed study of two community planning processes in Baltimore, describes such planning as the effort to help move residents' conversations with themselves and with technical experts from "communities of memory" to future-oriented "communities of hope." At all stages, clear, trustworthy face-to-face communication among actors is crucial to getting significant and sustainable results.

There are several reasons for which community planning, after roughly two decades in obscurity, is once again attracting great interest nationwide. First, where such planning is participatory, it reflects a broad effort to shift public and private decision-making toward models that favor stakeholder involvement, from site-based management in business to models for "reinventing government" (Fung, 2004; Osborne, 1993). Second, community planning is increasingly prescribed as a trigger for efforts to revitalize low-income urban neighborhoods, and life in such neighborhoods came back on the screen politically in the 1990s.

But as Chaskin (2005) observes, many community planning processes face powerful tensions between *democracy* (the ethos of associational action) and *bureaucracy* (the imperatives of programs, budgets, and expectations from funders and other external authorities). Grassroots activists, who

founded community-based organizations to plan for and revitalize forgotten neighborhoods, now worry that some of these organizations have outgrown their constituencies (Gonzalez, 1993). Mayors and planning departments worry, as before, that local visions will favor parochial interests over citywide priorities. And those who engage in community planning, whether as consultants, public officials, or citizen planners, worry, as always, that the fruit of their efforts may occupy little more than shelf space.

Whereas earlier research and commentary on community planning focused squarely on issues of culture, power, conflict, and the legitimacy of the planner's role (e.g., Peattie, 1968; Rein, 1969; Arnstein, 1969; Bolan, 1969; Ecklein & Lauffer, 1972), most recent work celebrates programmatic best practices or stories of winning advocacy campaigns. With a few notable exceptions, this work is quite journalistic, thin on concepts to guide analysis or show why the "formulas" fail in some contexts. Descriptive accounts and professional primers, both old and new, mostly allude to the miscommunication, cross-cultural gaps, and subtle power relations that characterize public encounters. Fortunately, a large body of research in anthropology, communication, sociolinguistics, and sociology has addressed these issues in detail.

PREVIEW AND APPROACH

I examine a single planning episode, emphasizing how key aspects of community planning practice reflect the dynamics of "social performance": socially organized, politically subtle, culturally shaped, and talk-based public interactions or speech occasions in which participants play roles much like performers in a play (Goffman, 1959). I focus on broad patterns of social performance common to a range of face-to-face citizen encounters in which planners and other public service professionals may find themselves, not the intricacies of group behavior generally, to which a vast and distinct literature is devoted. The speech occasion presented below was edited from fieldnotes I took as consultant to a large-scale planning process in five densely populated, high-poverty, predominantly African-American and Latino neighborhoods in a single city (I use pseudonyms for person and place names below). I am a mixed-race, male planner, and these ethnographic accounts—drawing both on participant observation and on informal (naturalistic) interviewing—are, by nature, personalistic and subject to interpretive bias.

LOOKING FOR A COMMON CODE: COMMUNICATION, CULTURE AND CONFUSION

> It's 8:30 PM on a mid-winter night in the Clydewood neighborhood, an overwhelmingly African-American and Latino area where almost half the population lives below the poverty line. The planning task force made up of residents and chaired by a local community development corporation (CDC) is meeting for the third time at a neighborhood youth center. The room is small for the 16 persons present, and long tables have been arranged in a "U" shape to face the front. Fred, the CDC executive director, chairs the meeting, welcoming participants, reminding residents of the larger objectives, and leading everyone in a prayer at the start, group hug at the close. Like most of the task force members, he is African-American and over 50. Two hired planning consultants are standing: Julio, a 30ish Hispanic planner, is facilitating, and Karen, a white Anglo (non-Hispanic) planner in her mid-40s, is recording comments on large sheets of butcher-block paper on the wall. The planners met with Fred before the meeting to go over meeting roles and review a tentative agenda. Julio and the residents are doing most of the talking. He asks general questions about social services in the area and probes on their responses; from time to time, he encourages residents to explore different topics and to modify the comments recorded. Midway through the meeting, the group is discussing the rehabilitation and conversion of an abandoned city-owned building for use as a youth center. Shari, one of only two teenagers present, is standing in one corner as she expresses strong concerns that the facility be designed with youth ["users" in the planning jargon] in mind. She is African-American, 17 years old. "Y'all gotta listen to the young

> people; we don't never get anything made for us right! Don't never get asked…" Shari, who stands a slender but strong 6-foot-2, is pumping the air with her outstretched fingers and moving her head from side to side across her shoulders for emphasis. I make a mental note that her body is saying as much as her mouth. Julio asks her to be more specific about how the proposed youth facility should be designed: "Ok, so what do you want to see there? Enter it in your mind's eye—what does it look and feel like?" Based on earlier conversations and her comment a moment ago, I get the sense that this is a question Shari is seldom asked, and Shari seems caught off guard. She is still and silent as Julio probes further. I see that Karen is staring at Shari and quivering with (what looks like) fear. Later, when the meeting is wrapped up, I confer privately with Karen, who tells me how threatened she felt by Shari's behavior. Julio and I then talk to her about the verbal and nonverbal cues that different people use to communicate. Julio said that he "read" Shari as emphatic, impassioned but not at all threatening to the planners or process.

In this encounter, a technically able planner, due perhaps to her life stage, as well as her class and ethnic background, was unable to decode the speech of a community resident, a young woman who, among other contributions, played an important "bridging" role, connecting the local task force to youth in her neighborhood. Far from being threatening, Shari was, by local reputation, an ambitious and outspoken leader among her peers—well liked by local leaders and by project staff because she cared deeply about the issues our planning effort emphasized. To Karen, though, Shari's emphatic outburst connoted threat. Because Shari was (literally) standing tall in a sit-down meeting, and because her body language underlined her strong feelings about the issues at hand, Karen was silent and visibly on edge for the remainder of the meeting.

Planning efforts struggle over situations like this one, wherein planners: (a) differ from other meeting participants in their sense of the proper bounds of the social performance and of the various aims of social actors in the situation; and (b) fail to reliably *decode* the speech of their resident constituents, let alone *en*code their own speech for those constituents to understand (the latter being a feedback problem not evident in the narrative above but one with which Karen struggled in many other instances). These problems, different *conceptions* about what is to come in a meeting and *code confusion* once talk begins, can have devastating effects, alienating participants, threatening the trust needed to develop and act on plans collaboratively over time, and inhibiting valuable exchange and learning.

Speech occasions like the one presented above are "socially performed." People (social actors) assume roles in face-to-face interaction in order to manage the impressions of fellow actors (Goffman, 1959). Moreover, social actors rely on verbal and nonverbal forms or "codes" that are familiar to them (Hymes, 1974; Kochman, 1981). Goffman's performance framework captures the broad parameters of the situation: actors seek to manage the impression of other actors, not necessarily to manipulate but to maintain a normal, understandable exchange, in other words to "uphold the situation" (Goffman, 1971, p. 23). Code concepts, on the other hand, reveal the substance of communication and confusion, as well as specific talk strategies within those parameters.

For example, the planners described above wanted to project objectivity and respect for resident views while steering discussion in ways that informed their work, and these planners may not have reached a tacit *or* explicit consensus on these situational, as opposed to technical, aims in advance, despite the pre-meeting. Based on later observation and informal interviews, the residents present brought a range of intentions: to project authority as the "old guard," to ensure that younger voices were not suppressed by these older figures, and so on. Staff added more unstated agendas. Conversations with Karen reflected scant awareness on her part of these multiple agendas and role performances, above and beyond the factual exchange assumed by rational theories of planning and policymaking, in which participation merely generates "input."

The raw material of the encounter consisted largely of verbal and nonverbal

communication organized along ethnic, class, institutional, and other dimensions. The following basic concepts will help us analyze this episode: *scripts* are the conventions or expectations that different actors bring to a particular face-to-face encounter (community task force meeting, public hearing at city hall, etc.), and *codes* are the specific linguistic forms used to talk (Saville-Troike & Kleifgen, 1986). The evidence is that Karen and Shari differed according to the scripts they brought to the meeting—their expectations as to appropriate behavior, what constitutes *emphasis* versus *threat*, and so on—as well as the codes they employed, both verbally and nonverbally. More specifically, Karen felt threatened by Shari's volume and emphatic tone, as well as her nonverbal signals: standing for emphasis, pumping the air with her hands, swaying her head from side-to-side as she looked at the planners—in other words, by a style of face-to-face rhetoric rooted in ethnicity and social class (Kochman, 1981; Gumperz, 1982). Karen's script also reflected an institutional logic: her tendency to focus on what Chaskin (2005) labels "bureaucracy" in community planning (budgetary and programmatic imperatives) rather than democracy (collective voice and action).

Typical of such confusion, neither Shari nor Karen were aware that there was a communication problem, nor that code confusion could change the outcomes of the meeting, as well as future relations among the actors involved (Hymes, 1974; Wolfgang, 1979). When planners and other actors in a social setting share life stage, ethnicity, class level, and other social traits, the chance for code confusion and mistaken intentions are much reduced: *codes and scripts will largely coincide in homogeneous settings*. But in the practice of community planning, so often conducted across these social borders, common communication conventions can hardly be assumed.

OPTIONS FOR ACTION

What to do? Discussions, whether public or private, about acceptable conventions (scripts), along with the range of forms (codes) to expect, would have helped Shari, Karen, and others to exchange information.[1] This is part of the "norming" that groups can do in advance of their work together (Hackman, 1990). Forester (1989) has called explicitly for a focus on planning as mutual "sense making." But to norm and make sense together effectively, actors involved in a situation must be aware that scripts exist and have some sense of what their own scripts include.

In general, when verbal and nonverbal behavior are confusing and even threatening, ask insiders what they think such behavior means, and be ready for a range of answers. While I am not suggesting that planners become behavioral scientists, the field researcher's healthy concern for the range of cultural assumptions present in a setting like the one described, and a willingness to ask elementary questions, can go a long way (Lofland & Lofland, 1995). Although one may trigger suspicion and defensiveness with probing inquiry, my experience is that most people understand the need to get second opinions about "what went on" (to debrief an encounter) and, further, that people appreciate being counted enough to offer their insights. A few relatively neutral probes that might have been helpful for Karen, with or without her colleagues' input after the meeting, include the following:

> What did Shari mean when she said "young people never get asked?"
> Shari, what did you mean when you said …?
> Say more about…
> Do other young people feel strongly about that?
> I don't know about that [issue/sentiment]. What's that all about?

Although social performances and code clashes can be terribly confusing, we nevertheless tend to actively *fit* meanings to them, to make sense of them, rightly or wrongly, based on prior experiences (Garfinkel, 1967). If code and other performance problems are therefore common but fairly invisible to the key actors involved, all sides of the encounter may become even angry, not

just uncomfortable, because actors tend to read intentions into what has "gone wrong" in the interaction (Erickson, 1979, p. 122). These stand-offs are, at worst, highly paternalistic and parochial on the part of outsiders with authority ("these community people don't know what they want, their ideas aren't helpful, and they don't see the bigger picture," or "we could never get that past the board!") and resentful in the view of residents ("those racist 'experts' are at it again, they don't know what I know and don't care to learn it"). Such inferences may confirm the worst fears and preconceptions each side of the interaction has about the other.

Where *de*coding is concerned, because social meanings are subject to various filters, it is critical, as suggested above, to ask various actors—young and old, richer and poorer, newcomers and long-termers, from various ethnic groups—what means what and what actors intend. As for *en*coding effectively, planners who are able to "code switch" to make themselves understood in particular settings bring undeniable advantages to these encounters. This practice, also known as "style switching," was first documented by researchers among African-Americans (Mitchell-Kernan, 1972), but is practiced by members of various groups who navigate across boundaries of communication. Moreover, "going street"—an informal way to describe switching from standard American English to a particular group's dialect—was described in literature long before social scientists deemed the phenomenon important enough to study. It is a survival skill for people who must function in two or more social worlds or "speech communities" (Gumperz, 1968), each with its preferred patterns of communication. As I have elaborated elsewhere (Briggs, 1998), power dynamics, and notable power imbalances, are often at play in these encounters as well.

These concepts focus attention on the understandable differences that human actors bring to these settings and away from simplistic analyses that hold confusion and anger to be—always and everywhere—signs of conscious prejudice or the will to dominate.

DISCUSSION AND IMPLICATIONS

I could have subtitled this chapter "trouble at community meetings." Planners, especially those working in neighborhoods or other field settings, are often called upon to be more than informed technicians, to assume a variety of public roles that support effective communication and shared decision-making processes. But knowing what you don't know is important, and the largely unrecognized dynamics I have examined here are also important, for reasons of legitimacy as well as effectiveness. Our still insufficient attention to the links among communication, culture, and power, reinforces the belief that, like the stereotypical technicians of old, planners and policy professionals work top-down and write technical reports, diagnosing social problems and removing pathology "over there," with little consideration to local knowledge, values, or culture (Gans, 1968; Scott, 1998; Tauxe, 1995). We cannot simply ignore the performance aspects of face-to-face interactions or prescribe formulaic responses to the challenges examined here. Nor should we simply retreat to value statements about how important it is to engage the public in decisions that matter. Rather, we should collect and share principles for reading communication codes and power relations, especially in multicultural settings, and for responding in ways that promote mutual learning. Such competence is critical for doing democracy "up close" in a world of diverse publics and complex public problems.

NOTE

1. In other sessions, we, the consultant team, shared with participants some of our conventions for communicating and listening during the meeting and asked about their expectations. We also debriefed amongst ourselves after each meeting and shared the tasks of checking our interpretations of events with other actors involved. Time and role, of course, constrained us in all of these efforts.

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CHAPTER 27

Community Organizing for Power and Democracy

Lessons Learned from a Life in the Trenches

Harold DeRienzo

It is difficult, if not ultimately self-defeating, to undertake a community organizing effort without some understanding or appreciation of the economic, social, and political environment within which such an effort will operate, along with some anticipation of how our work fits (or not) within that context.

But in the process of deciding on the kind of community organizing effort to undertake and how such an effort will be received and what chances such an effort has for success, it is also necessary to test our own assumptions about, and to be clear as to how we ourselves define, community. After all, if we do not start from a grounded premise, and we undertake to do "community organizing" nonetheless, then we are presuming, probably to our own frustration and to the detriment of those on whose behalf we purport to be working, that community exists and that it is possible to use that reality for the development of, or to further, some collective human benefit. On the other hand, if we are actually intent upon "organizing community," then we need to know what we are attempting to organize and what are the internal and external supports and constraints we have to work within. But either way, knowing (or at least having a sense of) what we are trying to organize or knowing the state of community within which we are attempting to organize should be a critical first step before we get started. And, I also believe that the prevailing practice of not paying better attention to the importance of the goals we choose, of being sloppy with terminology, and thereby being sloppy in the programs we develop, ultimately creates frustration on all sides and in the end does an injustice and disservice to the very people we purport to be helping.

Before defining community, however, it helps to define a contrasted perspective of "neighborhood," especially since the terms "neighborhood" and "community" are so often used interchangeably.

To my way of thinking, a neighborhood is little more than a "housing services cluster" where residents live in close enough proximity to provide the underlying economic bases to support an array of necessary and/or desired services. I say "and/or" desired services because a low-income neighborhood may be able to do little more than support a bodega on every corner, given the fact that there is a high density of population but with each household barely able to afford necessities.

In a neighborhood, each household is an independent economic entity, with the source of economic capacity derived, for the most part, from without the confines of the given area. So the characteristics of a neighborhood are:

1. *Atomization*. Each household exists as a self-contained social unit, a collective consumption unit (for goods, media, information, and politics) and, economically speaking, an individual labor-bargaining unit in the regional, national, and global economy.
2. *External Economic Dependency*. The means needed to maintain lifestyles are primarily obtained from outside the neighborhood.

3. *Service Infrastructure*. The individual neighborhood components (houses, with little substantive relevance to who resides within them) are connected by an infrastructure comprising utility and transportation networks, shopping and other service hubs, education and other supportive services.

In contrast to this rather "stripped down" concept of neighborhood elaborated on above, the concept of "community" is much more powerful, but just as difficult to achieve and maintain in reality as is the power. In fact, community and power (in the traditional sense) are interrelated and functionally interdependent, as explained below.

For "community" to exist, I believe there needs to be three necessary and integrally related components:

1. *Commonality*. Something—geographical circumstances, children, beliefs, needs, issues, (private) troubles that are recognized as (public) issues, or whatever—that any group of people may hold in common must exist for there to be a basis for community. But although commonality is a necessary *component*, this first component of community is often seen as the only necessary basis for a community organizing effort—the beginning and the end of most practitioners' quests in search of the bases for their work. But without a more expansive perspective, most such efforts almost always will fail once the external supports for the effort are removed.
2. *Interdependence*. This is a difficult concept to appreciate, especially for those who fund comprehensive community initiatives, community building, and ambitious community organizing efforts. What interdependence presumes is that a necessary component of community is economic. For example, Max Weber (1968) defining an urban community as: "predominance of trade-commercial relations"; Wendell Berry (1993) defining community as the "locally understood interdependence of local people, local culture and local economy." In my experience, since the funders and the outside protagonists (you know, the ones with all the answers) start with the premise that the world is as it is because of some natural law or natural order of things, the goal then becomes to teach people how to survive and thrive within this world that, after all, works so well for them. But let any one of them lose their household incomes and find themselves without the benefit of family or inherited wealth and they will learn soon enough that the "community" that they believe they live in, is not a community at all, just a local residential service cluster that sustains them only to the extent that it is supported by them through their outside economic endeavors. "Community," without some economic capacity that defines the relations between and among its members and advances the quality of life of those within that "community," is not a community at all, just an aggregation of people within some set of shared circumstances.
3. *Collective Capacity*. This third necessary component of community follows from the first two components—commonality and interdependence. For a community to be a community there must be an internal capacity to accomplish goals that are commonly resolved to be necessary or desirable. For the most part, in established communities, the vehicles for accomplishing the commonly held agenda of its members are called institutions. And I would maintain that it is possible to gauge the relative health of any community by determining the extent to which its institutions are controlled by the residents or by outside resources. But implicit to understanding community, and it fits well within the conventional definition of power as a covenant among people, is that collective capacity only results from each individual having something to offer to the collective "pot" from which common good can be achieved. Ask yourself the question: with no

> access to the primary sources of wealth (natural resources, information, technology, means of production, and the like) and with most people possessing or trending toward negative wealth, what opportunity is there for entering into such contracts and, by so doing, creating the bases for exercising power?

Having defined community, I would maintain that most of the community building efforts that I have been exposed to or participated in would fall under two categories or models: (1) the "Static Enhancement" Model, and (2) the "Transformative" Model.

The Static Enhancement Model accepts the prevailing social, economic, political order as a given, and then seeks to infuse resources into the local organizing efforts to "enhance" the capacities of local residents to adjust to and thrive within the given circumstances—the recognized and accepted status quo. But this premise is totally misplaced in that reality is not fixed and is not predetermined. To quote from Isaiah Berlin (1991), "ends are not … objective values, discoverable within man or within the transcendent realm … Ends are not discovered at all, but made, not found but created." In other words, "reality" is not some immutable existence or some force incapable of being influenced and to simply be reckoned with. "Reality" is being made, transformed, continually. The real question for all of us is whether we will be subjects of that transformation (continually acting upon that reality) or objects (totally at the mercy of whatever is reality at any given time, to borrow a concept from Paulo Freire). This brings us to the next model.

The Transformative Model accepts that reality is being made and remade continually and also accepts that people working together actually can be a part of making history, not merely observing it. This leads to a need to appreciate the economic and political context within which we organize and to have an appreciation of the concept of power.

When I was young, I believed that living in a democracy, people had political power and that political expression and political preference expressed through political processes (mostly voting) would define our social structures, our economic system and our institutional framework. But that was naive. Politics, social structures, predominant culture and institutional arrangements—all of which comprise the arrangements for sharing power within our society—are necessarily defined by the needs of the predominant economy. The needs of that economy—concentrated access to resources, information, technology, and wealth; a mobile and disciplined workforce; encouragement toward individual and household consumption; the tolerance for the "family" as the most expansive acceptable social unit; government that is limited in its regulatory intrusion, and so on—is anathema to the very concept and (as I believe we are seeing now) the very reality of community. This cannot be ignored if we are truly serious about community organizing. And if we are not that serious, then let's be honest and declare community an anachronism and go on to project some alternative set of humane social arrangements that will ensure that we do not become slaves to the very private, consumptive lives we have accepted and cling to with abandon.

Due to this dominant and preemptive social trend toward individual consumption, there is increasing individual isolation, political disenfranchisement, and economic marginality in our society. If we are going to organize in order to improve lives and transform any aspect of current power-sharing arrangements, these dynamics that both destroy and prevent community must at least be recognized and drawn into our considerations and our work.

This brings us to the concept of power, a concept that goes hand-in-hand with the concept of community. Hannah Arendt (1963) distinguishes between strength (our individual attributes held in isolation against all others) and power, which she defines in terms of a mutual covenant binding people together into what amounts to a power structure, and embodied within community. Power, like community, lasts for as long as people remain working together and disappears as soon as they disperse. But,

more important, due to the structure and continual processes of community (expressed through the three attributes of commonality, interdependence, and collective capacity), power remains always latent and accessible because community exists. But like power, community is a fragile circumstance. Once people disperse (into isolation) and give up commonly held circumstances, refrain from mutually supportive activities, and allow the means for collective capacity to erode, community dies and takes the capacity for exercising power along with it. And, just for the record, community is not and cannot be sustained by organizing. Community is only sustained by the infrastructure of relations and networks and processes that make up that community. Similar to being able to gauge the absence of community by the total control of local institutions by outside forces, the recognized need for constant organizing is also an indication of the absence of community. In a sense, a call for constant organizing is an attempt to compensate for a lack of power due to the absence of community.

Given the circumstances outlined above, current community organizing efforts, I believe, can be characterized in three ways:

1. *Organizing for Domestication*. These efforts are generated most times by outsiders who believe that they have the answers and that by teaching people how to think, how to dress, how to act, what values to bring to any circumstance, and so on, that these people will be saved. Unfortunately, too many of my colleagues are perfectly happy with this form of organizing. They treat people as objects to be manipulated, many times for their own selfish ends (control, power, money, self-aggrandizement, or whatever).
2. *Organizing Around Issues—Issue-Specific Mobilization*. This form of organizing is very important in that these efforts often are undertaken to stop a major regressive action that would hurt large segments of the population. But important as these efforts are, they must be recognized for what they are—efforts organized and undertaken to minimize the hurt and not to change any of the underlying dynamics that politically empowered the proposed actions to begin with. These are necessarily stopgap activities that use the threat of disruption and the possible risk of creating the public perception of social wrong to prevent or minimize harm.
3. *Transformative/Developmental Organizing*. This form of organizing has as its goal the long-term, structural transformation of power-sharing arrangements. How is such a thing accomplished? First, it is necessary to recognize the challenges that any community organizing effort is confronted with. Second, it is necessary to strike at the heart of the problem by seeking to change the destructive dynamics of individual isolation, economic marginality, and the resulting political disenfranchisement. There is no specific work plan. But most approaches that seek to directly attack those symptoms of a dying community and seek to change the destructive dynamics that destroy and prevent community represent a good start. A few examples follow:

    1. Public Space. It amazes me how willingly we are giving up public space in favor of private isolation, individual consumptive gratification, and total self-reliance. The first order of business for any totalitarian regime is to destroy public space and replace it with fear, distrust, loathing, individual insecurity, and suspicion. (Think of the potential for this in the wake of 9/11.) But in our society, we seem to be voluntarily giving up public space in favor of some consumption-dominated nirvana. (An East Berliner after the fall of the Berlin wall reportedly lauded the wonders of western-style democracy that he characterized as "canned beer and no responsibility.") Any community effort must seek to restore the use of public space.

2. Institutional Accountability and Control. The organization I work for sponsors a city-wide mutual housing association called CATCH, a city-wide group that redevelops abandoned and distressed properties, trains residents, and turns control of the corporations over to residents. Our local affiliate, the Central Harlem MHA, is the only community development corporation in Harlem that is resident controlled. The struggle has been difficult and the challenges ahead are many, but the potential is that when local residents effectively control the resources of nearly 600 units of housing and all of the internal demand (repair jobs, supplies, contracting services, etc.) that goes along with it, this will begin to facilitate the necessary attributes of community and make a small beginning in tearing away the destructive anti-community dynamics of isolation, economic marginality, and political disenfranchisement.
3. Political Involvement. On its own, political involvement is a useless exercise, but in tandem with other community building activities, can make a difference. I believe, consciously or unconsciously, that one reason that ACORN joined with unions to form the Working Families Party in New York was based on a frustration with having to maintain membership by continually organizing one mobilization campaign after another. It remains to be seen if this direct political involvement will make a difference (i.e., long-term use of public resources to maximize local economic participation and maximize economic and social benefits), but it is a worthwhile effort.

The underlying goal of any legitimate community effort need not be very dramatic. The goal of any community organizing effort should be to concurrently promote human values and to reverse the destructive dynamics that isolate people, marginalize them economically, and disenfranchise them politically. Whatever evolves from such efforts may or may not fit our conventional definition of community, but will necessarily constitute the humane and sustainable attributes we all seem to long for in pushing our rhetoric about values of community.

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PART IV

Globalization and Community Development

CHAPTER 28

Introduction to Part IV

James DeFilippis and Susan Saegert

Communities are not solely products of those within them. Instead, communities are produced through a whole range of relationships and processes that transcend any given community. Increasingly those processes and relationships are global in geographic scale. The global sets of relationships that shape and help produce communities take many different forms; globalization is about far more than the facts that cheap goods can be imported and jobs outsourced overseas. More specifically, globalization occurs through the globalized flows of capital, goods, people, cultures, policies, ideologies, and movements. Several different processes are at work here. The speed with which capital moves, and the global scale at which it operates have profound implications for what can, and cannot, be done in community development. The growth of large transnational migrant communities connects the social relations and social significance of communities well beyond the geographic boundaries of any given place-defined community. Social movements increasingly, and out of necessity, operate both in communities in the United States and in other places around the world. Finally, the ideas that inform practice are themselves increasingly globalized, as political economic understandings are transferred from one context to another. There are thus several different, and although related, practically and analytically distinct ways in which globalization has transformed the terrain of communities and, thus, community development. In this relatively short part we address how these global sets of relations shape urban communities, and what organizational forms emerge from them. We cannot do justice to such a large and important set of issues in this part. But we believe the chapters that follow are a productive set of readings that will enable community developers to think more productively about the ways in which globalization is part of what they do.

The part begins with a pair of chapters that describe the basic impacts of economic globalization on American communities. The first, from Williamson, Imbroscio, and Alperovitz is a primer on the basic political and economic impacts of globalization and free trade on American communities. Their findings are somewhat restrained, and they argue that most of the economic impacts have been overstated in debates about globalization: both by proponents and critics. They also argue, however, that the political implications of globalization are more important than is usually recognized. The second chapter from Newman is about the ways in which urban land has become increasingly intertwined with globalized flows of capital—and this is particularly true in post-industrial cities, where profitable investments are disproportionately found in land development, rather than more productive economic activities such as manufacturing or services. Newman's piece, written as the foreclosure crisis was becoming all too clear to the American public, puts that crisis into its proper perspective—as a crisis brought on by surplus capital flooding into communities with little care about the impacts of such a deluge on the people in those communities.

The second pair of chapters looks at the migration of people in a globalized world.

This movement of people creates particular organizational forms that, while they may vary a bit in empirical content, have, generally speaking, been part of the immigrant experience as long as there has been immigration. The first, by Cordero-Guzmán and Quiroz-Becerra, addresses the practices of immigrant community-based organizations (CBOs). While immigrant CBOs do many of the same things as non-immigrant community development organizations (housing, advocacy, etc.), there are concerns, issues, and problems that are particular to immigrants and which often result in new organizations to address them. The second chapter by Orozco and Rouse is about hometown associations (HTAs) and the roles that HTAs play in the development of their communities in their countries or, more accurately, cities and towns, of origin.

The chapter from Hermanson on "solidarity organizing" in the global flows of commodities is unusual in this book, in that it is a case study. But we felt that it made sense to use it, not just because of the inherent interest of the case, but also because of how well it grounds globalization in real places with real people—and demonstrates the potential for human agency to make globalization a more equitable set of processes.

Finally, the chapter ends with Jurik's chapter on the movement of the ideas and practices of microenterprise in community development globally. The story often told of how microenterprise emerged in the global South and spread North is one which is incomplete. And properly understood, the story is one in which ideas that emerged in institutions in the global North spread the idea to the underdeveloped world; once it was established there in places like Bangladesh and the Andes region of South America, it then came back to the United States and other developed countries.

Together these chapters help us realize the myriad ways in which community development is a globalized set of processes. Theorists and practitioners need to understand these processes in order to recognize what constraints and opportunities it presents to the field of community development.

CHAPTER 29

Globalization and Free Trade

Thad Williamson, David Imbroscio, and Gar Alperovitz

What exactly is globalization? How does it matter for communities? It is often assumed in popular discussion that increased globalization means that economic activity either no longer is or can in the future be tied to particular communities. But this is not the case. In fact, more economic activity in the United States economy is now inherently local—at the same time that more economic activity is tied to trade and global economic activities.

We can begin to grasp this paradox by considering the countless professions and services that remain almost entirely unaffected by international trade in any direct sense: think of carpenters, doctors, schoolteachers, plumbers, local government employees, gardeners, custodial workers, barbers, and construction workers. Thomas Michael Power calculates that "About 60 percent of U.S. economic activity is local and provides residents with the goods and services that make their lives comfortable … Almost all local economies are dominated by residents taking in each other's wash" (1996, p. 37). Moreover, this figure has steadily increased, not decreased, in the postwar era, largely due to the growth in retail and wholesale sales, services, financial and real estate, and state and local government as a percentage of all economic activity. Wiewel and Persky similarly conclude that due to the "deindustrialization of urban areas, a steady expansion of local consumer services, and the considerable growth of the local public and health sectors … the economies of large metropolitan areas are now more locally oriented than ever" (1994, p. 129).

This is the case *even though* some types of services—in particular, producer services, services that meet the needs of businesses—have become more tradable. The upward change in services traded outside the locality, however, is more than offset by the baseline increase in services and decline in manufacturing. The growing exposure to global trade thus has occurred in tandem with an increase in the degree to which economic activity in the United States has become more localized.

It is thus fair to ask whether the stakes in the free trade debate may have been exaggerated by free trade advocates—even as the negative effects of globalization may also have been overstated by some activist critics. Only 12.2%—less than one-eighth of the goods and services produced in the United States in 1999—were sold abroad (*Economic Report of the President 2000*). As Dunn writes, Americans

> should not believe that further trade liberalization will either produce large increases in U.S. incomes or impose large costs on American unskilled workers. U.S. trade restrictions have already been reduced to such low levels that there is not much more to either accomplish or fear in this area.
>
> (2000, p. 129)

From our perspective, the larger point is that the economic loss from reasonable restraints on trade adopted in the interest of sustaining community economies would also not be cataclysmic—and might be a price worth paying in order to nurture democratic self-governance. Given the impact of economic dislocations on community and on

community democracy, there is much to the judgment offered by Dryzek: "Irrespective of any positive economic benefits of free trade (and even these may appear only in the aggregate, at the expense of large losses to particular categories of people), almost all the implications for democratic control are negative" (1996, p. 79).

CAPITAL MOBILITY AND THE CRISIS OF FREE TRADE IDEOLOGY: THE THEORETICAL CRITIQUE

The conventional theoretical argument for free trade holds that free mobility of goods across borders permits each country to specialize in areas of "comparative advantage," as the 19th century classical economist David Ricardo put it, resulting in increased welfare for all. Adherence to Ricardo's doctrine of comparative advantage has led many economists to suggest that barriers to trade are economically foolish and would impose welfare costs on consumers. However, the simple translation of 19th century insights from Ricardo into blind support for free trade ignores how dramatically the world has changed—and in particular, it ignores the mobility of capital. Ricardo posited a situation in which England required 100 workers to produce a given amount of cloth and 120 workers to produce a given amount of wine, whereas in Portugal cloth could be produced with 90 workers and wine with only 80 workers. Ricardo noted that by concentrating all its production in wine, Portugal could actually end up with more cloth (via trade with England) than it could if it shifted some of its production to cloth—even though Portuguese production of cloth was more efficient than English production.

Daly and Cobb (1989) offered the following striking observation about Ricardo's story: As Ricardo himself noted, the comparative advantage principle works only because capital is assumed not to move across borders. Given free, relatively costless mobility of capital between England and Portugal, English capitalists could profitably choose to produce both cloth and wine in Portugal, making use of the *absolute* advantage enjoyed by Portugal in both goods. Indeed, if capital were totally mobile, there would be no reason in this example for it to remain in England, since both wine and cloth could be produced more cheaply abroad.

Simply put, the world today is one in which the input of capital can be and is moved across borders; "trade" does not consist simply of different countries' capitalists competing in product markets on the basis of comparative advantage. Rather, investments are regularly made across borders as capitalists seek not only comparative but absolute advantage. When they do so they weaken the home economy. A world of unrestrained capital mobility and free trade in product markets logically implies either heavy unemployment in higher-cost, higher-wage nations or a sharp reduction in wages in such nations so that they can remain competitive. To be sure, we do not yet live in a world of truly seamless capital mobility. But capital mobility across borders does now take place on a far greater scale and at a greater velocity than the original proponents of the comparative advantage model could ever have imagined.

A second difficulty with unrestricted free trade involves the problem of ensuring that regulations imposed on the domestic production of goods do not lead to unfair disadvantages for domestic producers. Adam Smith clearly saw the logic of this problem. In *The Wealth of Nations* he suggested that imposing tariffs on imported goods would be good economic policy. He argued that:

> it will generally be advantageous to lay some burden upon foreign [industry] for the encouragement of domestic industry … when some tax is imposed at home upon the produce of the latter. In this case, it seems reasonable that an equal tax should be imposed upon the like produce of the former.
>
> (1993 [1776])

If we extend the logic of Smith's argument to regulatory requirements, we conclude Adam Smith would likely have been quite sympathetic to the concerns environmentalists and workers in the United States have

voiced about permitting goods produced under regimes that do not enforce environmental laws or workers' rights to have free and open access to the U.S. market.

A third difficulty with the theory of free trade is that it presumes the prices of goods fully reflect the actual costs of production. The central point here is that because for various reasons market prices often do not accurately reflect the true costs of goods, there is no reason simply to assume that a policy of free trade will necessarily generate the most socially efficient outcome.

Finally, there is the matter of economic history. For most of its own period as a "developing nation," the United States itself employed protectionist policies. Eckes points out that the first act of Congress under the new Constitution in 1789 was to implement an 8.5% revenue tariff. Support for higher tariffs spiked sharply upward in the first quarter of the 19th century—and generated largely positive economic consequences. Eckes notes:

> From the War of 1812 to World War II, American import duties averaged over 25 percent ad valorem on all dutiable goods in all but six years. In sixty of those years the average rate was 40 percent or higher.... Economic data show that the United States achieved high levels of economic growth after the American Civil War, and declining prices for many protected goods suggest that in the context of a large continental market protectionism was not inconsistent with rapid economic development ... None of the world's present industrial nations achieved economic success without experiencing a sustained protectionist phase.
>
> (1999, pp. 60–61)

CAPITAL MOBILITY AND THE CRISIS OF FREE TRADE IDEOLOGY: THE EMPIRICAL CRITIQUE

There are sound theoretical and historical reasons, then, to question pure free trade arguments if one is serious about the economic prospects of American communities. It is also necessary to understand empirically the specific ways in which "globalization" can undermine community. The following discussion is divided into three broad topics: first, the direct impact increased globalization and freer trade may have on communities and workers; second, the impact of international economic integration on national economic policies; and third, the impact of new trade agreements on the ability of governments both to uphold their own social and ecological standards and to take measures to strengthen community stability.

IS GLOBALIZATION DESTABILIZING AMERICAN COMMUNITIES?

We begin by examining the ways in which trade and increased economic integration may directly impact the economic prospects of American workers and their communities, focusing on the issues of job loss, wages and inequality, and increased volatility and insecurity in the labor market.

The General Impact of Trade and Imports on Jobs and Wages

Perhaps the most common-sense understanding of how increased trade can hurt American workers and communities involves new imports entering the American market and directly displacing American producers. The growth of imported Japanese cars in the 1970s and 1980s and the concomitant decline in Detroit, Flint, and other auto-producing communities is a paradigmatic example of how trade can harm American communities.

An analysis by Scott (2000) provides evidence that between 1992 and 1999 trade had a net negative impact on employment in the United States. Scott reports that

> while rising exports created about 4.1 million jobs, rising imports lost 7.3 million, for a net effect of 3.2 million jobs lost due to trade. While other [statistical] techniques ... may yield smaller estimates of the size of the trade effect, there can be no debate about the fact that trade has been a net destroyer of domestic jobs in this period.

One form of job loss related to globalization results from trade in product markets. A second form of job loss comes when corporations move production from domestic locations overseas. To take one example, early in 2001 Matsushita, a Japanese-owned manufacturer of air conditioner compressors, closed down its factory in Mooresville, North Carolina, and laid off 530 workers, so as to relocate production to China and Malaysia. As one analyst of the state's economy put it, "The Northern states shed these low-end jobs 20 years ago, and they came here. But now technology is replacing a lot of workers, and the cheap labor isn't here anymore—it's overseas" (Firestone, 2001).

Other studies on the impact of trade on job loss have shown that while trade has had a tangible negative impact on employment, trade in product markets alone does not account for most of the job loss and deindustrialization that took place during the last quarter century. Most economists place greater blame on improved technology, which makes some jobs redundant; related to this, corporate restructuring—"downsizing"—also has played a role.

But while trade cannot explain everything it does have important impacts. For instance, a study by Kletzer of over 60 industries in the manufacturing sector finds a positive relationship between job displacement rates and import penetration. Kletzer (2000, p. 382) concludes that "workers have good reason to worry about job and income security in the face of increasing foreign competition."

Is increased trade linked to the well-documented rise in income inequality over the past 30 years? Most academic research on this question has concluded that trade is part of the story of rising inequality but probably not the major part. One landmark study by Borjas, Freeman, and Katz found that growth in trade could account for no more than 10% of the increase of wage inequality between American college and high school graduates over the course of the 1980s (cited in Gordon, 1996). And Krugman (1998) has repeatedly urged that since the total volume of North–South trade is still small—imports from developing countries account for just 2% of the Organization for Economic Cooperation and Development (OECD) countries' combined economies—the impact of trade on jobs and wages of competition from low-wage companies must necessarily be small.

Other economists, however, have questioned this relatively optimistic view of trade's consequences on wages and inequality. For instance, Rodrik suggests that it is a mistake to look at only the direct effects of trade in a vacuum. Rodrik paints a picture of the qualitative changes involved in a more open world economy: "The relevant measures of openness in this context are not the volumes of trade or of investment, but the ease with which international transactions can be carried out" (1997, p. 17). The impact on wages in industries sensitive to trade or capital mobility can also have a spillover effect into the economy at large. Further, while many economists argue that job-destroying technology has done more direct damage to manufacturing jobs than trade, Adrian Wood has argued that increased competition from the South may have served as an exogenous stimulus to the implementation of such labor-saving technologies (Wood, 1995).

In short, trade almost certainly has a substantial impact on growing wage inequality. While the direct effects of trade on wage inequality probably is relatively small (accounting for 20% or less of the total increase in inequality), trade also has important indirect effects on inequality.

Reducing Labor's Bargaining Power

It is now widely recognized that it is increasingly easy for American-based multinational corporations to locate major capital investment outside the United States, in some cases closing down American-based manufacturing. And, as Palley puts it, capital mobility, "by increasing the options available to business … has increased the bargaining power of firms vis-à-vis both labor and government. Business in turn has been able to use its increased bargaining power to win concessions from both labor and government" (1999, p. 8).

A study by Bronfenbrenner (2000) illustrates how the threat of capital flight plays out at the firm level. She found that 51% of employers, and 71% in manufacturing, involved in some 407 National Labor Relations Board union elections threatened to close their facilities during the union organizing drives. Equally telling, when employers made threats, union win rates in relatively immobile sectors such as health care and transportation were twice as high (60%) as in manufacturing (28%). Thus the very threat of moving, can itself severely undercut union organizing—helping to depress wages in the labor market as a whole.

THE IMPACT OF GLOBALIZATION ON NATIONAL ECONOMIC POLICY

The second major way globalization may impact communities and community stability is by hampering national economic policymaking. The following discussion focuses on two specific ways globalization may undermine domestic economic strategies.

Leakages Prevent a Traditional Keynesian Strategy

One way increased economic integration may threaten national economic policy is through "leakages." Leakages in national economies, in the form of import purchases, now make a traditional Keynesian demand-stimulus policy less effective, thereby making it more difficult for nations to manage general economic instability and to achieve full employment. Government stimulation of the economy results in substantially higher purchases of imports by consumers, and each dollar leaked out of the economy can no longer be recirculated. Hence, the multiplier effect of increased domestic spending, so central to Keynesian demand-led expansions, is diluted. This is particularly true when fiscal stimulation takes the form of tax cuts: a significant percentage of new consumer spending is likely to be spent on imports, leading to greater leakage than if stimulation had taken the form, say, of government investments in infrastructure which directly increase employment in the United States.

The leakage issue has gained increasing attention in recent years, but the problem itself was recognized as early as the 1930s by Keynes, who advocated a pragmatic approach to trade. Keynes warned of the dangers to which protectionist policies could lead, but he saw no need to sacrifice the real economy on the altar of free trade. In the early 1930s he strongly advocated the introduction of a revenue tariff in Britain as a precondition for an expansionary fiscal policy aimed at increasing employment. Such a tariff would help offset the costs of increased public spending, stop leakages abroad ("in so far as it leads to the substitution of home-produced goods for goods previously imported, it will increase employment in this country"), and ensure against a massive trade deficit (Keynes, 1963, p. 279).

Weakening of Welfare States

Another important consequence of globalization is the impact of increased openness on the capacity of governments to tax capital at a rate sufficient to help provide for a strong welfare state. As Rodrik observes, due to increases in capital mobility, globalization increasingly "results in increased demands on the state to provide social insurance while reducing the ability of the state to perform that role effectively." Governments find it more difficult to tax corporations that can move elsewhere. Indeed, Rodrik's analysis of taxation trends in 18 OECD countries demonstrates that

> taxes on labor respond positively to increases in lagged [trade] openness, while taxes on capital respond negatively … In other words, there is strong evidence that as [global] economic integration advances the tax burden of social insurance programs is shifted from capital to labor.
>
> (1997, p. 63)

The reason? Non-mobile forces, including especially labor and rooted capital, must pay the full cost of domestic taxes, while mobile factors can avoid them.

There is a burgeoning literature on whether globalization undercuts the very possibility of social-democratic policies. In its strongest form, the hypothesis is that globalization over time will produce a convergence of political-economic arrangements across national borders that will drag down state intervention and welfare policies to a lowest common denominator. Some scholars also stress the fact that increased financial integration decreases the ability of individual nations to pursue independent fiscal or monetary policies. Other scholars agree that pressures on the welfare state have increased in advanced capitalist nations, but argue that other factors, such as the slowdown in productivity growth associated with the rise of services-based economies, are more important in explaining these pressures than globalization per se.

A third group of scholars vigorously rejects not only the strongest form of the convergence argument but also the very characterization of the world economy as "globalized." These scholars acknowledge that the world economy has an increasing number of international linkages but argue that it is still primarily dominated by national-level economic units. For instance, Wade (1996, pp. 86–87) notes that "national economic borders still define the boundaries of systems of capital accumulation." Wade points out that most production in the major economic powers remains oriented toward domestic consumption, that most capital investments are domestic investments made out of domestic savings, and that multinational corporations continue to base their strategic and R&D operations in home countries.

An assessment by Glyn (1998) of domestic and external constraints on "progressive economic policy" in the OECD countries judges that domestic political constraints on job-creating Keynesian policies continue to be more important than globalization-related constraints—and that there is still considerable scope for autonomous national economic policymaking within the world economy. Echoing this view is Krugman (1998, p. 79), who holds,

> None of the important constraints on American social and economic policy come from abroad. We have the resources to take far better care of our poor and unlucky than we do; if our policies have become increasingly mean-spirited, that is a political choice, not something imposed on us by anonymous forces. We cannot evade responsibility for our actions by claiming that global markets made us do it.

THE IMPACT OF GLOBALIZATION ON DEMOCRATIC SELF-GOVERNANCE

This section turns to the third major set of concerns pertaining to globalization: the possibility that the emerging process of globalization and the emerging set of rules governing the international economy could severely weaken prospects for democratic self-governance.

Globalization can Undercut Established Social and Ecological Norms

Free trade regimes have the potential to undercut established democratically determined norms, especially labor standards and environmental legislation. These norms can be undercut in two distinct ways. First, allowing imports from countries with substandard labor and environmental protection laws to enter the United States can give those countries a trading advantage based on exploiting either humans or nature, thereby weakening support for higher norms in the nation with better labor and ecological protections. Second, free trade regimes may require that a particular government's specific rules represent an unfair restraint of trade. Rodrik points out that there is "little substantive difference" between permitting "blocked exchanges" such as prison labor or child labor to occur in one's home country and in permitting unrestricted imports of goods made under such conditions to undercut local producers.

International Trade and Investment Agreements can make Industrial Policies and other Community-Supporting Policies Illegal

A second specific way labor and environmental norms may be challenged is through global free trade rules that potentially override local- and state-level innovations aimed at stimulating local self-reliance and overall community stability. Except under tightly defined conditions, such rules essentially forbid labor and environmental laws at either state or federal levels from being stronger than "international standards" if they restrain trade. Even more suspect from the perspective of the World Trade Organization (WTO) are policies aimed at directly providing preferences to local goods, local producers, and local workers.

Currently most American states have policies on the books favoring local producers in one way or another, such as preferences for local suppliers on bids for state contracts. The emerging trade regime could in principle allow other countries to challenge all such policies; a WTO panel in Geneva would then make a decision on whether the policy in question is acceptable. If the ruling went against the local or state law, the United States would be subject to trade sanctions unless the laws were changed. Each nation retains the constitutional power to keep its own laws, but only at a steep price, in the form of trade penalties. Numerous challenges to countries' existing social policies have already taken place under the WTO/General Agreement on Tariffs and Trade (GATT) regimes and in the European Union.

As Gordon notes, there is a likelihood of many, many more challenges to state law in the United States under the provisions of NAFTA and the WTO as well as the proposed Free Trade Agreement of the Americas (FTAA). Seven specific WTO agreements call into question existing state legislation and taken together, as Gordon argues, they represent a significant change in the democratic structure of governance in the United States, and indeed "threaten to internationalize many policy decisions which previously fit squarely within States' traditional authority." American laws that the European Union has already claimed to be inconsistent with the WTO regime include "State environmental standards that exceed federal levels; buy-local, and minority and small-business set-aside laws; State unitary tax laws; and differing State regulations of banking and insurance." And some 74 laws in California alone are estimated to be in potential violation of WTO provisions (Gordon, 2001, p. 36).

Some observers have pointed out that in particular cases the new WTO agreements could have a positive impact on economic development policy in the states. Schweke thus suggests that WTO "subsidy discipline" policies are a "double-edged sword": new WTO rules could lead to a decrease in state job-chasing activities that involve large subsidies to mobile corporate firms. In our view, however, a consistent critique of WTO intervention into state and federal level policymaking suggests that both good policies (restricting suspected carcinogens) and bad policies (providing indiscriminate subsidies to exporters) should be debated and either enacted or defeated by democratic publics, not by distant trade regimes.

Indeed, perhaps the most problematic feature of the WTO, and the one that best explains the passionate grassroots opposition to the institution, is that the procedures through which decisions on these matters are made fail the basic test of accountability to democratic publics. As Kuttner (1999, p. 4) notes, "The WTO is a stunningly undemocratic institution. It operates at several removes from popular sovereignty, much as the pre-democratic deliberative institutions of the seventeenth and eighteenth century operated." Simply put, the guiding purpose of the WTO is the promotion of commerce—not democratic deliberation regarding how international trade should be balanced against the distinctive economic practices and institutions of individual nations.

CONCLUSION

These criticisms of the impact of corporate-led globalization upon communities and workers in the United States and abroad do not span the full range of challenges that have been offered. For instance, we have not discussed the impact of the spreading of Western products and culture via the processes of globalization. Similarly, the globalized export of Western consumption attitudes and standards has profound resource and ecological implications that we cannot adequately address here.

Even accepting that trade produces important gains, globalization presents several direct challenges to communities' economic stability and standards of living. To recapitulate the key issues: first, the old story of "comparative advantage" among nations with rooted capital competing in product markets is no longer adequate; we live in a world where increasingly mobile capital seeks out absolute advantages. Second, social welfare is not enhanced by permitting standards of production, including labor and environmental laws, to be eroded by unrestricted trade. Third, the emergent global trade regime threatens to undercut policies in the United States, particularly at the state and local levels, that are aimed at strengthening community and helping local producers and local workers. Finally, from the standpoint of democracy and community, there are important values other than gains in aggregate "economic welfare" or "consumers' well-being" that must be taken into account in formulating international economic policy. Trade-related job loss at the local level not only wreaks havoc on thousands of individuals' lives but also undermines the material basis of meaningful local democracy.

Globalization thus provides an array of challenges to American communities. However, it is also important to bear in mind that not all forms of capital have been loosened from the ties of place and community by globalization processes. Many services—which occupy an increasing share of the American economy—are inherently placed based, and many corporations may see advantages in locating in particular places.

Our approach to the question of how to respond to globalization is distinguished from conventional economic discourse in its emphasis on democracy and community as the central frame of reference. Building the conditions of democracy from the bottom up in the communities where Americans live is an underlying and fundamental value. So, too, is preserving real scope for effective democratic decision-making at the national level. We do not deny that trade in product markets can produce important economic gains for trading nations; nor do we deny in principle the social desirability of positive net capital flows from advanced industrialized nations to the developing world. But unrestrained trade and increased financial integration also have economic and social costs—and, most importantly, costs to democracy itself.

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CHAPTER 30

Post-Industrial Widgets

Capital Flows and the Production of the Urban

Kathe Newman

THE AMERICAN DREAM

Homeownership is lauded in the US as a tool to build wealth, revive failing cities, and engage the civically disengaged. The U.S. homeownership rate reached 69% in 2006 and many celebrated the vast scores of Americans, including many people of color, who achieved the often-elusive American Dream. But homeownership is more than the American Dream. It is a critical segment of the post-industrial economy and housing-related expenditures accounted for 23% of U.S. Gross Domestic Product in 2005 (Joint Center for Housing Studies, 2006).

Despite the homeownership gains and the increasing share of people of color who have become homeowners, not everyone is enthusiastic. After decades battling the effects of redlining and disinvestment and participating in organizing campaigns to increase access to capital for residents of poor communities, community organizations are acutely aware that capital has returned to inner-city neighborhoods. But many question whether their neighborhoods have increased access to capital or capital has increased its access to them. Their concerns have focused on the subprime market, which ostensibly provides credit for people with less than perfect credit ratings. Many borrowers with credit records that qualify for prime loans instead receive subprime credit suggesting that "subprime" is a better description of the loans than the borrowers. The subprime market expanded exponentially since the early 1990s as technological advances and credit scoring enabled lenders to more finely assess risk and quickly process loans, and the secondary market facilitated access to national and global capital. Subprime market share exploded from 8.6% of originations in 2002 to 20.1% in 2006 (Joint Center for Housing Studies, 2006). In 2005, the total dollar amount of subprime originations was $625 billion (Joint Economic Committee, 2007).

The emergence and expansion of the subprime market had the potential to transform disinvested communities, and the borrowers in them, but questions have emerged about the quality of subprime lending leading some to wonder whether redlining had been replaced by access to poor quality capital. Until recently, most researchers, advocates, and lending associations argued that abuses within the subprime market were the result of a minor group of lenders rather than a reflection of industry-wide practices. This argument became hard, if not impossible, to sustain by 2007 as liquidity dried up, foreclosures skyrocketed, and the threat of recession loomed over the entire US—if not the world's—economy.

If the subprime crisis is conceptualized as the action of a minor group of predatory lenders, the problem is individualized, segmented, and inherently local. But if it is instead seen as embedded in the financial institutional relations that support the economic health of the country and are globally networked, the problem looks quite different. I explore the role of the financial sector in the expansion of the post-industrial economy and place the emergence of subprime lending within that context. I am keenly interested in the role of the state in the development of these processes and

institutional structures and in their relationship to place.

The expansion of credit and banking as a share of the economy complicates the way in which capital flows and its relationship to place. As finance has become an ever larger component of the deindustrialized economy, parts of the credit system have started to look more and more like the production of the industrial era. Mortgages might be thought of as the post-industrial widget and for the financial system to increase its output requires an increase in the number and dollar amount of mortgages. The flow of capital from neighborhoods through brokers and lenders to investors and the subprime lending industry links global (and local) capital to urban places providing the connection—the node—to facilitate capital accumulation, completing the flow from the ethereal world of securities and investment to the real-world communities. As finance has become a more significant component of the U.S. economy, the state sees an increasing national interest in financial sector expansion. Legislative, regulatory, and institutional changes allowed finance to expand, including, most notably, growth of the relatively unregulated subprime mortgage market (Apgar, Bendimerad, & Essene, 2007; Fox Gotham, 2006; Howell, 2006; Chomsisengphet & Pennington-Cross, 2006; National Housing Services of Chicago [NHS], 2004; Newman & Wyly, 2004).

To understand these connections, I situate the current wave of foreclosures in the broader political economy. I explore the phenomenon of financialization within the transformation of the post-industrial economy and its relationship to place. I review the emerging literature on the role of the state in the expansion of the post-industrial economy with particular emphasis on changes in the prime and subprime mortgage markets. Until recently, foreclosures have been explained largely as the result of job loss during economic downturns, housing price decline, or personal events such as divorce or illness. As the volume of subprime originations grew, since the 1990s, some researchers and advocates have warned that foreclosures are the result of predatory lending. Poor and/or abusive lending practices, in their view, were playing an instrumental role in foreclosures. The events of 2007–2008 suggest that many lenders were engaging in risky lending practices and much of the attention has focused on loan origination practices in the two years prior. The events magnify the trends in predatory lending and racial/geographic targeting and the effects of these long-term practices on disadvantaged communities and populations.

MORTGAGES, THE NEW ECONOMY, AND THE CITY

Harvey (1982, 1989) linked the development of the built environment to the production of surplus capital in the primary circuit of production. Capital switching from the primary to the secondary circuit ensured continued opportunities for accumulation. Harvey and those who followed were teasing out the structure of the post-industrial economy and its relationship to place during a period of transformation when the shape of the post-industrial economy was just coming into view. Even at these early stages, it was clear that the structure of financial arrangements was beginning to play an increasingly central role in facilitating capital's movement globally from one sector or circuit to another, and into investment in the built environment. Harvey (1989) suggested the increasing integral relationship between the production of the new economy and the production of place:

> The effect, however, was to tie the production of urban infrastructures more tightly into the overall logic of capital flow, primarily through movements in the demand and supply of money capital as reflected in the interest rate. The "urban construction cycle" therefore became much more emphatic, as did the rhythmic movement of uneven urban development in geographic space.
>
> (1989, p. 36)

This increased centrality of credit, finance, and banking has been loosely

termed "financialization" (Krippner, 2005; French & Leyshon, 2004; Martin & Turner, 2000). While the term is used to describe different aspects of finance and the economy, here we are particularly interested in the role that Krippner (2005) explores, namely a shift from commodity production to finance production. Harvey (1999, 1989) anticipated that the state would play an increasingly important role as fictitious commodities, especially land and money, play larger roles in the economy but he saw finance as distinct from production. "Financial markets separate out from commodity and labor markets and acquire a certain autonomy vis-à-vis production. Urban centers can then become centers of coordination, decision-making, and control, usually within a hierarchically organized geographical structure" (Harvey, 1989, p. 22). Harvey's ideas about production, finance, and credit, and the built environment present a jumping off point to consider these relationships.

Reflecting the growing importance of financialization, the U.S. federal government (largely viewed as pursuing deregulation policies and a reduction in social policymaking since the Reagan revolution of the 1980s) has been intimately involved in creating policies to increase demand for mortgage products and constructing an institutional framework that enabled the mortgage-industrial complex, its institutions and actors, to flourish. In much the same way that Keynesianism guided state policy to address the underconsumption problems of the 1930s, in the post-Keynesian neoliberal age, the state has played an aggressive role in insuring the expansion of the new economy by increasing demand for mortgage products, facilitating investment by delinking property from place, creating and supporting the expansion of the secondary mortgage market, and changing tax laws to use housing to further commodity consumption (Apgar et al., 2007; Fox Gotham, 2006; Howell, 2006; Chomsisengphet & Pennington-Cross, 2006; NHS, 2004).

The expansion of mortgage production and homeownership was dependent in part on resolving two issues—fixity and liquidity. Fixity poses two interrelated problems. First, the market value of a property is dependent in part on its location. Second, the investment in real estate at a fixed location traditionally required some in-depth knowledge of the property and the place in which it was situated. A series of policy changes initiated in the 1980s helped to delink property from place by increasing the ease with which investors—even those located on the other side of the globe—could transcend the fixity of property investment (Fox Gotham, 2006; French & Leyshon, 2004).

Once de-linked from place, liquidity was necessary to turn properties into commodities. Until the 1980s, most mortgages in the US were originated by depository institutions, whose capacity to make loans was limited by their dependence on deposits and by the need to ensure timely repayment on the mortgages they originated (Stiglitz & Weiss, 1981). The emergence and rapid growth of the U.S. backed government sponsored enterprises (GSEs) in the 1980s changed the calculus for mortgage lending by creating a secondary mortgage market. The ability to package and sell loans to outside buyers meant that originators could increase loan origination volume (dependent on purchases in the secondary market), lower the cost of lending, and loosen underwriting standards. The government's backing of the secondary market provided the support necessary to attract secondary market investors (Follain & Zorn, 1990; Lea, 1990).

Since the 1980s, banks, financial investment firms, and government have enhanced the expansion of the secondary market by increasing liquidity through sophisticated investment tools that, until recently, were thought to all but eliminate investment risk. Collatoralized Mortgage Obligations (CMOs) "tranched" or divided loans into categories of risk allowing investors to invest based on their desired risk and investment return (Wyly, Atia, Foxcroft, Hammel, & Phillips-Watts, 2006; Kendall & Fishman, 2000). Changes to federal legislation in the 1980s, such as the 1984 Secondary Mortgage Market Enhancement Act, expanded

Wall Street's ability to use these new flexible multi-class securities. The 1989 Financial Institutions Reform, Recovery and Enforcement Act further encouraged secondary market expansion by mandating higher capital requirements for thrifts, pushing them to sell loans they originated into the secondary market (Fox Gotham, 2006; NHS, 2004; Follain & Zorn, 1990). Securitizing, tranching, credit enhancement, and loan terms such as prepayment penalties helped to facilitate investment by de-linking investment from place and commodify real estate (Fox Gotham, 2006). MacDonald (1996, p. 1183) views this as a fundamental transformation in the way in which financial services were provided: "The localism that had defined the delivery of financial services in the New Deal era was eroded as national capital markets became more important intermediaries of credit and investment (Coakley, 1994)."

As these processes expanded, investment in housing became ever more intricately woven into the U.S. economy. The Tax Reform Act of 1986 changed the rules on tax deductions creating an incentive for homeowners to use their homes as banks to fund college educations, purchase new cars, and finance home renovation, further installing housing and finance as a critical segment in the broader economy (Apgar et al., 2007; NHS, 2004; Howell, 2006; Chomsisengphet & Pennington-Cross, 2006).

Subprime Lending

These regulatory and legislative transformations increased the volume of home mortgage lending and expanded opportunities to many borrowers but even with these changes, borrowers with less than perfect credit had limited mortgage options until the 1990s. The expansion of the subprime market is usually explained as the result of increased liquidity and better risk management created through the secondary market, combined with a suite of technological innovations including automated underwriting and credit scoring, all of which enabled lenders to quickly and more finely estimate risk. Such developments, not incidentally, also fueled the growth of the prime mortgage market (Crews Cutts & Van Order, 2004). Subprime lending can be viewed as an evolutionary innovation that increased the avenues for capital accumulation in the land and housing markets. The later introduction of exotic or nontraditional mortgages and expanded use of Adjustable Rate Mortgages (ARMs) can be thought of in much the same way. Mortgages are products and for the financial industry to expand, it needed to originate more loans. Given finite demand for prime loans, the only way to increase production is to find new markets in subprime borrowers or people living in communities that have traditionally lacked access to prime credit institutions.

The state thus played a key role in the expansion of the secondary market and the evolution of subprime lending. By creating the secondary market and regulating securities to expand housing production, the federal government enabled the rise of non-bank mortgage companies that challenged the thrifts and became major actors in the subprime market. Securitization reduced the regulatory impact of the Community Reinvestment Act (CRA) since it gave an advantage to non-bank lending institutions by creating an alternative source of capital divorced from place (Follain & Zorn, 1990). Just as the federal government was gearing up for one of the most significant reductions in federal social welfare, heralding a New Federalism that increasingly devolved responsibility to local government, the 1980 federal Depository Institutions Deregulation and Monetary Control Act allowed lenders to exceed state interest rate caps, allowing what has become known as high cost subprime lending. Two years later, Congress passed the Alternative Mortgage Transaction Parity Act allowing negative amortization, adjustable interest rates, and balloon payments, making subprime loans look affordable, while allowing hidden, often predatory, terms (Chomsisengphet & Pennington-Cross, 2006; Mansfield, 2000).

The emergence of subprime and predatory lending shifted concern from access to capital to access to quality capital. Subprime

lenders have little incentive to turn away overqualified borrowers. Fannie Mae estimates that fully half of subprime borrowers qualify for prime credit, which means that borrowers are unnecessarily paying high fees and interest rates and damaging their credit (Stein & Libby, 2001; The Reinvestment Fund [TRF], 2005; Carr & Schuetz, 2001). More concern stems from the racial disparities in subprime borrowing, which suggest that the mortgage market is racially segmented with whites more likely to receive prime low cost loans and people of color, including people of color with good credit, likely to receive higher cost subprime loans (Apgar et al., 2007; Wyly et al., 2006; Howell, 2006; Chomsisengphet & Pennington-Cross, 2006; Wyly, Atia, & Hammel, 2004; NHS, 2004; Newman & Wyly, 2004; Lax, Manti, Raca, & Zorn, 2000; U.S. Departments of Treasury and HUD, 2000; Wyly & Holloway, 1999).

Engel and McCoy (2002) argue that residents of inner-city communities have become "disconnected from the credit market and hence are vulnerable to predatory lending hard sell tactics" (p. 1259). Predatory lenders use "information asymmetries" to exploit such market disconnection (Engel & McCoy, 2002). Throughout the lending process, lenders and mortgage brokers have more information than borrowers producing significant power differentials. Borrowers often lack a complete understanding of the borrowing process, and their legal rights and rarely obtain their own legal representation (Engel & McCoy, 2002; TRF, 2005). The Community Reinvestment Committee (CRC) (Stein & Libby, 2001) and TRF (2005) found that many predatory lending victims do not understand the lending process, do not shop for their loan, use subprime credit even when they qualify for prime credit, do not understand the terms of their loans, and do not read documents at closing. In the CRC study, 36% of respondents did not read their loan documents. The rationales for not reading are telling: "61.9% reported that the documents were too lengthy; 38.1% felt pressured; 23.8% reported that the documents were too complex; and 19% reported that they trusted their loan representative" (Stein & Libby, 2001, p. 27). The information asymmetries are so great that even the most savvy consumer has little chance of identifying the best priced loan.

Subprime and predatory lenders use sophisticated marketing techniques to reach people with little lending experience, education, mobility, or access to alternatives. In its survey of borrowers, CRC found that 80% of African American borrowers with incomes above $45,000, who thought they had good credit, did not approach a bank before approaching a subprime lender for a loan (Stein & Libby, 2001). Internet technology and mortgage brokers enable subprime lenders to eliminate branch offices. Lenders reach consumers through direct marketing and mortgage brokers who act as loan officers on the ground as well as home improvement contractors. As subprime lending boomed, the number of mortgage brokerage firms also increased, growing from 7,000 in 1987 to 44,000 in 2002, and brokers originated 45% of subprime originations in 2002 (Joint Center for Housing Studies, 2004). Broker originated lending is considerably different from direct institution lending and broker originated loans are more likely to have poor terms. "Borrowers with broker-originated loans were more likely to pay points (25 versus 15 percent) and more likely to have a loan with a prepayment penalty (26 versus 12 percent)" (Joint Center for Housing Studies, 2004, p. 33). Despite the potential for egregious abuses, brokers and home improvement contractors who link borrowers to financing are not closely regulated. Once identified as within a subprime market, residents can expect to receive incessant mailings and phone calls. For those who are most in need, with little time or the ability to shop, these offers can be appealing. In one study, 38% of respondents reported that the idea to take out a home loan came from marketing (Stein & Libby, 2001).

It would be reasonable to expect subprime credit to be closely regulated because of the risks to borrowers, lenders, and financial markets; instead, from the brokers on the ground to the investors in the secondary

market, it is not. Most prime lenders are regulated by one of the four federal regulatory agencies and are subject to periodic reviews and CRA requirements (Immergluck & Smith, 2005; Immergluck, 2004). But subprime capital flows through different conduits and a different regulatory structure. Less than 2% of subprime loans are sold to GSEs, producing what Apgar et al. (2007) refer to as "channel specialization." Channel specialization has distinct racial implications with white borrowers accessing credit that is more closely regulated than the credit accessible to black borrowers: "some 44.2 percent of all blacks (versus 30.1 percent of whites) obtain a loan from less heavily regulated independent mortgage companies" (Apgar et al., 2007, p. iv).

Even though some states have passed legislation to limit lending practices associated with predatory lending, such as repeated refinancing without benefit to the consumer and balloon loans, states face significant limitations regulating capital (Quercia, Stegman, & Davis, 2004). Federal preemption, capital's flexibility, and assignee liability, along with media campaigns and pressure from lenders, rating agencies, and investment groups that threaten to withdraw from lending activities, all limit state regulatory effectiveness. States that seek to regulate predatory lending face aggressive campaigns by lenders and lending institutions (Newman & Wyly, 2004). Regulatory safeguards have not kept pace with the financialization of the economy.

In summary, the state has been intimately engaged in facilitating financialization and its link to the urban built environment. U.S. housing policy, macroeconomic policy (especially related to artificially low interests rates), and legislative changes that spurred the expansion of the secondary market and encouraged borrowers to use their homes as banks, all helped drive demand for mortgage production, and stoked the expansion of the post-industrial widget. But the expansion of the subprime market occurred in a space relatively free of regulation, and its spatial concentration in certain places meant that the risk was borne by selected borrowers and communities. As Harvey (1982, 1989) presciently noted, the state plays an increasing role as fictitious commodities occupy an expanding role in the economy and that we might anticipate a more visible effect of advanced capitalism on place—the urbanization of capital.

CONCLUSION

Mortgage foreclosures can be understood as the plight of individual borrowers who are in financial difficulties well over their heads, as the product of unscrupulous lenders seeking to make a profit, or even as the result of disintermediation in which each lending function is performed by a specialist with brokers originating loans for which they bear no subsequent responsibility other than generation. Or we can expand the scale of explanation and view the foreclosure crisis as the result of a complex effort of finance capital and the state to promote the expansion of the new economy. The emergence of the secondary market and subprime lending heralded a new era of home mortgage financing. Once accessible only to the few, the advent of the secondary market and subprime lending transformed access to capital for consumers and capital. Mortgage lending became intricately woven into the economy through the process of financialization. In the new economy, mortgage loans are the modern day widget. The expansion of finance has been possible because of state intervention in creating and facilitating the expansion of the secondary market, increased liquidity, and the delinking of real estate from place. The effect on the urban has been just as, if not, more dramatic than the effect of the reemergence of the city as the command and control center of the new economy which has been seen as a driving force producing jobs and demand for housing. The effect on disadvantaged populations and urban places has been devastating and the full effects are, as yet, unknown. Homeownership has been heralded as the American dream, a tool to build intergenerational wealth, revitalize disinvested cities, and stabilize neighborhoods. In recent years, an increasing number

of borrowers, communities, and local governments have woken up to find that the dream was instead a nightmare. Vacant boarded buildings line urban neighborhoods, borrowers and renters seek alternative housing, and communities desperately seek strategies and funding to rescue people, homes, communities, and investments.

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CHAPTER 31

Community-based Organizations and Migration in New York City

Héctor R. Cordero-Guzmán and Victoria Quiroz-Becerra

In recent years there has been increasing interest on the part of social scientists in the study of immigrant groups, organizations, and service providers. In this chapter, I address two specific theoretical and empirical gaps in the literature on immigration and organizations. First, I discuss factors related to the development of immigrant organizations and present the main characteristics of immigrant groups, organizations, and service providers in New York City. Second, I examine the functions that these organizations have in four areas of the migration process: the development, management, and maintenance of networks; the provision of social services to immigrant children and families; the articulation of needs and the development and management of community resources; and the maintenance of ties and connections to the countries and communities of origin.

THE LITERATURE ON IMMIGRANT GROUPS AND ORGANIZATIONS

New York has always been an important center for migration (Cordero-Guzmán, Smith, & Grosfoguel, 2001). The volume of recent migration and the diversity of national origins have resulted in the formation of many new organizations and have presented challenges and opportunities to established immigrant organizations and service providers.

Some researchers have emphasized the importance of immigrant networks to the adaptation and incorporation of immigrants and to the development and maintenance of immigrant communities. Massey and his collaborators (1987, p. 145) recognize the role of voluntary associations when they write:

> Thus far we have considered various social relationships that make up immigrant networks, but no less important are certain institutional mechanisms that facilitate the formation and maintenance of social ties. A variety of voluntary associations established by immigrants in the United States promote regular interpersonal contact, greatly facilitating the process of adaptation and mutual assistance.

Other researchers have focused directly on the role of community-based organizations (or CBOs) in various aspects of the immigration process and some key themes begin to emerge. Lissak (1989) analyzes the history of social services to immigrants, the early development of settlement houses, and the involvement of the Chicago School in that process. Jenkins (1981, 1988) addresses the role of ethnicity in social service provision and how social work practice had to adapt to changing and diverse populations. Basch (1987) looks at voluntary associations among the Vicentians and Grenadians and finds that these groups provided direct assistance to immigrants. Kasinitz (1992, pp. 111–123) discusses the role of community organizations in political representation and incorporation among Caribbean and West Indian populations. In an important paper, Hagan and González Baker (1993) document the influence of CBOs in shaping policy during the implementation of the Immigration Reform and Control Act

(IRCA) after it was signed into law in 1986. They argue that CBOs performed a central role in the legalization process and in the actual shaping and implementation of the policy at the local level:

> The community group role evolved from the INS [US Immigration and Naturalization Service] vision of paperwork assistant into an activist role on behalf of applicants. Indeed, the local INS itself changed in the wake of community group influence, becoming more receptive to community concerns and more accountable to community interests.
>
> (p. 521)

Their research documents how the "task force" created by the local CBOs produced publicity materials, appeared in the media, contacted officials, and ultimately sued and won in order to clarify and establish regulations affecting immigrants applying for legalization.

While several researchers have examined the role of CBOs in various aspects of the migration process, we do not have a more complete picture of who these groups are, what kinds of programs and services they provide, where they are located, whom they serve, and what kinds of resources they have. This chapter seeks to add to our knowledge by placing immigrant organizations and service providers, as a group, at the center of immigration, organizations, community development, and nonprofit research.

TYPES OF IMMIGRANT ORGANIZATIONS

An immigrant organization is an organization formed by individuals who are members of a particular ethnic or national origin group, for the purpose of providing social services primarily to immigrants from the same ethnic or national group. Immigrant organizations differ from other social-service providers in that they explicitly incorporate cultural components, and a consciousness of ethnic or national-origin identity, into their mission, practices, services, and programs. Some organizations, originally formed to provide services to particular groups, or to the general population, have evolved over time and tried to adapt to the needs of the new national-origin groups that have come into the region. As new immigrant communities are established and grow, their families and children receive services from existing social-service agencies, which may or may not be run by members of their own ethnic or national-origin groups. But, over time, immigrant communities face both internal community pressures and external pressures for representation that lead them to begin to form "their own" organizations.

There are three broad types of groups that form the immigrant social service delivery system.

- First, there are immigrant groups, associations, and clubs. These groups are usually concerned with promoting social and economic ties, connections and activities between immigrants from particular countries or regions. They also have close economic, social, and political contact to their areas of origin, are mostly organized around community events, and have a relatively small social-service base. These types of groups include the Hometown Associations (HTA) that proliferate in many immigrant communities and are often small, have a tight leadership, and are mostly focused on home community issues (Orozco, 2000). These groups, however, form the basis from which more formalized organizations emerge.
- Second, there are immigrant organizations. These groups have been formally incorporated as nonprofit organizations. They have a service portfolio, a direct social-service base with clients, paid professionalized staff, offices open to the public with regular service hours, and some sources of donations and funding. These organizations are usually involved in a broad range of social services to immigrants from a particular country (or region) and are central to the social-service delivery system for particular ethnic groups and in many ethnic or immigrant neighborhoods.

- Third, there are the service providers with a large metropolitan-level social-service base. These organizations provide social services to clients from a variety of countries and also provide services to non-immigrant clients (often from racial and ethnic minority groups). These organizations are older, larger, often with multicultural staff, and many have offices or projects in several neighborhoods.

THE FORMATION OF IMMIGRANT ORGANIZATIONS

Why, when, and how are immigrant organizations formed? Several factors are related to the formation of immigrant organizations. *First*, organizations are usually formed in immigrant communities that are relatively large and growing. *Second*, as the immigrant population settles and their various needs develop, the groups begin to articulate a distinct sense of their social-service needs. This usually has two components: first the group develops a sense of what services it particularly needs (needs assessment); and second it develops a sense of what it needs differently or the types of services that must be provided in a way that is consistent and sensitive to the cultural and social practices of the group. If a group does not have an unmet demand for services or the service can be readily obtained from other existing providers the incentives to start new organizations are clearly lowered.

A *third* element related to the formation of immigrant organizations is the existence of a social-service professional and human-resource base from the immigrant community that works to start, guide, direct, manage, and administer the new organizations. In several instances the founders of organizations worked in the senior staff of metropolitan-level service providers or in service organizations from related groups; eventually these persons left the entities to start organizations that they see as more directly positioned to serve and strengthen "their communities." Human resources are key to organizational survival and development and many of the staff who work in immigrant organizations are educated in some of the leading policy and management schools in the city and have developed experiences in both their communities and in more mainstream institutions and organizations.

A *fourth* element is connections to the metropolitan social service delivery system. In New York, the state funds community-based social services largely through a network of nonprofit providers. This means that someone from the community has to have the capacity to understand the grants and contracts application process and all of the intricacies of program development, design, management, reporting, and evaluation. Some human resource capacity and connections to the metropolitan social-service delivery system are key assets that need to be present within the immigrant community in order for its associations to develop into more sustainable organizations.

The *fifth* element is organizational resources and capacity. Members of immigrant communities who come with experience in the formation and management of organizations, sometimes acquired in the country of origin, are more likely to form and sustain organizations. In the case of social service providers, particularly from low-income immigrant communities where "internal" resources may be more difficult to obtain, factors related to connections and networks with external resources are essential in securing the flow of funds that are needed to manage and maintain a nonprofit organization.

While there are other reasons why organizations are started, we found these five factors to be present in most of the stories we heard related to the context and reasons why national origin groups form their organizations.

THE CHARACTERISTICS OF IMMIGRANT GROUPS, ORGANIZATIONS, AND SERVICE PROVIDERS

In order to get a better sense of the main characteristics of the sector, we asked organizations about some of their main

Table 31.1 Main characteristics of immigrant groups and organizations in New York City

	Year organization started (n=82)	Annual budget $US (n=74)	FT staff (n=81)	PT staff (n=60)	Percent bilingual staff (n=83)	Number of clients (n=80)	Percent immigrant clients (n=79)	Percent undocumented (n=33)
Mean	1970	7.5m	113	54	70	13,582	64	29
Median	1976	1.0m	17	2	80	3,500	65	20
Minimum	1893	$7,300	0	0	0	75	10	0
Maximum	1995	120m	2,000	1,000	100	250,000	100	95

Source: New York City Survey of Immigrant Groups and Organizations (2000).

attributes. In this section we present some of the main characteristics of immigrant organizations and service providers in New York City.[1]

Year Started and Location

Since the 1950s there have been two historical markers of American immigration that have also been periods where a large number of immigrant organizations have been formed. The first period is during the late 1960s and early 1970s, following the civil rights movement and changes in the racial, ethnic, or national composition of immigration flows to the United States with increasing numbers coming from Asian, Latin American, and Caribbean countries. A second period of organizational growth occurred during the late 1980s following the IRCA of 1986 which saw an acceleration of mass immigration to New York.

In terms of location, 45% of the organizations were located in Manhattan, 24% in Brooklyn, 20% in Queens, 6% in the Bronx, and 5% in Staten Island. Manhattan is therefore overrepresented if we compare the location of the organizations to the location of immigrants in New York City (since Manhattan only houses about 18% of immigrants). This is likely due to its central location for metropolitan level organizations, accessibility for clients from the five boroughs and the availability of office space.

Staff Size and Characteristics

In terms of full-time (FT) staff, the average number of employees is 113 and the median is 17. Around one-quarter of the organizations have fewer than five FT employees and another 25% have between six and 16; the largest 25% of the agencies have more than 50 employees.

The information on the percentage of the staff who are bilingual indicates that these organizations are a significant linguistic resource and asset. In more than 80% of the organizations over 40% of the staff are bilingual. In 37% of the agencies all the staff are bilingual. In terms of the languages spoken by staff, 70% of the agencies reported that some of their staff spoke Spanish. The other most common languages were, in order, Korean, Chinese, Haitian Creole, and Russian. Clearly, one of the central defining features of immigrant organizations is the presence of a significant proportion of staff who can speak several languages.

Budgets

The average annual budget for the organizations was $7.5 million while the median was $1 million. Measures of central tendency provide some information but the dispersion in the data is quite interesting. The bottom 10% of the agencies had a budget of less than $80,000. Another 39% had budgets between $120,000 and $800,000. The bottom quartile of the distribution is below $250,000. At the top of the distribution, 25% of the organizations had budgets higher than $4 million. The top five agencies have budgets of $25, $28, $35, $72, and $120 million.

Sources of Funding

The most common sources of funding for immigrant organizations are: government contracts and subcontracts (56%), community fundraisers and individual donations (18%), foundation grants (15%), corporate contributions (5%), funds from the church, and, in rare instances, fees for services.

Looking more closely at the sources of funding, it is clear that a significant amount of agency budgets come from government. More than half of the agencies received over 65% of their budgets from government sources. Grassroots funding is the second most important source of funding for these groups. At the lower end of the distribution, 30% of the groups do not generate any grassroots funding and another 40% of groups receive between 1 and 20% of their budget from grassroots fundraising. For the top 25% of the agencies, 10% receive between 25 and 40% of their funding from grassroots, and the other top 15% of organizations receive more than 50% of their income from grassroots activities (with one organization reporting that all income came from grassroots funding).

Another source is organized philanthropies or foundations, but half of the agencies received less than 8% of their budgets from foundations. Only 10% of the organizations had more than 35% of their budget coming from foundations. Similarly, immigrant organizations receive a small share of their budgets from corporations. Around a half of the groups do not receive any contributions from corporations and another third received less than 17% of their budget from corporations. Two organizations received 20% of their budget from corporations, three received 25% and one received 45%.

Number and Type of Clients

The organizations served an average of 13,582 clients annually, and the median was 3,500. The smallest agency served 75 clients while the largest (by far) indicated that they served 250,000 persons.

The organizations' clients were, on average, 64% immigrant (or foreign born), and the median was 65%. The bottom quartile had less than 30% immigrant clients. One in seven of the agencies indicated that 100% of their clients were immigrants. The organizations also stated that, on average, 29% of their clients were undocumented (the median was 20%).[2]

THE FUNCTIONS OF IMMIGRANT GROUPS, ORGANIZATIONS, AND SERVICE PROVIDERS

Figure 31.1 sets out the various roles and functions of immigrant organizations and suggests that they are centrally involved in all four key parts of the migration process. Let us take each in turn.

Assistance with the Immigration Process

The first role that immigrant CBOs play is to assist families in the immigration process by providing advice and legal help for individuals who want to change their immigration status or sponsor relatives to come to the United States. These services include (in parentheses are the percentage of organizations indicating they provide that particular service): (a) citizenship services (76.5%) which involve providing the citizenship classes and support services necessary for the naturalization exam; (b) legal services (59%) involves the preparation of all of the legal paperwork involved in the immigration and naturalization process, together with legal advice and counsel, certified fingerprinting, adjustment of status petitions, alien relative petitions, visa extensions and advanced parole, work authorization, affidavits of support, diversity lottery visas, replacement of green cards, etc.; and (c) interpretation and translation services (72%) which involves translation and interpretation of documents and other materials between English and other languages. These services are central to the migration process but many organizations also provide shelter and other forms of initial support, access to community networks, and information that are essential to newly arrived immigrants.

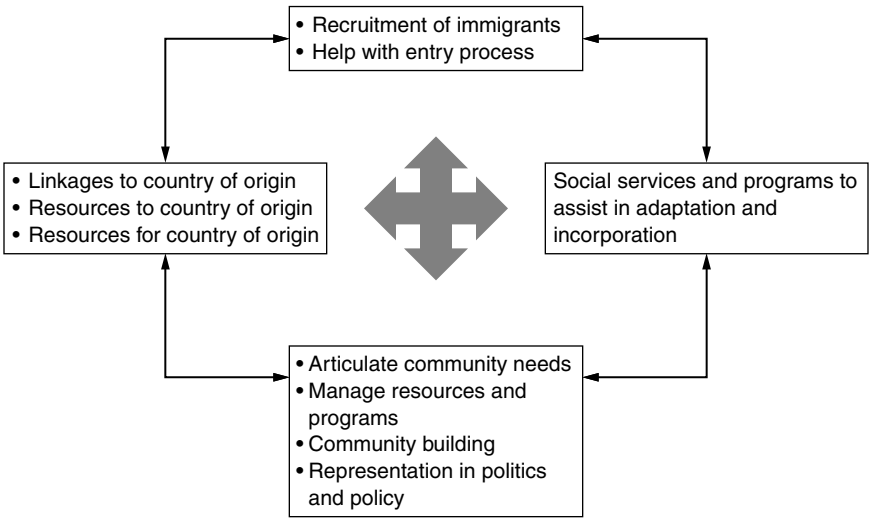

Figure 31.1 The role of immigrant community-based organizations in the migration process

Adaptation and Incorporation of Immigrants

The second role of immigrant organizations is to provide services related to the adaptation and incorporation of immigrants into the new society. Unlike immigration services, most of these services can be dispensed both to immigrant and non-immigrant populations, but there are specific needs and challenges associated with providing services to the former. These include such matters as language, differences in knowledge about social services, cultural sensitivity, awareness of the most appropriate method to deliver services, and recognition of groups' particular needs (Jenkins, 1988; Padilla, 1997).

General social services (80%) involve a wide array of economic, social, and health services designed to improve the socioeconomic status of the population. Specific social services include 12 tasks. Benefits counseling (79%), business counseling (28%), educational services (89%), employment and training (or workforce development) services (66%), family counseling and case management services (63%), food or nutrition services (53%), general health services (54%), general legal services (34%), housing services (60%), mental health services (54%), substance abuse treatment (36%), and transportation assistance (46%).

Another set of services provided by community-based organizations involves programs for individuals undergoing special circumstances. These include crime victims (40%), the disabled (50%), domestic violence victims (59%), HIV/AIDS (53%).

A third group of services provided by immigrant organizations involves programs for particular subgroups of the population. Included in this category are children's services (63%), day-care services (35%), gay and lesbian issues (36%), senior-citizen services (62.5%), women's services (58%), and youth services (78%).

While most of these services treat discrete needs, many are designed to help immigrants maneuver through existing bureaucracies and programs. In that sense they help immigrants incorporate into the New York social-service infrastructure, and into the city's social fabric more generally. This should not be seen as a unidirectional process of "Americanization" but rather as a complex process of adapting to a new environment while simultaneously retaining elements of practice and action that emanate from the rules, practices, and cultures of the countries of origin. Organizations help immigrants adapt while at the same time, often very deliberately, they help to maintain specific cultures and traditions. The importance of Americanization for immigrant socioeconomic incorporation has always been contested and immigrant aid societies have had to balance awareness and

respect of the particular cultural practices of their groups with the need for immigrants to adapt to their new, often more complex, social environment.

The tension between integration and the maintenance of customs and ties is present in most groups and has existed throughout the history of immigrant organizations. Archdeacon (1983, p. 184), for example, argues that

> for the social activists who moved into immigrant neighborhoods and established settlement houses, the term [Americanization] meant giving the newcomers the wherewithal to survive in a modern industrial society. They tried to teach those who came to their settlement houses English, American social customs, and, when necessary, the rudiments of household management, health care, and sanitation. The best of those reformers, including the renowned Jane Addams of Chicago, performed their work without purposefully assaulting the immigrants' native cultures.

One of the main challenges for immigrant CBOs, then, is to manage both the processes of adaptation and incorporation while at the same time recognizing and maintaining particular cultural practices.

Representation for the Immigrant Community

Another key function of immigrant organizations can be described as providing representation to the immigrant community. This process has several components that include:

- articulating the needs of the community to metropolitan-level policy makers;
- serving as an advocate and network for their ethnic groups;
- activities that can be categorized as "community building";
- providing representation in politics; and
- representing the community in policy-making, management, and implementation.

Many CBOs are actively engaged in organizing immigrants in their communities as a way to influence service delivery and inform members of the group about service needs in their communities. Community relations, organizing, and advocacy (88%) involves advocating on behalf of the community and its members, or their ethnic/national-origin group, organizing residents and group members around issues of relevance and importance to the community, and advocating to elected officials, government bureaucrats, and others on particular challenges and needs of the community.

Organizations also provide a form of what can be called "social capital" or "community building" in terms of a set of resources, knowledge, services, and information and are central to the reconstitution, formation, and management of immigrant social, political, and economic networks. CBOs are often engaged in activities which are not individual or family centered but involve the development of networks between residents and other organizations in the community with the purpose of building the physical, cultural, and human resources of the community. For instance, cultural heritage programs (70%), community economic development (72%), conflict resolution (52%), and labor rights and laws (33%).

Immigrant organizations also represent the needs and concerns of their particular group(s) in media discussions on immigration, ethnicity, and social-service provision to immigrant populations. According to Hagan and González-Baker (1993), public education and information, and the policy-making associated with that, are central roles in many organizations as they seek to inform policy debates on matters related to the socioeconomic adaptation and incorporation of the group at the local and national level.

Lastly, immigrant CBOs are engaged in a complex relationship with elected officials. Such relationships range from one of complete dependence, to an attitude of cooperation and common benefit, and even to mutual disdain, contempt, and neglect. However, as documented by Marwell (2003), immigrant CBOs are actively engaged in building "political" constituencies and, in many instances, senior staff

among the organizations in our study both actively ran and in some cases won elected office.

The "representation" aspect of immigrant CBOs raises some questions and poses several challenges to the field. First is the question of what Salamon (2002) calls "the legitimacy challenge," or determining exactly what the relationship is and should be between the organizations and the grassroots community. Second, immigrant CBOs, like all nonprofits, face human resource, management, and other resource challenges that impact on the quality of their programs. Third, organizations face pressure to accommodate to Requests for Proposals (RFP) that may or may not fit an assessment of their specific community needs and priorities. The pressure to respond to funding imperatives versus community needs certainly affects the functioning, credibility, and legitimacy of organizations. A fourth challenge, related to the complexity of managing the relationship between CBOs and elected officials (or party machines), is the potential for patronage politics and, in the worst cases, corruption. Fifth, immigrant organizations, particularly those that receive government funding, are in a contradictory relationship vis-à-vis the state in that they may advocate for particular programs and positions but at the same time as they receive significant state resources for their programs they are the de facto state representatives and agencies in their communities (Cordero-Guzmán & Navarro, 2000). From the perspective of clients, they are receiving state-entitled services through the CBO, and therefore sometimes the line between "the CBO" and "the state" is blurred in practice.

Linking Immigrant Communities to their Countries of Origin

The fourth role of immigrant organizations is to serve as a liaison between ethnic/national communities and their countries of origin. Managing this relationship has three main components. First, facilitating and encouraging the flow of economic resources, remittances, and other investments to the country of origin. Many organizations have particular linkages to the main sending regions in the countries of origin and often sponsor not only movement of resources but delegations and visits to and from the countries of origin. Some networks reaching to the country of origin are central in providing linkages between elected officials, government bureaucrats, and political parties in the sending and receiving areas.

Second, organizations are involved in facilitating and managing the flow of news and information and in the preparation of cultural, religious, or patriotic activities of importance to the country of origin. And third, many organizations are engaged in activities designed to increase the level of information, public awareness, and political advocacy in the United States and attempt in many ways to influence U.S. policy toward the country of origin. There are some challenges involved in managing the relationship to the country of origin mainly that while the immigrant community seeks to have active involvement and role in politics and policy in the country of origin this often meets resistance from political party leaders in the countries of origin who would rather limit the involvement of these organizations (and communities) to raising funds and resources, and to advocating in the United States on behalf of home country government policies and interest (Graham, 2001).

CONCLUSION: CBOs AND MIGRATION PROCESSES

Immigrant groups, organizations, and service providers fulfill several important social functions, fill key service gaps in their communities, and are involved in all stages of the immigration and adaptation process. They are involved in the recruitment of immigrants, as people find out about possibilities of bringing relatives; they help others obtain visas; and they are involved in the actual entry and settlement process. Through their various services, CBOs play a central role in the orientation of immigrants, their reconstruction of social ties, and their adaptation and incorporation process.

Immigrant organizations also play a central role in all aspects of community formation and development, including building community pride and identity, representation in politics (through personnel, connections, and various kinds of support), in policy discussion, formulation and implementation, in managing the relationship with elected officials, and in managing the flow of metropolitan (federal, state, and city) and private or donation resources to the local communities through various grants, loans, and other forms of funding for programs and activities. Lastly, these groups are part of the linkages to and from the country of origin. They provide resources and information, including materials, human resources, and funds for projects and activities, and are a resource to the countries of origin in the United States. All of these activities open up contacts, opportunities, information, exchanges, networks, development possibilities, and, ultimately perhaps, more migration.

The more than 300 community-based organizations that make up the backbone of the immigrant service delivery system in New York City, and that are replicated in cities and towns throughout the United States and other migrant destinations, are a vital part of the fabric of their communities and of a diverse civil society. Immigrant organizations are at the center of programs that assist in the social, economic, and political incorporation of immigrants and in efforts to maintain contacts, investments, and linkages with the countries and regions of origin. Understanding the role and functions of immigrant associations, their connections to metropolitan and national policymakers, and their linkages to their communities is central to theoretical debates, research, and understanding practice in the fields of organizations, community development, race and ethnicity, and migration studies.

NOTES

1. The data that follow come from information provided by immigrant organizations in New York City between September 1999 and August 2000.
2. Many organizations did not answer this question, which is understandable in the light of changes in the laws which allow organizations to service undocumented clients in some government-funded programs (child health) but not others (food stamps). Some church groups refuse to receive government funds in order to free themselves from any restrictions on providing services to the undocumented. Many other agencies feel that restrictions on serving the undocumented run counter to their mission of serving everyone in need regardless of immigration status and they try, often with great difficulty, to find private funds to service that population.

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CHAPTER 32

Migrant Hometown Associations and Opportunities for Development

A Global Perspective

Manuel Orozco and Rebecca Rouse

INTER-AMERICAN DIALOGUE

For many migrants, their first priority is staying connected to families and friends left behind. They do so by calling relatives, visiting home, and sending remittances. Emotional connections with the homeland are not limited to family ties, and migrants may also maintain their cultural identities by patronizing migrant businesses or purchasing nostalgic products from their countries of origin, such as tortillas, rum, or spices.

Another type of engagement—hometown associations, also known as HTAs—are organizations that allow immigrants from the same city or region to maintain ties with and materially support their places of origin.

At the same time, HTAs create a new sense of community among recent immigrants with similar backgrounds. They also represent a transnational identity rooted as much in the migrant's country of origin as in the migrant's adopted home.

HTAs are active throughout major migrant destinations, such as the United States, Europe, and parts of East Asia. The total number of HTAs is unknown as these associations change in number every year. Mexican HTAs number somewhere around 3,000, and Filipino groups may amount to 1,000, whereas there are about 500 Ghanaian organizations.

WHAT HTAs DO

HTAs are usually led by a board of directors or elected officers. For the most part, these groups are completely voluntary and do not have official nonprofit status, such as 501(c)3 status in the United States. Those associations that achieve a higher level of institutional maturity are more likely to adopt formal nonprofit status and seek funding from organizations and governments.

Due to the voluntary nature of groups and the working-class profiles of their members, the amount of time devoted to HTA activities is often limited.

For any HTA, the primary activity is fundraising for ongoing programming or special needs, such as a natural disaster in the home country. Most HTA projects are focused on the promotion of health or educational activities.

Groups working in Latin America, Southeast Asia, and Africa donate school or medical supplies to local institutions, or provide basic infrastructure through the construction of clinics, classrooms, parks, and homes. HTAs will also donate money for special occasions or circumstances, such as a religious celebration or to repaint or repair a local church.

Oftentimes, HTAs liaise with local organizations in the home community in order to implement their projects. For example, in Guyana, the most common local partners are local nonprofits and churches (see Table 32.1). In Mexico, 80% of HTAs report approaching municipal leaders to discuss their projects, coordinate efforts, and distribute resources.

HTA fundraising activities can include cookouts, cultural events and concerts, raffles, and sports tournaments. Groups are often able to secure corporate sponsorship

Table 32.1 Local partners for HTA project implementation in Guyana

	Percent
Local associations	26
Churches	24
Notable people	13
Mayor's office/township	8
International organizations	3
Local businesses	1
Other	25

Source: Orozco (2004).

for their activities, including sponsorship by immigrant businesses. Although levels of success vary, these HTAs operate with limited resources and usually raise less than US$20,000 a year.

In some cases, fundraising is not limited solely to the immigrant community. The group Comite Ixchiguan in Delaware reached out to local media in the aftermath of Hurricane Stan in 2005 to collect donations for affected families in Guatemala.

Yet activities such as concerts and beauty pageants are more than fundraisers: they also promote culture and solidarity in the receiving communities.

Many HTAs have also started to develop projects and services aimed at immigrants, such as assisting with voter registration, providing legal and social services, or teaching a native language or culture to the children of immigrants.

The Fante Benevolent Society of Chicago, a Ghanaian HTA in the United States, has made its mission promoting Ghanaian traditions and values in the diaspora by helping with the "neighboring and outdooring ceremonies" when a child is born. Meanwhile, in the Netherlands, Ghanaian HTA activities often focus on burial traditions.

HTA MEMBERS: WHO ARE THEY?

The percentage of remittance-sending migrants who belong to HTAs varies from one origin group to another. For example, on average, only about 9% of remittance senders in the United States of Latin American origin belong to an HTA. Surveys have shown that 29% of remittance senders from Guyana who live in the United States belong to an HTA, while 16% of Jamaicans are HTA members (see Table 32.2).

Among African migrants, 16% of Nigerians in the United States participate in an HTA, compared to 15% of Ghanaians. However, in the case of Ghanaians, this figure is relatively higher among migrants living in Europe (see Table 32.3).

Varying levels of membership are also seen in Southeast Asia, suggesting that migrant communities may be more organized in certain places than in others. While more than a quarter of Malaysians living in Japan contribute to an HTA, only 4% of their counterparts in Singapore do (see Table 32.4).

Table 32.2 Remittance senders in Latin America who belong to an HTA

Country	Percent
Guyana	29
Jamaica	16
Ecuador	10
Haiti	10
Honduras	7
Colombia	6
Nicaragua	4
El Salvador	4
Mexico	4
Dominican Republic	3
Guatemala	3
Bolivia	1
Average	9

Source: Manuel Orozco. Surveys carried out by the author.

Table 32.3 Percent of West African remitters who contribute to an HTA

Country of residence	Country of origin	
	Ghana	Nigeria
United States	15	16
United Kingdom	28	–
Germany	37	0

Source: Orozco (2005a).

Table 32.4 Percent of Southeast Asian remitters who contribute to an HTA

Country of residence	Country of origin		
	Indonesia	Malaysia	Philippines
Japan	43	26	30
Hong Kong	75	–	63
Singapore	9	4	31
Malaysia	88	–	46

Source: Orozco and Fedewa (2005).

It is difficult to pinpoint the factors that may lead certain people to participate in an HTA, but these may include political culture, family links, material circumstances, cultural identity, and levels of integration.

Overall, it seems that more recent arrivals tend to become the core members of HTAs while HTA leaders tend to be more established immigrants. Central American remittance senders who live in the United States and belong to HTAs tend to be over age 40, have US citizenship, and visit their home country once a year or more (see Table 32.5).

The example of the Filipino diaspora further highlights the way in which migrants' personal and cultural circumstances may impact their tendency to donate to an HTA. Filipino migrants can be found throughout the world and on nearly every continent.

According to the Ateneo Center for Social Policy in Manila, over 90% of philanthropic donations from the Filipino diaspora come from developed countries in North America, Australia and New Zealand, and Europe. In these countries, Filipino populations are largely professionals, are more likely to have some sort of legal status, and earn higher incomes.

Filipinos working in places like Japan, Hong Kong, and Singapore tend to be contract-based workers, including lower-paid service workers, and while these migrants do contribute to HTAs, they tend to do so in smaller amounts (see Table 32.6). However, their participation in HTAs is equally active, reflecting a cultural tradition among Filipinos to remain dedicated to their communities of origin.

It is important to note that the reach of HTAs in a given immigrant community extends beyond formal membership, as non-members often attend fundraising events and make donations. For example, Guyanese HTAs in the United States are usually made up of fewer than 20 members, but they usually receive contributions from more than 100 people, meaning that some 40,000 (or 20%) of all Guyanese immigrants in the United States have donated to a Guyanese HTA.

Table 32.5 Features of Central American remittance senders in the United States and HTA membership

Type of activity	Belongs to HTA	
	Yes	No
Is over 40 years old	60	44
Visit country once a year or more	56	30
Helps family in home country with other obligations	55	20
Has been in the United States more than 10 years	44	29
Remittance sender is a US citizen	38	22
Sends over US$350	31	18
His or her income is	$32,733	$20,659

Source: Orozco (2006).

Table 32.6 Features of Filipino remittance senders and HTA membership

	Belongs to an HTA					
	Japan		Hong Kong		Singapore	
	Yes	No	Yes	No	Yes	No
Is over 30 years old	70	50	72	63	67	64
Maintains family business in the Philippines	24	16	12	7	23	11
Has been abroad more than five years	49	44	75	64	56	47
Sends over US$200	77	85	30	21	56	45
His or her income is	$18,763	$19,486	$5,163	$5,264	$11,641	$7,333

Source: Manuel Orozco, Survey of Southeast Asian remitters commissioned by author, 2005.

HTAs AS DEVELOPMENT PLAYERS

The United Nations Development Program defines development as a condition that creates "an enabling environment for people to enjoy long, healthy, and creative lives." A development player aims to find solutions to human needs and to offer alternative ways to promote self-sustainability.

The work of HTAs generally targets the most vulnerable populations, sometimes overlapping with development but not always. Indeed, HTAs have largely attracted attention in the development community for projects in the home country that are ongoing or support income generation (microenterprises, agricultural activities, etc.) rather than one-off projects such as the rebuilding of a church.

For example, the Sankofa Foundation, a Ghanaian diaspora organization in the Netherlands, is currently undertaking a long-term, income-generation project in rural communities in Ghana. The Sankofa Family Poultry Project mobilizes investments from Ghanaian migrants in the Netherlands to provide start-up materials and technical training so that women in Ghana can raise poultry and operate their own businesses, with the goal of becoming economically independent.

These types of projects are significant because of the potential they have to promote equity, an important component of development philosophy. They may often impact more people than remittances alone, and provide aid in communities where the capacity of the local government has fallen short.

The case of Mexico is striking in this respect. In Mexican hometowns with fewer than 3,000 people, HTA donations are equal to more than 50% of the money in municipal public works budgets. In towns with populations under 1,000 people, HTA donations can amount to up to seven times the public works budget, according to the findings of political scientist Manuel Orozco.

It is essential to keep in mind, however, that while these donations are channeled primarily to the poor, these resources alone do not constitute a solution to the structural constraints of the poor. Also, HTA money often fails to create financial security for households or sustainable development in a community.

While HTAs are undoubtedly improving the quality of life in the communities they serve, their influence is further limited by both funding and organizational restraints.

Group leaders, for the most part, are not necessarily trained or experienced in the organization, implementation, or evaluation of development projects. Many HTAs do not work effectively with local community stakeholders and therefore do not understand their development priorities; they also cannot ensure that the community will properly care for new facilities or donations.

Orozco has identified a series of criteria to evaluate the effectiveness of a migrant HTA as a development player (see Table 32.7).

Table 32.7 Development potential of an HTA

Ownership	Correspondence	Sustainability	Replicability
Community members participate in decision-making; community members participate in implementation; and community members have control of project after completion.	Project meets basic needs; needs met are a development priority; and implementation occurs in association or coordination with other institutions.	Project enables development goals; does not constitute a burden or entail added costs; and has a long life cycle.	Resources for the project are available in other communities; and institutional environment facilitating implementation is available in other communities.

Source: Orozco (2005b).

In his 2005 evaluation of Mexican HTAs operating in Jerez, Zacatecas, Orozco finds that the development impact of these associations is more effective when they are more organizationally mature. In other words, the development potential of HTAs grows over time. In addition, HTAs are more effective as development players when they conduct their work in partnership with other organizations, foundations, or governments.

OPPORTUNITIES FOR DONORS AND GOVERNMENTS

International organizations, foundations, governments, and the private sector have the potential to link their development priorities to the work of HTAs, helping them define their goals and better implement their strategies. Contributions can be both in material and manpower. Also, it is important for states and other donors to work with HTAs and other migrant organizations to develop a joint agenda that will address issues of common concern.

Both nongovernmental (NGOs) and international organizations have already formed innovative partnerships with HTAs in order to promote development. Oxfam Novib, the Dutch arm of international NGO Oxfam International, works with the African diaspora in the Netherlands to fund HTA economic development projects in places like Somalia, Ghana, and Burundi.

The International Fund for Agricultural Development (IFAD) of the United Nations has also spearheaded work with HTAs, teaming up with the Multilateral Investment Fund of the Inter-American Development Bank to fund the work of HTAs in Mexico, Honduras, and Haiti. A second round of funding for HTA development projects will be completed through IFAD in 2007, with a focus on HTAs based in Europe.

Governments have also become involved in the development work of HTAs, and perhaps two of the most successful government–HTA collaborations have taken place in Mexico and in El Salvador. In 1993, the state government of Zacatecas, Mexico, introduced the program *Dos por Uno* (Two for One), in which both the federal and state governments match one dollar for each dollar that HTAs contribute to development projects in Zacatecas.

By 1999, the program had expanded to include local governments and became *Tres por Uno* (Three for One), encompassing not just the state of Zacatecas but also other Mexican states such as Guanajuato, Jalisco, and Michoacan. In 2005, Mexican HTAs raised about $20 million for development projects throughout Mexico, which was matched by $60 million in Mexican federal, state, and local government contributions.

In El Salvador, the national development agency FISDL developed a similar program to match the funds of Salvadoran HTAs, called *Unidos por la Solidaridad* (Unity for Solidarity).

Through this program, HTAs submit proposals to FISDL, which then evaluates their feasibility and responsiveness to community needs. In order to participate, HTAs must match at least 10% of the total cost of the project. Between 1999 and 2003, 45

projects with HTAs were executed in 27 Salvadoran municipalities, representing a total investment of $11.3 million—$7 million from FISDL, $2.3 million from municipalities, and $2.1 million from HTAs.

Finally, the private sector also has the potential to play an important role in the work of HTAs. In 2003, the Salvadoran bank Banco Agrícola launched an innovative program that matches remittance transfers made through the bank with a donation to a fund for community projects led by migrant associations.

Through this program, entitled *Manos Unidas por El Salvador* (United Hands for El Salvador), Salvadoran HTAs were able to bid on grants for development projects. In 2006, donations made by Banco Agrícola to HTA projects in El Salvador totaled more than $200,000 according to the Pan-American Development Foundation.

Remittance industry giant Western Union has also followed suit in Mexico, unveiling its four-for-one program in 2005. This program, modeled after the Mexican government's *Tres por Uno* initiative, adds an additional tier of matching funds to donations made by Mexican HTAs, up to a cap of $1.25 million.

While these partnerships are promising, there is potential for more and deeper collaboration between HTAs and both public and private donors.

Both HTAs and donors need to find a space for interaction and communication to overcome the fact that HTAs are predominantly volunteer organizations. Governments need to develop confidence-building tools and initiatives that make migrants recognize that their home-country governments are serious and committed to working with them.

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CHAPTER 33

Global Corporations, Global Campaigns

The Struggle for Justice at Kukdong International in Mexico

Jeff Hermanson

At Kukdong International Mexico S.A. de C.V., a Korean-owned textile and apparel factory located in Atlixco, Puebla, a struggle took place in 2000 that demonstrated the state of development of an important new social movement, the global movement for justice in the maquiladoras and export processing zones of the world. This global movement brings together a new generation of workers, most of them young women from rural areas of the developing countries of the Third World, and a new generation of young people, mostly college students, of the developed countries of the US, Canada, and Western Europe, to confront the powerful global production and marketing networks that dominate many industries in today's world. This new social movement also links up with more traditional organizations, such as local and national trade unions and global union federations, and older NGOs and "solidarity organizations," to form flexible and diverse networks capable of waging powerful struggles for justice on many fronts, from the production sites in the global south to the shopping centers and business districts of the global North.

An analysis of this struggle reveals an important contemporary form of the confrontation between labor and capital, a form that reflects a new internationalism that is emerging to meet the challenges of corporate globalization.

The Kukdong International Corporation is a Korea-based multinational production company with over US$400 million in annual sales. The company has plants in Indonesia, Bangladesh, China, Korea, and Mexico, producing high-quality apparel for the European and US markets. The principal products of the Mexican plant are sweatshirts for Nike and Reebok. At full capacity the plant would employ 2,500 workers and produce US$25–30 million worth of product each year.

The Kukdong plant is the result of the company's strategy to become the low-cost producer in the growing market of college apparel production. The key elements of the strategy are high technology, vertical integration, and proximity to the market. And, of course, low wages, even though at this level of technological development, labor costs are a very small part of the cost of the finished product, and low wages are not the main factor in determining the company's success.

The site of the Kukdong plant, Atlixco, is a small city located in an agricultural region in southern Puebla state. Since the signing of NAFTA, the rural economy of Mexico has suffered a crisis, as the Mexican peasant farmers entered into direct competition with the farms of the US, and prices for their crops fell drastically. As a result, the chronic unemployment and endemic poverty of the southern part of the state reached an extreme level, provoking mass emigration to urban centers, to the maquiladoras of the northern border regions and to the US, especially New York City.

Faced with the crisis of unemployment, extreme poverty, and emigration, the Puebla state government adopted the standard neoliberal "remedy": attract foreign direct investment, and jobs, by keeping wages low and providing services to foreign investors

who set up maquiladoras in the state. Puebla had the advantage of being in the lowest of Mexico's three minimum-wage zones, "zone C," and having a tradition of textile and apparel production.

Puebla is one of Mexico's most conservative states, with a strong conservative Catholic presence, and a state government controlled by the most conservative wing of the Institutional Revolutionary Party, the PRI. The PRI in Puebla, like the national PRI, follows the "corporativist" model of political organization that allowed the party to dominate Mexican politics for over 70 years. The Puebla PRI has strong popular base organizations, in the countryside the National Confederation of Peasants (CNC) and in the cities and towns the Regional Federation of Peasants and Workers (FROC), affiliated to the national union center, the Revolutionary Confederation of Peasants and Workers (CROC). The FROC-CROC has also adopted the PRI-supported policy of keeping wages low to attract foreign investment and create employment.

When a potential foreign investors approach the Puebla state government, they are told that an agreement with a union leader is necessary to gain access to workers. In the case of Kukdong, an agreement was reached with the state authorities in the fall of 1999, and the factory was built and ready to operate by the end of November. Shortly after the first workers were hired, in December, Kukdong management and the leader of the FROC-CROC signed a collective bargaining agreement. This agreement is a classic "protection contract," merely restating the minimum terms and conditions of employment mandated by the Federal Labor Law. The article on salaries is brief: "the minimum wage in effect in the region." In addition, the contract includes the standard clauses guaranteeing the union's exclusive control of hiring, and the "exclusion clause," which gives the union the right to demand the firing of any worker who ceases to be a member of the union, whether by resignation or expulsion. The workers would not learn that this contract existed, or that they were represented by the FROC-CROC, until several months later, when the company told them that they would have to become members of, and pay dues to the FROC-CROC, or be fired. Despite repeated requests, they would not see the contract until more than a year later.

Kukdong's manager insisted on paying 10% above the minimum wage, and offered free transportation, as well as free breakfast and lunch in the company cafeteria, as part of his recruitment package. He also promised wage increases "every three months," and promised to build a child-care center for the young children of workers. These last two promises were not kept.

The company and the FROC-CROC worked together to recruit workers, traveling on weekends to the small villages in the zone around Izucar de Matamoros. Within a few months they had recruited approximately 850 workers, mostly young women between 16 and 21 years of age, the daughters and sons of the impoverished peasants, cane-cutters, and former sugar-mill workers.

What Kukdong did not know, and what the FROC-CROC did not tell them, was that these villages have a long historical tradition of rebellion and struggle, dating back to the Mexican revolution of 1910 and beyond. In the decades since the revolution, the region became known for the militancy of the sugar-cane cutters and the mill workers at the Atencingo ingenio, as well as the workers at the Bacardi rum distillery in Izucar de Matamoros itself.

When the workers learned of the presence of the FROC-CROC union, they were upset that they had no choice, but thought it would be good to have a union to help them solve some of the problems that were already beginning to be felt. The company's promises of a child-care center and 3-month raises were not kept, and the "free breakfast" turned out to be nothing more than coffee and bread; and the "free lunch" was often inedible, even rotten, and served on dirty plates. The company's Korean supervisors yelled at the workers and threw garments in their faces when they made a mistake. The union "representative" was either absent or unwilling to help. The resentment of the workers began to grow,

focused on the bad treatment, the broken promises, and at being forced to join and pay for a union that did nothing for them.

Meanwhile, in the United States, the university students who were the main consumers of the sweatshirts produced at Kukdong had organized themselves. Their organization dated from a campaign in the late 1990s by the US textile-apparel union, UNITE, against the giant jeans company, GUESS. This campaign, as one of its strategic elements, established "Student GUESS Boycott Committees" on several campuses, because of the GUESS company's emphasis on the youth market, and the brand's vulnerability to pressure by university students. Although the GUESS campaign was ultimately unsuccessful, the student committees survived and became organizing centers for a new, broader "anti-sweatshop" movement, that later became formalized as the organization "United Students Against Sweatshops" (USAS). USAS educated students about conditions in global sweatshops and agitated for disclosure of production locations for the university-licensed apparel. In the spring of 2000 they forced several dozen universities to disclose the information and adopt codes of conduct for the factories where this apparel was produced. USAS also forced the universities to set up and fund the "Workers' Rights Consortium" (WRC) an independent nonprofit organization to investigate conditions at the factories and enforce the codes of conduct.

USAS began to use the university disclosure lists to investigate factories and see for themselves how college apparel was being produced. One of the first factories outside the US that was investigated by the students was Kukdong in Atlixco, Puebla. In the late summer and fall of 2000, the American Federation of Labor-Congress of Industial Organizations (AFL-CIO) assisted the students by linking them up with two Centro de Apoyo al Trabajador (CAT) activists to carry out the investigation. In November 2000, a delegation of five USAS students from several universities visited Mexico, and met with several Kukdong workers. Within a month, the very same workers who had met with the CAT activists and USAS students led the organization of a cafeteria boycott at Kukdong, and were then fired by the company, touching off a wildcat strike by almost all the Kukdong workers. In early December, a volcanic eruption forced the evacuation of the villages where many Kukdong workers lived with their families. Although the company knew about the evacuation, they did not inform the workers, and Kukdong continued in operation. When the workers returned home and found their families moved to shelters in unknown locations, they were outraged. They refused to return to work until they had located their families and they were sure they were safe. When they did return to work, the company forced them to work overtime to make up for the lost production.

As a result of this incident, tensions in the plant were running high. On December 15, 2000, five workers, most of them "line supervisors" who had lead worker responsibilities, organized a boycott of the company cafeteria. The boycott was a complete success, and the vast majority of the workers participated.

After the Christmas holidays, Kukdong management fired the five workers, alleging that they had forced others not to eat in the company cafeteria on December 15. As word spread of the firings, anger grew into open rebellion. On January 8, the workers staged a 2-hour work stoppage and informed management that they had 24 hours to reinstate the five leaders and to get rid of the FROC-CROC. The next day, after receiving no response from the company, over 600 of the 850 workers began a work stoppage, and occupied the yard inside the company walls, but outside the factory buildings. They elected 10 workers, including the five fired leaders, as a "temporary leadership committee," and attempted to negotiate with Kukdong management, but were rebuffed. The CAT activists and other community supporters, including many parents of the Kukdong workers, joined the strikers in the company yard, bringing food and blankets.

On the second day of the strike, the Kukdong workers sent a commission of three workers to the plenary meeting of the

National Workers' Union (Union Nacional de Trabajadores, or UNT) in Mexico City to ask for their assistance and support. The meeting unanimously adopted a resolution pledging their support, and appointed UNT Secretary of Organization Jose Luis Hernandez and UNT political staff person Rafael Marino as the responsible persons. Hernandez and Marino advised the Kukdong workers' commission that the workers should maintain their strike, which even though technically illegal was the only manner of pressuring the company.

During that day, Kukdong management, at the urging of their labor attorney and the FROC-CROC General Secretary, Rene Sanchez Juarez, filed criminal complaints against the five worker leaders for "kidnapping" and "usurpation of private property." The Puebla governor and the Secretary for Economic Development were informed, and agreed that "order must be restored" even if it required the use of the state police anti-riot battalion (the granaderos or anti-motines). That night approximately 300 strikers were brutally attacked by riot police with clubs and forcibly evicted from the factory grounds. The riot police were seen being directed by the FROC-CROC leader Rene Sanchez Juarez, who pointed out the five union leaders for especially brutal treatment. Seventeen workers were hospitalized as a result of the police attack, including one with a concussion and another with broken ribs.

USAS had been carefully following the developments in Atlixco through daily communications with the CAT activists by means of the Internet, and had decided to send Evelyn Zepeda, a Salvadoran-American student, who headed the "International Solidarity Committee," to Puebla when the strike broke out.

As we later learned, Rafael Marino made contact with the Kukdong company lawyer on the Saturday after the strike was repressed, and was told that the company was determined to resist the workers' demand to replace the FROC-CROC with their own union. The attorney told Marino that they had the full support of the Puebla state government and of COPARMEX2, and that it was not in the best interest of the UNT to get involved in this affair. As a result of the company's stated determination, and of the new situation presented by the repression of the strike, Marino advised the company attorney that the UNT would not intervene. The decision by the UNT to withdraw from the struggle at Kukdong was based on an analysis of the political situation: the company is well connected politically, and determined in its opposition, therefore there is no way to win, and the political cost—to the UNT—would be too high. This approach reflects the continuing influence of the "statist" or "corporativist" traditions of Mexico's labor movement.

In practice they had all but abandoned organizing unorganized workers, and when faced with the typical employer–state repression of spontaneous worker struggles, responded with legal and political action, denouncing the repression in the press, meeting with state government and federal labor authorities, filing complaints at the ILO or with the US National Administrative Office of the North American Agreement on Labor Cooperation, etc. The UNT, five years after it was founded, still had no research capacity, no industrial strategy, and no professional organizing staff.

The workers of Kukdong and their allies in the CAT and in USAS made a different assessment of the situation. Their assessment was based primarily on an analysis of the company and the workers, and secondarily on an analysis of the political context. First, the Kukdong company had invested over US$30 million in this facility, and could not simply close or move it without tremendous cost, losing most of its investment and a complete season of work. This would probably mean the company would have to give up its strategic plan to produce in Mexico for the US market. Second, the clients of Kukdong, Nike and Reebok, are the largest retailers of this kind of product, and no production company that aspires to compete in this market can afford to damage or sever relations with these retailers.

Third, these retailers have codes of conduct, as do the universities that license their names to the retailers. The students of

USAS have forced the establishment of the WRC, which was prepared to investigate the violations at Kukdong and to pressure the universities and companies to enforce their codes. The students were also prepared to demonstrate against the universities and the retailers in support of the Kukdong workers. Fourth, the Kukdong workers were united in their desire to have their own union and to win reinstatement of their leaders. At the time of the strike, over 650 out of 850 workers supported the movement.

Fifth, the situation in the US, Canada, and other consumer countries was propitious for the building of a movement to support the Kukdong workers' struggle, because of the "anti-sweatshop" or "corporate responsibility" movement, and the growing critique of corporate globalization. There were many unions and NGOs ready to support the workers' struggle with a high profile brand name, Nike. The assessment was, in short, that the company was vulnerable to a campaign of pressure in the marketplace, that the workers were capable of building a strong organization on the ground in Mexico, and that there were significant allies in Mexico and in other countries that could be a powerful force in the campaign.

The political context was considered to be somewhat unfavorable, in that the FROC-CROC was a pillar of the PRI in a state that was a PRI stronghold. The movement would thus confront the determined opposition of the state government and its civil society instruments. However, since the election of the first opposition president in over 70 years, the federal government is no longer in the hands of the PRI. With the election of Vicente Fox of the opposition PAN party, the Mexican state is no longer monolithic, and the corporativist system has been somewhat weakened and its decay and decline accelerated. Because of this, it seemed unlikely that the federal government of Vicente Fox would intervene on behalf of the FROC-CROC, one of the main supporters of Fox's PRI opposition. That this assessment was correct was later demonstrated by events, and further confirmed in an interview with the personal secretary of the Secretary of Labor, who affirmed that "this is outside our jurisdiction" and "we have no interest in defending the FROC-CROC."

Second, the analysis of the power structure and political-economic situation of the state of Puebla seemed to indicate that the Kukdong company had tremendous power in relation to the state government. The employment crisis was clearly the most explosive issue facing the Puebla government, and the maquiladora was their answer. Most of the maquiladoras that have recently located in Puebla are Korean owned, and of these Kukdong is by far the largest and most influential. The Puebla state government could hardly afford to offend the Korean investor community, and that meant they could not afford to offend Kukdong. If Kukdong's owner could be convinced that the company's interest was in getting rid of the FROC-CROC and accepting the workers' independent union, it was unlikely that the state government would stand in the way.

The conclusion of this assessment was that the struggle could be won by using bottom-up organizing of the workers to build a strong organization, gain the "moral high ground," and prevent "pacification," by using exposure of Kukdong's abuses and violations to put pressure on the universities and the retailers. These institutions would pressure Kukdong; and finally, by presenting Kukdong with the choice between accepting an independent union, seen as an authentic, honest, and reasonable representative of the workers, or by staying with the FROC-CROC, facing a stalemate in which the company would lose its customers and possibly be forced to close. The objective would be to get the company to decide to "get rid of the FROC-CROC," and to get the company (and its customers, Nike and Reebok) to press the state government to allow an independent union solution. This presupposed the non-intervention of the federal government.

Perhaps the most important single step in building the confidence of the workers in their ability to win was the reinstatement of three of the fired worker leaders. Within

days of the police attack, students at 25 campuses in the US had demonstrated in protest. The return of the leaders was one of the key demands of the protests. The protests led to articles in the *New York Times* and the *Financial Times*, as well as website postings about the strike. Emails began to pour into the corporate offices of Nike and Reebok, organized by USAS. This led Nike and Reebok to send company representatives to Kukdong almost immediately, and to begin to pressure Kukdong for a resolution of the dispute.

The WRC also began an investigation, putting together a delegation of international labor law experts, university administrators, and religious representatives. They arrived on the scene within a week of the police attack on the strikers, and released a preliminary report on the violations and abuses within two weeks of their visit. Their quick and forceful intervention must be seen as a key to the success of the campaign.

What finally won the reinstatement of the leaders was the growing pressure from all sides, including the workers themselves, USAS, the WRC, Nike and Reebok, the Fair Labor Association (FLA), and the intervention of a Korean NGO, the Korea House of International Solidarity (KHIS). KHIS played a critical role by mediating and bridging the "culture gap" between the Korean management and Mexican workers. The KHIS representatives were lawyers and academics. They explained to management how the return of the leaders was required by law and by the codes of conduct of their customers. The reinstatements had to be seen not as an admission of guilt by the company, but as an "olive branch" to try and put the dispute behind them and get back to work. In fact the reinstatement of the workers would prove that Kukdong was an ethical company, committed to generous treatment of their workers.

In March the independent union SITEKIM ("Independent Union of Workers of Kukdong International Mexico") was formed, and an application for legal registration filed with the Puebla Local Board of Conciliation and Arbitration, the agency that regulates labor relations in the maquiladora industry in Puebla. The Board rejected the application, citing the resignation of several of the persons who had signed the application, and the fact that the leaders, who had also signed the application, were employed by individual contracts. This was not unexpected, as it had been discovered that the FROC-CROC had paid some of the applicants a large sum of money to withdraw from the union, and the local Labor Board was in the control of the PRI and the FROC-CROC. The FROC-CROC's strategy was to use the state government's support to block the recognition of the independent union.

But Kukdong management was now convinced that they had to accept the independent union, and had to find a way to "get rid" of the FROC-CROC. Nike was pressuring Kukdong to permit the workers to vote on which union they wanted, and the workers were confident that such a vote would be won by SITEKIM. But the state would not grant legal registration to SITEKIM, and without it the union could not legally represent the workers. Furthermore, the state government was opposed to holding a secret-ballot election to allow the workers to choose their representative, fearful of setting a precedent that would cause an avalanche of workers seeking to rid themselves of corrupt unions like the FROC-CROC. Kukdong management began to meet with the independent union leaders, and to discuss with them what kind of relationship they would have if the FROC-CROC could be convinced to give up their contract. At the same time, the company forced the FROC-CROC to give up their space in the factory office, arguing that this was necessary to comply with Nike's demands.

In the end, Kukdong reached agreement with the FROC-CROC, the government, and the independent union on a solution: the Kukdong company would be dissolved, and a new company, MexMode, would be formed. The FROC-CROC contract would be invalidated, and a new independent union, now called SITEMEX (Independent Union of Workers of MexMode) would be formed. SITEMEX would be granted its

legal registration by the state Board once the company had reached agreement on a new contract. Thus even before the new union was officially registered, and legally able to sign a contract with management, Kukdong (now MexMode) management began negotiations with the independent union leaders and their CAT advisors for a collective bargaining agreement. Management and workers reached agreement on a first contract. The next day, the independent union SITEMEX received its legal registration, and the contract was filed and officially accepted by the Puebla labor authorities.

The first contract at MexMode had a nominal 10% wage increase, in recognition of the huge losses the company had suffered during the 9-month struggle, and as a show of good faith by the new union. It had innovative language concerning workers' rights, and a clause prohibiting managers from "yelling at or demeaning in any way the workers," and mandating apologies to the workers by managers who violate this prohibition. The contract had an unusually short 6-month term, in order to permit a new negotiation in March 2002, when the company would have resumed full operation and be beginning their peak season. On April 1, 2002, when the new contract was signed and went into effect, workers received an "attendance bonus" which resulted in a 38% increase in earnings, making them among the highest paid apparel workers in the region. Since then, the contract has been renegotiated several times, most recently in April 2011, when the workers won a 5% wage increase. SITEMEX and the workers of the former Kukdong factory are the first of the more than one million workers in Mexico's over 3,000 maquiladoras to win representation by an independent union and then to negotiate a collective bargaining agreement.

Work stoppages and other forms of protest are quite common in the Mexican maquiladoras. What is different in the Kukdong case, and is different in other cases in Mexico, in the Dominican Republic, Honduras, and El Salvador, is that these worker rebellions are beginning to be linked up with national and international support networks, and repression and firings are no longer able to easily quash these struggles.

There are different ways in which this linkage is taking place. Sometimes the local struggle is truly spontaneous, and only after it has erupted is the connection made to national and international support groups. Sometimes the struggle is initiated by a local organization, usually a union, which then seeks help nationally and internationally. But more and more frequently, local organizations are already part of a national and international support network, and the struggles are initiated in a planned and strategic fashion, with local, national, and international support organizations all taking part in the development of strategy and tactics. This is the natural and "organic" growth of links between local, national, and international organizations that have participated in struggles "accidentally" in the past, and have begun to look for ways to target strategically and to prepare campaigns, in order to be more effective. This is one response, by workers and their allies, to corporate globalization. We can expect that this response will continue, and will result in the formation and growth of powerful, diverse, and flexible networks on an ever-greater scale, building the power of the workers of all countries and their allies to unite and win more and bigger victories.

CHAPTER 34

The International Roots of Microenterprise Development

Nancy Jurik

> Conventional banking institutions do not make loans to the poor, especially to rural women. The bankers I met laughed at me.
>
> (Yunus, 1997)

> After the bank's eighteen years in business, one could estimate that conservatively half a million families were able to throw off a life of destitution and begin living with a modicum of honor and dignity as a result of intervention from the Grameen Bank.
>
> (Counts, 1996)

> The development community is riding the microcredit band-wagon given that it is consistent with the dominant paradigm of self-help, decentralization … and given that structural adjustment programs have forced the poor into self-employment.
>
> (McMichael, 2000)

A major source of the excitement surrounding microenterprise development has been the Grameen Bank in Bangladesh. The statement by Mohammed Yunus, the bank's founder, describes his struggle to offer microcredit in the 1970s. The second statement captures the popular acclaim surrounding the bank and the hopes for future microenterprise development. Many U.S. Microenterprise Development Programs (MDPs) were modeled after famous southern programs such as the Grameen. Despite praise for these programs, MDPs also have serious critics; the third statement expresses the concern that MDPs direct too much attention toward individual self-help and distract from structural economic conditions that promote and perpetuate poverty.

This chapter addresses one of my first questions as a microenterprise development volunteer: Where did all these U.S. programs come from? The answer that I typically received to this question was that U.S. MDPs were inspired by successful programs in developing countries. In other words, the northern industrialized world had imported them from the southern hemisphere; a unique turn of events given that development programs have usually moved in the opposite geographical direction. Only one U.S. provider told me that she started her program before she had even heard of the famous Grameen Bank.

When I took a more in-depth look at microenterprise development history, I found that this South-to-North importation thesis was not the whole story. The circumstances that led to the formation and spread of MDPs were far more complex: they entailed the importation of ideas from North to South as well as from South to North. Tracking the history and sources of MDP innovations locates microenterprise development squarely within the context of the conditions and policies of the new economy. An examination of the emergence and practice of southern MDPs reveals not only program successes, but also fundamental contradictions in microenterprise development.

CONTEXT OF MICROENTERPRISE DEVELOPMENT

MDPs were developed to extend business credit and training to the "poorest of the poor" in Africa, Bangladesh, and Latin America (Microcredit Summit, 1997; Rogaly, 1996). The decades of the 1970s

and 1980s were times of worldwide economic recession and government fiscal shortfalls. In the 1980s and 1990s, modern MDPs became recognized as viable mechanisms for dealing with some of the human economic tragedies of the crises. MDP strategies were consistent with the neoliberal policy agendas of minimal government and market-based solutions that also came to predominate during this period. These programs were to address the growing problems of poverty and unemployment that continue to characterize life in the new economy.

From the 1970s on, southern nations were faced with increasing debts to industrialized countries that they could not repay. During the 1980s and 1990s, international financial concerns and global financial regulatory agencies—such as the International Monetary Fund (IMF) the World Bank—pressured the governments of southern nations to sharply curtail spending, ease international trade regulations, and privatize nationally owned banking institutions and industries (McMichael, 2000). These requirements were consistent with a neoliberal economic ideology of smaller government and the elimination of trade restrictions. This neoliberal agenda, typically referred to as a structural adjustment policy, entailed massive layoffs of state workers and the curtailing of social investment spending for education, health care, and the like. The resulting withdrawal of many southern hemisphere governments from the public sector has encouraged an increased reliance on nongovernmental organizations (NGOs) and community-based services for the poor (Desai, 2002).

Even before recent globalization and structural adjustment regimes, decades of export-oriented production had precipitated declines in smallscale family-level agriculture oriented toward local consumption needs. Available credit and agricultural support programs were oriented to larger-scale agribusiness farms. Impoverished rural populations migrated to the cities in search of employment. Proponents of structural adjustment policies predicted that the liberalization of trade and financial markets and the expansion of private banking would eventually counter the ill effects of shrinking state expenditures and loss of jobs. However, continuing declines in agriculture and the resulting migration to urban areas outstripped the formal employment opportunities there.

The jobs that became available in these areas failed to offer either improved working conditions or economic security. Trade liberalization requirements demanded that government minimize labor, environmental regulations, local industry protections, and other barriers to international trade. These rules limited worker pay and safety protections and promoted barriers to collective organizing. Many new work opportunities entailed more informal subcontracting work arrangements rather than permanent employment. The constant global search for cheaper labor and the increased mobility of work sites meant that even those limited employment opportunities created by international trade might vanish at any time.

Although southern nations always maintained a large informal sector, structural adjustment policies and the increasing decentralization of production produced a population explosion of informal workers. Individuals engaged in the informal subcontracting of formal sector activities (e.g., in garment manufacturing) made up a large sector of this group, but many also turned to more autonomous informal entrepreneurial ventures (Portes & Sassen-Koob, 1987; McMichael, 2000).

Concerned about growing poverty and shrinking government resources, development specialists began to advocate the extension of credit to stimulate growth among small informal enterprises. They hoped that such assistance would stabilize impoverished communities, and encourage bottom-up economic development without expensive state-managed help and employment programs (Wahid, 1994; Yunus, 1997).

For-profit financial systems failed to deliver basic savings and credit to low-income customers, small farms, and other small businesses, especially to women entrepreneurs (Light & Pham, 1998). Banking

services were inconvenient and costly due to hefty service charges, minimum balance requirements, and restricted withdrawal policies. Small consumer and business loans (e.g., less than $25,000) were rarely offered because traditional banks claimed that these loans were too costly to administer (Yunus, 1997). Individuals without sufficient collateral or with weak credit histories seldom received loans (Otero & Rhyne, 1994). Thus, the poor typically relied on more costly informal financial services such as loan sharks.

Microfinance programs operated by nonprofit NGOs promised to fill the gap in financial services to the poor. Microfinance proponents argued that the failure of the commercial banks to serve poverty-level clients prevented the poor from accumulating assets. They associated the lack of assets with chronic poverty and sedimentation of disadvantage. Microfinance services offered flexible checking, savings, and lending options tailored to poor clientele. These services allowed smaller minimum required balances, minimal service charges, and flexible withdrawal options. Loans were typically for smaller amounts, offered more flexible repayment options, and minimized collateral requirements. Some programs were partially or completely owned by individual clients or by their communities.

With their focus on training and lending to very small businesses, MDPs can best be considered a subset of microfinance organizations. However, some microfinance programs include MDP components and some MDPs include savings and consumer-lending services. Unlike many modern MDPs, especially those emerging in the United States, early microfinance organizations were more focused on lending and savings activities than on business training, technical assistance, or collective empowerment functions. Thus, microenterprise development activities are distinctive but still related to other microfinance and development services. Several innovations associated with modern MDPs were actually inspired by the practices of earlier microfinance groups.

EARLY MICROFINANCE ORGANIZATIONAL FORMS

Although the past two decades have seen a rapid growth in microfinance and microenterprise development services, such efforts are not entirely new. Many modern MDPs resemble microlending and credit cooperatives developed in 19th century Europe for small farmers, entrepreneurs, and traders (Hollis & Sweetman, 1998). These programs included direct loans, credit cooperatives, specialized rural development banks, and regulations that required banks to lend a portion of their loan portfolio to small farmers, either directly or indirectly through development banks (Adams & Von Pischke, 1992). The loans made by development lending programs from the 1950s through the 1980s were often subsidized by government agencies or other NGOs. These loans were regarded as failures because many ended in default and often ended up in the hands of prosperous rather than poor farmers (Jonakin & Enriquez, 1999). Defaults were blamed on generous subsidies provided to lending organizations, subsidies that led them to operate in an inefficient and unbusinesslike manner (Morduch, 1999).

Two early forms of microfinance organizations remain popular around the world. First, the most informal and perhaps longest lasting microfinance organization form is the rotating savings and credit association (ROSCA). ROSCAs are widespread in the southern hemisphere and popular among some immigrant groups in industrialized nations. ROSCA members contribute a regular amount each week or month, and group members take turns borrowing the money at no interest. Because they are known and trusted by each other, ROSCA members also provide social support for one another in consumption and business pursuits. Their informality and resource requirements mean that ROSCAs serve people with dependable incomes and social ties; they are unlikely to serve the very poor or destitute.

A second traditional form of low-cost lending and savings services is the credit union. Credit unions are cooperative

financial institutions that began in southern hemisphere countries in the 1950s and are popular in industrialized nations. They provide savings and credit services to their members. Membership has traditionally been defined in terms of some affiliation shared by all members (e.g., employment or geography). There are no external shareholders; the members are the owners of the institution, and each member has a vote in the organization. The policymaking leadership is drawn from members.

Although both ROSCAs and credit unions have been significant in offering savings and lending services to those who might not otherwise have access, they tend to serve the poor who are better off. The ROSCA form is limited in its scale and longevity of services. Although far less limited in scale and longevity, credit unions have not played a large role in microenterprise lending because their lending practices tend to be conservative and they do not offer training and technical assistance. Nevertheless, the modern MDP movement has built on the experiences of these past microfinance programs to nurture a grassroots dimension that enhances its popularity as a poverty-alleviation and economic development strategy.

MODERN MDPs AS A STRATEGY FOR ECONOMIC DEVELOPMENT

Microenterprise development is an important component in the reframing of international development discourse (McMichael, 2000). Throughout much of the 20th century, development policies were focused on large-scale, centrally planned ventures that usually served the better off people in southern countries. Many programs provided goods and services, especially modern technology, to advance the development of poor countries. Historically, men received the direct benefits of development programs, and women's productive roles were largely ignored. Programs slowly integrated women into development concerns, but they were still viewed as secondary (Escobar, 1995; Parpart, 1995).

During the 1970s, researchers and policymakers effectively challenged the traditional development discourses of centralization and state-managed interventions. These challenges were fueled by reported inefficiencies and failures of the top-down, or state-controlled, development initiatives. Although some challenges came from leftist-oriented groups, these attacks on government-provided development services were compatible with neoliberal policies that aimed to shrink the size of government and rely on market-based production of all goods and services. Over the past two decades, the promotion of self-employment has become the dominant model for assisting women in the southern hemisphere (Poster & Salime, 2002).

Microenterprise development is applauded as a southern hemisphere invention that was later copied by programs in northern hemisphere countries. However, such characterizations lose sight of the extent to which northern hemisphere-dominated governmental and nongovernmental organizations shaped the form and popularity of many of these programs. Organizations such as the Ford Foundation, United Nations Development Program, and, more recently, the World Bank have been instrumental in defining the standards and funding parameters for southern MDPs (McMichael, 2000).

INNOVATIVE MICROENTERPRISE DEVELOPMENT PROGRAM METHODS

The historical economic context just described is important for understanding the process of microenterprise development. Modern MDPs developed innovative methods for extending credit to the poor. Some of these innovations were modifications of predecessor programs described above. Modern innovations attempt to remedy problems that plagued past economic development and microfinance programs.

1. *Focus on Women Clients*. In the past two decades, most MDPs in southern countries have targeted women, and

anywhere from 50–100% of their clients are women. Women are disadvantaged economically because of their limited access to education, formal jobs, and resources such as land and credit, and in many nations women are deprived of fundamental economic, political, and human rights (see Desai, 2002). Moreover, most victims of poverty are children who reside in mother-headed households, a situation that is of even greater concern because a growing percentage of households are female headed. Working women in southern nations are disproportionately located in self-employment activities in informal sectors. A number of studies suggest that women invest more of their income in their families—for food, school, and shelter—than do men (Amin, Becker, & Bayes, 1998; Auwal & Singhal, 1992), and some studies report that women repay their loans more reliably than men (Pitt & Khandker, 1998; Blumberg, 2001).

2. *Peer Lending Model*. The peer lending model is a method of microenterprise development that adapts elements of the ROSCA model. As with ROSCAs, group cooperation and support are integral to success. In peer lending, 3–10 micro-entrepreneurs join together to receive a loan or related services such as business training, social services, and organization building. Group members collectively guarantee loan repayment, and access to subsequent loans is dependent on successful repayment by all members. Loans are determined by borrower need, loan size, purpose, and terms. The peer group serves as a mechanism for loan administration, social support, community building, information exchange, and pressure for loan repayment. It is credited with increasing the repayment rate of very poor individuals with little or no collateral and weak credit histories (Berenbach & Guzman, 1994). Peer lending is also praised for building networks, that is social capital, among the poor (Woolcock, 1998).
3. *Step Lending*. Another program innovation is graduated or step lending. Individuals starting new businesses or those with poor credit and a lack of collateral may build up to larger loans by establishing a good repayment history on small loans. Savings requirements may be a component of the step-lending process. This innovation allows MDPs to minimize their losses on high-risk loans. It also allows entrepreneurs time to develop their businesses and establish a pattern of savings before assuming larger loans.
4. *Local Relevance*. MDPs try to be responsive to their local situation. This innovation is a direct response to large-scale economic development programs of the past that were designed by and often for some other population and simply transplanted to a locality without concern for the uniqueness of that setting (Visvanthan, Duggan, Nisonoff, & Wiergersma, 1997). Many MDPs are locally based NGOs. NGO forms have been praised as a type of third-way alternative to private- and state-sector solutions to social and economic problems.
5. *Collective Organization and Empowerment*. Although the sheer provision of microfinance services and microenterprise development to the poor is viewed as a path to the economic and social empowerment of individuals, many MDPs in southern countries adopt far more comprehensive agendas. They include extensive educational, healthcare, or community economic development projects such as water or irrigation systems. Several programs are client owned and controlled, and some actively organize clients at the occupational or community levels (e.g., into unions or collective buying and marketing groups). Collective organizing is responsive to the demands for local relevance because programs that are locally controlled are more likely to be locally relevant.
6. *The Village Bank Model*. Village banks are community-managed credit and

savings associations. The village bank model may include any or all of the program innovations previously described—peer lending, a focus on women clients, stepped lending, and community organization. The financial operation of village banks begins when sponsoring agencies lend seed capital to newly established village banks, which then lend to their members. All members sign the loan agreement as a collective guarantee. At the end of 16 weeks, the bank repays the sponsoring agency with interest. When members repay their first loan on time, they can get a second loan, the amount of which is determined by the savings a member has accumulated through weekly contributions during the first loan period. Members' savings stay in the village bank and are used to finance new loans or collective income-generating activities. No interest is paid on savings; instead, members receive a share of profits from the village bank's relending activities and other investments.

7. *Bridge Lending*. Recently, some MDPs have developed mechanisms to aid the transformation of larger microenterprises into small businesses through training and longer-term, larger loans. Bridge lending responds to microenterprises that are too large for most MDP loans but too small to meet minimum loan amounts or collateral requirements in traditional banks.

European Programs

Although the inspiration for microenterprise development is typically associated with the poverty and economic crises of southern hemisphere nations, some European programs have also served to inform the microenterprise field. However, in contrast to southern nation MDPs, these programs have focused more narrowly on assistance to the unemployed.

SOUTHERN MDP SUCCESSES

The positive evaluations of pioneering MDPs encouraged the spread of these program innovations to other southern regions and to northern hemisphere countries (cf. Gibbs, 1990). Evaluations reported significant successes in the areas of (1) poverty alleviation through self-subsistence, (2) economic development, (3) individual empowerment, and (4) collective empowerment through community organization. Many programs also reported successes in achieving or moving toward program sustainability.

In terms of poverty alleviation and economic development, many researchers associate MDPs with increased participant incomes and increased numbers of jobs in regions where programs operate. Some researchers emphasize the role of MDPs in empowering clients as individuals. Participation in peer-lending groups is associated with increases in confidence and self-esteem. Microenterprise development also may indirectly promote empowerment through inclusion in the economic system, improved health, education, greater input into household decision-making, and less dependency on wealthy landlords or loan sharks. MDPs claim significant success in the realm of collective empowerment (i.e., community organizing) (Desai, 2002). Some MDPs emphasize their potential to be self-sufficient programs. Others argue that microfinance is becoming more commercialized in the southern hemisphere, most notably in Latin American countries. Consistent with a neoliberal emphasis on market-based solutions to social problems, a number of proponents argue that commercialization is an essential and viable step for MDP institutionalization and growth.

CRITICISMS OF MICROENTERPRISE DEVELOPMENT PROGRAMS

Evaluations: Methodological Concerns

Although positive evaluations support MDP success claims and funding requests, such

reports are not without critics. The debates about MDP evaluations also provide insights into the dilemmas surrounding diffusion and further development in the MDP organizational field.

Many evaluations rely only on indirect measures of program success to avoid costly client follow-ups. Proxies include the number of clients served, number of loans made, and rates of loan repayment as success indicators. More direct measures of success would include increases in client incomes, number of clients' business employees, and value of business assets after program involvement (Berger, 1989). The duration of client follow-ups and the representativeness of follow-up samples are also important issues, as is the lack of control groups.

Reaching and Helping the Very Poor

Some argue that MDPs legitimate structural adjustment policies that increase unemployment and restrict state responsibilities for social investment in the poor (Desai, 2002). They challenge claims that individuals can lift themselves out of poverty with hard work and a little MDP credit or training (Rogaly, 1996). Critics question the capability of most microenterprises to provide a livable income for families. Some MDP loans may be used to meet daily consumption. Many argue that in the absence of structural economic changes to promote a positive regulatory and economic environment for microenterprises, MDPs may increase indebtedness among the poor (cf. Berger, 1989).

Critics argue that despite expressed aims, MDPs fail to reach a sufficient number of poor people and aid more nonpoor clients (cf. Gulli, 1998). Although it might increase the number of clients served, commercialization might also reduce outreach to the poor or certainly minimize the support services that can be offered at a profit. Along such lines, some experts argue that MDPs should aim for sustainability rather than self-sufficiency. Sustainability means that programs are cost-effective in that (1) their operating costs are clearly outweighed by their program impact, and (2) their programs can be sustained by smaller amounts of outside funds.

The hegemony of market standards combined with complex interweaving of links among government, nonprofit, and for-profit organizations heighten the ambiguity of responsibilities and accountability for social services. Intensive social and economic support are important for reaching poor clients, but these services greatly increase program operating costs. Increased costs, in turn, undermine MDP sustainability and self-sufficiency. Sustainability desires may converge with demands for successful program outcomes to pressure staff to screen out higher-risk borrowers.

Issues Around Women

Although the MDP focus on women has been highly praised for empowering women economically and socially, critics argue that emphasizing women clients to the exclusion of men can heighten women's burden as providers for the family and discourage men's responsibility. Moreover, directing attention to individual women as entrepreneurs distracts from the structural sources of gender inequality. Some case studies challenge claims that localized programs automatically lead to collective empowerment.

Constraints on Local Empowerment

Centralized controls and bureaucratic regulations may limit program responsiveness to the concrete needs of clients. Some researchers report that peer groups for lenders can be extremely oppressive for borrowers who are unable to repay their loans when they are watched and shunned in the community. In the face of this increased community surveillance and sanction, some borrowers return to village loan sharks in order to make microloan payments (Fernando, 1997).

CONCLUSION

The history of southern hemisphere MDPs reveals innovations, accomplishments, and

dilemmas. Although U.S. programs are portrayed as an outgrowth of successful southern hemisphere MDPs, the relationship was not that simple. Modern MDPs are embedded in a complex context of economic crises and change and of accompanying neoliberal ideologies and policies. Although some MDPs were developed by indigenous leaders of the countries in which they were begun, northern ideologies and organizations significantly influence the form and scope of southern MDPs.

Programs also vary considerably; some have developed holistic and activist agendas whereas others have focused more narrowly on self-employment lending. Efforts to move toward commercialization, favored by USAID, the World Bank, and others, are most consistent with neoliberal market-centered ideologies. Although these trends may greatly expand service outputs, they threaten to narrow the services available to the poor, and most certainly to limit program scope so that it excludes collective empowerment-oriented agendas.

Some proponents argue that MDPs actually offer a more humane third way residing between free market ideologies and the traditional liberal reliance on government (Schreiner & Morduch, 2002). This third way calls for a greater participation from civic society, including NGOs, as well as localized nonprofit organizations in the provision of human services. Regardless of the preference for neoliberal or third-way ideology, both encourage the privatization of public services and the evaluation of even publicly and NGO-provided services in terms of their consistency with businesslike operations standards.

The context of the new economy provided tremendous opportunities for MDP growth and popularization, but these opportunities also posed dilemmas. Contradictions arose for southern MDPs in the following areas: alleviating versus legitimating neoliberal policies, program outreach versus program sustainability, empowering versus overburdening clients as individuals, encouraging collective empowerment versus increasing community surveillance, and facilitating local control in the face of growing national and international standards. Despite these tensions, reports of southern program successes provided an important niche or point of reference for the diffusion of MDPs into the United States during the 1980s and 1990s.

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PART V

Theoretical Conceptions and Debates

CHAPTER 35

Introduction to Part V

James DeFilippis and Susan Saegert

This final part of the book addresses some of the key theoretical issues involved in community development concerning the organization and character of the basic building blocks of community development: people, social organization, and property. The part starts with an examination of "What Community Supplies" that argues for its enduring functional importance in our lives. The next two chapters provide theoretical tools for analyzing the unequal distribution of the values that community supplies among communities differently situated in the world economy and among different social groups within communities. These inequalities provide the justification for community development. Therefore these fundamental sets of issues are ones that community development practitioners and students must come to terms with. The point of this part is not to provide definitive answers to the problems posed by these issues, but rather to enable more thoughtful and productive engagement with these problems. Solutions to the issues raised here are not to be found in either the abstract or a generalized template. Instead, working through these issues and problems is both context specific and an ongoing and imperfect process.

Robert J. Sampson's chapter introduces this part, lays out the state of the debate about community within sociology, and defines community as place based and still a significant unit of social organization. He identifies several key functions of place-based communities and the conditions that support high levels of achievement of these functions. The chapter ends with cautions concerning the potential capacity of communities to provide collective goods and the requirement of support from higher levels of political and economic organization. Community development institutions, policies, and practices attempt to redress inequalities and absences in what community supply. The next two chapters go more deeply into the nature of the unequal distribution or general absence of the benefits of a good community. They both push the minimalist definition of what community supplies toward a vision of what a good community would be like. Sen elegantly critiques the dominant economic paradigm in international community development, and often in community development within developed nations as well. He asserts that the good community would provide each person with the conditions for developing certain basic human capacities. He notes that if the proper distribution of economic resources led to such conditions, then the use of one framework or another would be of little import. However, he argues that is not the case both because of difficulties in measuring actual inequality of resources but as importantly because conditions like freedom of choice or freedom to develop are not subject to the economic metric. He invokes the case of gender inequality to illustrate his argument. The next chapter by Young continues this theme in a broad, sweeping essay that analyzes oppression as a set of processes that occur in different types of social, political, and economic relationships. It explicitly rejects the notion of a hierarchy of oppression (in which some forms of oppression are *more oppressive* than others), and

instead argues that groups—and oppression is a process felt by groups rather than just individuals—are oppressed in different ways.

The next two chapters examine oppression and difference in more particular ways—that is, through the lenses of race and gender in American cities. Garber's chapter on gender and community asks the questions of what theories and practices of *community* mean for women in North America. Women are a definitive part of communities in the United States. And by this we mean two things. First, women play a disproportionate role in community organizing and community development work (something also discussed in Chapter 22 by Stall and Stoecker). Second, and related to that, if community is the realm in which social reproduction occurs, then it must be recognized that social reproduction has long been gendered, in the social division of labor, as "women's work." This, of course, is directly related to the disproportionate role women play in community work. But when the two halves come together it means that women simultaneously find their most open and accessible political space (compared to other forms of political engagement) in the arena of community involvement, but they can also be simultaneously "kept in their place" (so to speak) in that engagement. It is these issues that Garber works through and disentangles in her chapter. Squires and Kubrin take a different tack in examining race in relation to community development by linking racism to the literal landscape that community development seeks to improve. Given the importance of race and racism in structuring American cities, it is almost remarkable that the observations in the Squires and Kubrin chapter get so often overlooked by community development practitioners who are trying to improve the conditions of life in American cities. They show how the unequal treatment of different groups of people is written into the physical fabric of communities as the residue of white privilege and racism. Thus places themselves do the work of oppression by providing the unequal conditions for the development and enjoyment of human capacities. They end with a thoughtful and useful discussion of specific policies and political alliances that could decrease the unequal life chances of white and black Americans.

The next group of chapters address community development in the United States. Housing is a vital part of community development practice. Because community is the realm of social reproduction, and housing plays such a central role in reproduction, it is vital that we have a thorough understanding of housing as an abstract idea, and the policies that play such an important role in shaping the housing stock in American communities. Davis' chapter asks some very fundamental questions about the extent to which property is a unitary thing—or even if it is a *thing* at all. Instead, he argues that property is a set of six different interests that coalesce around the two basic interests of accommodation and accumulation. While he doesn't say so explicitly here, the implication is the kinds of tenurial relations people can have vis-à-vis property are therefore not limited to owner and renter, and instead can encompass a range of different forms which can combine the different rights and interests of property in different ways.

Finally, the part ends with a pair of chapters that ask perhaps the most fundamental questions of all, and they are: How much can we improve things at the community scale? Are these the most productive forms of intervention we can make to try to transform and improve life in American communities? These questions were asked in Chapter 1's introduction, and will be touched upon again in Chapter 44's conclusion. But these two chapters provide a much more thorough analysis of the issues involved. Stoecker's famous essay challenges the whole institutional framework of the CDC. He argues that by internalizing the fundamentally antagonistic relations between community and capital, CDCs have forever compromised themselves and their ability to either improve conditions for the communities they work in, and are part of, or mobilize that community to demand the kind of larger-scale changes needed to fundamentally improve lives for poor

communities throughout the United States. The part ends with the chapter from Kubisch et al. who are a bit more optimistic than Stoecker. Their chapter takes up the issues addressed in Chapter 4 by Sites and his colleagues and attempt to provide provisional solutions. They recognize the problems inherent in community building efforts (and community-focused interventions more generally), but also try to find ways beyond these limits. It is for this reason that we end the part on theories and debates with this chapter. For while we share the legitimate concerns of Stoecker and Sites et al., and we have more than a little ambivalence about the potential and limits of community development, we also think it's important to find ways to analyze and practice community development that recognize and try to mitigate its limitations and contradictions.

CHAPTER 36

What Community Supplies

Robert J. Sampson

Community seems to be the modern elixir for much of what ails American society. Indeed, as we reflect on the wrenching social changes that have shaped our recent past, calls for a return to community values are everywhere. From politicians to private foundations to real estate developers to criminal justice officials to communitarians, the appeal of community is ubiquitous.

Consider just a few examples of the efforts to mobilize action under the rubric of community. Among private foundations many programs have settled on community as a conceptual umbrella to coordinate new initiatives. Meanwhile the growing community development corporation (CDC) movement has long singled out community as a meaningful unit of social intervention to improve the lives of the poor. In the criminal justice system the move to community-based strategies has included increased community policing, community-based prosecution policies, and community corrections. Even real estate developers are beginning to take heed of modern discontent with urban sprawl and suburban anonymity. They are proffering new visions of living arrangements that promote neighborliness, local interaction, and common physical space with architectural integrity, all in an attempt to restore some semblance of community. And in intellectual discussions, the rise of communitarianism as a serious movement is centered on community responsibility and civic engagement as the structure supporting social justice and the good society.

Whatever the source, there has emerged a widespread idea that something has been lost in American society and that a return to community is in order. The loss is expressed most frequently in terms of the decline of civic life and the deterioration of local neighborhoods.

But if community has come to mean everything good, as a concept it loses its analytical bite and therefore means nothing. What exactly do we mean by community? Does the term refer to geographic locales, such as neighborhoods? Or to common membership in some association or group? Does it mean shared values and deep commitments, and if so to what? What in fact does community supply that makes it so in demand? Not only are the answers unclear, the current appropriation of community rhetoric elides any references to the dark side of communal life. One might ask, what do we stand to lose by a return to community—what does community deny? Perhaps more important, does the current drumbeat of allusions to community values bespeak a mythical past, raising the paradox of returning to nowhere?

The thesis of this chapter is that community does matter, albeit not in the simple way that current yearning suggests. Communities are an important arena for realizing common values and maintaining effective social controls. As such, they provide important public goods, or what many have termed "social capital," that bear on patterns of social organization and human well-being. There is hope in this conception, for it reveals ways to harness social change to reflect the nature of transformed (not lost) communities. Especially in low-income, socially disadvantaged neighborhoods, dimensions of social capital may

work to buffer the forces of sociodemographic changes that have battered the idea of community. But the concept is not an unqualified good, and thus one must also come to grips with such potential adverse consequences as local corruption and the social exclusion of outsiders.

To tackle these matters, this chapter begins by reviewing some of the defining themes of community and neighborhood, placing present concerns within the framework of intellectual history. Although not apparent from recent debates, there is a long history of research and theory on urbanism and community in the United States.

I next highlight the social dimensions by which communities in the United States are stratified ecologically. Neighborhoods vary a great deal in terms of racial isolation and the concentration of socioeconomic resources, and social dislocations such as crime and poor health come bundled in geographical space.

I then turn to the heart of the topic: what community supplies and how structural forces in the larger society shape the internal dynamics of communities. Specifically, I explicate a theory of community social organization and the public-good aspects of social capital such as informal social control mechanisms, network ties to extra-local power, mutual trust, capacity for efficacious action, and organizational resources that communities can in theory provide. Just as important, I delineate what research has revealed about the ways structural forces (for example, inequality and stability) promote or inhibit these public goods.

COMMUNITY: LOST, FOUND, AND LIBERATED

The "loss of community" is by no means a new concern. The basis of the classic urban paradigm in sociology is related to the massive social changes of the late 19th and early 20th centuries. Concern over the presumed decline of traditional forms of personal association in small towns and neighborhoods under the advance of urbanization and industrialization was widely expressed by early sociologists such as Tönnies, Durkheim, Simmel, and Weber. Wirth (1938) later expanded these concerns by positing that size, density, heterogeneity, and anonymity were socially disintegrative features that characterized rapidly changing cities. He contended that these defining elements constrained social relations to be impersonal and superficial and that this estrangement undermined family life and the intimate bonds of local community.

Wellman (1979) summarizes this classical tradition in urban sociology under the label "Community Lost," invoking the idea that the social ties of modern urbanites have become impersonal, transitory, and segmented, hastening the eclipse of community and feeding the process of social disorganization. Community Lost is thus a salient theme that has a venerable history in 20th century America.

Research, however, suggests that Wirth's thesis is naive and the pronouncement of the loss of community premature. Ethnographic research in the 1950s and 1960s discovered thriving urban communities and ethnic enclaves where kinship and friendship flourished. Especially in poor urban neighborhoods, the evidence of dense social networks and local identification remained strong (see Gans, 1962; Jacobs, 1961; Stack, 1974).

Even quantitative studies began to challenge the hegemony of Community Lost. In an important 1975 survey replication in a Rochester, New York, neighborhood of a study conducted there in 1950, Hunter (1975) found a decrease in the use of shopping, entertainment, and other facilities but no change in informal neighboring and local interaction. Indeed, the local sense of community had increased, leading him to conclude that "the hypothesized consequences of an ecological and functional increase in scale have not resulted in a social and cultural-symbolic loss of community." Summarizing these findings, ethnographic and quantitative alike, Wellman (1979) declared a mid-century era of "Community Saved."

As suburbanization and technological change have increased in the past two decades, scholarship has begun to reach a compromise in the Community Lost and

Community Saved arguments. The research of theorists on social networks has shown that, contrary to the assumptions of a decline in primary relations and to the Community Saved image of dense parochial ties, modern urbanites have created non-spatial communities—viable social relations dispersed in space (Tilly, 1973). Modern urban dwellers, for example, might not know (or want to know) their neighbors on an intimate basis, but they are likely to have interpersonal networks spread throughout the city, state, and even country. Wellman refers to this expanded concept of community as "Community Liberated," or what might be thought of as community beyond propinquity. This does not mean local relations are unimportant, but only that they are no longer controlling for many areas of social life.

Fischer (1982) has presented a similar vision of what urbanism has wrought and what it means to think of communities as liberated. Clarity is accomplished by emphasizing the distinction between the public and private spheres of social life. In the urban world of strangers a person typically has the capacity to know people categorically, to place them by appearance (age, ethnicity, lifestyle) in one of many urban subcultures. But this is a situational not a psychological style, and it says nothing about attitudes and action in the private sphere. City dwellers have not lost the capacity for deep, long-lasting relationships; rather they have gained the capacity for surface, fleeting relationships that are restricted. Consequently, urbanism's effects are specified: estrangement occurs in the public sphere—less helpfulness, more conflict—but not in the private sphere—personal relationships and psychological well-being.

It is unfortunate that the present nostalgia for community has emerged almost oblivious to a research cycle of Community Lost, Saved, and Liberated. The evidence supports the argument for Community Liberated, showing that community has been transformed rather than lost. I use this framework to understand what community supplies in mass society. The evidence is now clear that urban dwellers rely less than they have in the past on local neighborhoods for psychological support, cultural and religious nourishment, and economic needs and transactions. They can shop, work, go to church, and make friends throughout geographical space and, increasingly, cyber space. This alone suggests that interventions in the local community are unlikely to succeed if they attempt to penetrate the private world of personal relations.

I contend that we do not need communities so much to satisfy our private and personal needs, which are best met elsewhere, nor even to meet our sustenance needs, which for better or worse appear to be irretrievably dispersed in space. Rather, local community remains essential as a site for the realization of common values in support of social goods, including public safety, norms of civility and mutual trust, efficacious voluntary associations, and collective socialization of the young.

The local community remains important for another reason—economic resources and social-structural differentiation in general are very much spatially shaped in the United States. Income, education, housing stock—the bedrock of physical and human capital—are distributed unevenly across geographical space, often in conjunction with ascribed characteristics such as racial composition. The continuing and in some cases increasing significance of such ecological differentiation is fundamental to our understanding of community.

Before addressing ecological differentiation, however, I must first digress to consider the operational definitions of community and neighborhood in modern society. The complexity of the phenomenon is staggering; Hillery (1984) reviews close to 100 definitions of neighborhoods. The traditional definition of a neighborhood, as used by Park, Burgess, and other members of the early Chicago School, refers to an ecological subsection of a larger community, a collection of both people and institutions occupying a spatially defined area that is conditioned by a set of ecological, cultural, and political forces. In an almost utopian way, Park defined neighborhood as "a locality with sentiments, traditions, and a history

of its own" (1916, p. 95). He also claimed that the neighborhood was the basis of social and political organization, albeit not in a formal sense.

Park's definition overstates the cultural and political distinctiveness of residential enclaves, but there are aspects of it worth preserving. Most important is the recognition first that neighborhoods are an ecological unit and second that they are nested within successively larger communities. There is no one neighborhood, but many neighborhoods that vary in size and complexity depending on the social phenomenon of interest and the ecological structure of the larger community. This idea of embeddedness is why Choldin (1984) argues for the term *subcommunity*, emphasizing that the local neighborhood is integrally linked to, and dependent on, a larger whole. For these reasons, one can think of residential neighborhoods as what Suttles (1972, p. 59) calls a "mosaic of overlapping boundaries" or what Reiss (1996) calls an "imbricated structure."

ECOLOGICAL DIFFERENTIATION AND COMMUNITY STRATIFICATION

A wealth of research has studied the ecological differentiation of American cities. Research traditions rooted in "social area analysis" and "factorial ecology" have established structural characteristics that vary among neighborhoods, chiefly along the dimensions of socioeconomic stratification (poverty, occupational attainment), family structure, residential stability (homeownership, tenure), race or ethnicity, and urbanization (density).

This research has demonstrated that many social indicators coalesce in physical space. Current research is attempting to investigate how macro forces lead to the clustering of social and economic factors in urban areas. The best-known result is Wilson's (1987) theory of "concentration effects" that arise from living in a neighborhood that is overwhelmingly impoverished. Wilson argues that the social transformation of inner-city areas in recent decades has resulted in an increased concentration of the most disadvantaged segments of the urban black population, especially poor, female-headed families with children. At the national level in 1990, fully 25% of poor blacks lived in concentrated poverty neighborhoods compared with only 3% of poor whites (Jargowsky, 1997, p. 41). The consequences of these distributions are profound because they mean that relationships between race and individual outcomes are systematically confounded with important differences in community contexts.

The concentration of poverty and joblessness has been fueled by macroeconomic changes related to the deindustrialization of central cities where low-income minorities are disproportionately located. These changes include a shift from goods-producing to service-producing industries, the increasing polarization of the labor market into low-wage and high-wage workers, and the relocation of manufacturing away from the inner cities. The related exodus of middle- and upper-income black families from the inner city has also, according to Wilson, removed an important social buffer that could potentially deflect the full impact of prolonged joblessness and industrial transformation. Wilson (1996) argues that income mixing within communities was more characteristic of ghetto neighborhoods in the 1940s and 1950s and that inequality among communities today has become more pronounced as a result of the increasing spatial separation of middle- and upper-income blacks from lower-income blacks.

Focusing on racial segregation, Massey and Denton (1993) describe how, in a segregated environment, economic shocks that push more people into the ranks of low-income earners not only bring about an increase in the poverty rate for the group as a whole but also cause an increase in the geographic concentration of poverty. This geographic intensification occurs because the additional poverty created by macroeconomic conditions is spread unevenly over a metropolitan area. The greater the segregation, "the smaller the number of neighborhoods absorbing the shock, and the more severe the resulting concentration of

poverty" (Massey, 1990, p. 337). At the other end of the income distribution, the growing geographic concentration of (predominantly white) affluence suggests a society increasingly bifurcated by wealth. Although for different reasons, both Wilson and Massey contend that race-linked social change is a structural force that is reflected in local environments.

Recognition of the spatial clustering of social problems actually has a long history. In the 1920s Shaw and McKay (1969 [1942]) discovered that the same Chicago neighborhoods characterized by poverty, residential instability, and high rates of crime and delinquency were also plagued by high rates of infant mortality, low birth weight, tuberculosis, physical abuse, and other factors detrimental to child development. This general empirical finding has emerged repeatedly. Clearly, there is a connection between the healthy development of children and community structure.

In short, research on ecological differentiation has established some facts. First, there is considerable race-linked economic inequality among neighborhoods and communities, evidenced by the clustering of indicators of both advantaged and disadvantaged socioeconomic status and racial isolation: Second, social problems come bundled at the neighborhood level, including but not limited to crime, social disorder, and poor child health. Third, the ecological concentration of poverty, racial isolation, and social dislocations appears to have increased significantly along with the concentration of affluence, especially during the 1980s and 1990s.

Despite increased urbanization and a complex imbricated structure, neighborhoods and residential subcommunities remain persistent in American society. As any real estate agent or homeowner will attest, location does matter. It remains for a theory of community to specify the social mechanisms by which structural dimensions of community, especially the concentration of urban poverty, racial segregation, and residential stability, matter. It is to this issue I now turn.

THEORY OF COMMUNITY SOCIAL ORGANIZATION

At the most general level, community social organization may be thought of as the ability of a community structure to realize the common values of its residents and maintain effective social controls. Social control should not be equated with repression or forced conformity. Rather, it refers to the capacity of a social unit to regulate itself according to desired principles, to realize collective, as opposed to forced, goals. This conception is similar to Tilly's (1973) definition of collective action: the application of a community's pooled resources to common ends. There seems to be a consensus among Americans on the virtues of neighborhoods characterized by economic sufficiency, good schools, adequate housing, and a clean, healthy environment. The capacity to achieve such common goals is linked to informal relationships established for other purposes and more formal efforts to achieve social regulation through institutional means (see Kornhauser, 1978, p. 24).

The present framework of social control does not rest on homogeneity, whether cultural or socio-demographic. Diverse populations can and do agree on wanting safe streets. And social conflicts can and do rend communities along the lines of economic resources, race, political empowerment, and the role of criminal justice agents in defining and controlling drug use, gangs, panhandling, and police misconduct. Conflict usually coalesces around the distribution of resources and power, not the content of core values. As Selznick (1992, pp. 367, 369) has written, "communities are characterized by structural differentiation as well as by shared consciousness." The goal of community is thus unity in diversity, or the reconciliation of partial and general perspectives on the common good.

This sociological conception of social control addresses the long-standing criticism that theories of community social organization de-emphasize social conflict. Recognizing that collective efforts to achieve common goals are variable and coexist with conflict,

I thus use the term "differential social organization." In other words, I accept that communities lack homogeneity as I define them and focus on the variable forms of organization, formal and informal. Furthermore, my definition embraces geography rather than solidarity or identity as the major criterion identifying a community. Following Tilly (1973, p. 212), I "choose to make territoriality define communities and to leave the extent of solidarity problematic." When formulated in this way, the dimensions of community social organization are analytically separable not only from racial segregation, concentrated poverty, instability, and other exogenous sources of variation but from the social goods that may result.

Networks, Social Capital, and Collective Efficacy

The social-control way of thinking about community is grounded in what Kasarda and Janowitz (1974, p. 329) call the "systemic" model, in which the local community is viewed as a complex system of friendship and kinship networks, and of formal and informal associational ties rooted in family life, ongoing socialization processes, and local institutions. Important systemic dimensions of community social organization are the prevalence, interdependence, and overlapping nature of social networks, local participation in formal and voluntary organizations, and the span of collective attention that the community directs toward local problems.

Thus conceived, the systemic model of social capital borrows insights gleaned from the social network paradigm in sociology. As a theoretical project, network analysis rejects the attempt to explain social process in terms of individual cognition or categorical attributes such as poverty or ethnicity. What counts more are the *social relations among persons* and the *structural connections among positions*. Applied to the local community, network analysis investigates the constraining and enabling dimensions of patterned relationships among social actors in an ecological system. The important point to take from this view is that community composition, the aggregation of individual characteristics, matters primarily as it bears on network structure.

The systemic or network analysis of social control is theoretically compatible with more recent formulations of what has been termed *social capital*. Coleman (1988, p. 98) defines social capital by its functions: it is created when the structure of relations among persons facilitates action, "making possible the achievement of certain ends that in its absence would not be possible." Social capital is a social good embodied in the relations among persons and positions. In other words, social capital is lodged not in individuals but in the structure of social organization. Putnam (1993, p. 36) has defined social capital in a similar fashion as "features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit."

It follows that communities high in social capital are better able to realize common values and maintain effective social controls. Consider the case of childrearing, which is analyzed typically from the perspective of families. Neighborhoods characterized by extensive obligations, expectations, and interlocking social networks connecting adults are best able to facilitate the informal social control of children. Such close local networks provide the child with social capital of a collective nature, as reflected in the idea that "it takes a whole village to raise a child."

Social networks alone, however, are not sufficient to understand local communities. After all, networks are differentially invoked; and in fact dense, tight-knit networks may actually impede social organization if they are isolated or weakly linked to collective expectations for action.

Private ties notwithstanding, then, it is the linkage of mutual trust and the willingness to intervene for the common good that defines the neighborhood context of what Sampson, Raudenbush, and Earls (1997) term *collective efficacy*. Just as individuals vary in their capacity for effective action, so too do neighborhoods vary in their capacity

to achieve common goals. It follows that the collective efficacy of residents is a critical feature of urban neighborhoods, regardless of the demographic composition of the population.

Institutions and Public Control

The present integration of a social capital and systemic network model of community social organization should not be read as ignoring institutions or the political environment of which local communities are a part. The institutional component of the systemic model is the neighborhood organizations and their linkages with other organizations, within and outside the community. Neighborhood organizations are the structural embodiment of community solidarity. For example, Kornhauser (1978, p. 79) argues that when the horizontal links among institutions in a community are weak, the capacity to defend local interests is weakened. Moreover, institutional strength is not necessarily isomorphic with neighborhood cohesion. Many communities exhibit intense private ties among friends and kin yet still lack the institutional capacity to achieve social control.

Vertical integration is potentially even more important. Bursik and Grasmick (1993) emphasize the importance of *public* control, defined as the capacity of local community organizations to obtain police and fire services, block grants, and other extra-local resources that help sustain neighborhood social stability and local control.

LINKING STRUCTURAL DIFFERENTIATION AND SOCIAL ORGANIZATION

The preceding discussion underscores the reality that community social capital does not emerge from a vacuum. It is embedded in structural contexts and a political economy of place. Structural differentiation and extra-local political economy shape the dimensions of neighborhood social organization.

Research shows that local friendship ties and the density of acquaintanceship vary widely across communities and that these variations are positively related to residential stability in a community. Stability is typically measured by average length of residence and the prevalence of homeownership. Community stability is independently associated with collective attachment to community and rates of participation in social and leisure activities. Furthermore, community residential stability has significant contextual effects on an individual's local friendships and participation in local social activities even after accounting for factors such as age, social class, and life cycle (Sampson, 1988). Consistent with the predictions of the systemic model, these findings suggest that residential stability promotes a variety of social networks and local associations, thereby increasing the social capital of local communities.

Neighborhood variations in informal social control and institutional vitality are also systematically linked to patterns of resource deprivation and racial segregation, especially the concentration of poverty, joblessness, and family disruption. Wilson (1996) has described the corroding effects on neighborhood social organization of concentrated joblessness and the social isolation of the urban poor. He argues that in areas of economic distress where men are marginalized from the labor market and often family life as well, the incentives for participation in the social aspects of community life are reduced.

Similarly, Brooks-Gunn, Duncan, Klebanov, and Sealand (1993) reported that for many child and adolescent outcomes, such as low IQ, dropping out of high school, problem behaviors, and out-of-wedlock births, the *absence* of affluent neighbors was more important than the *presence* of low-income neighbors. In particular, high economic status proved to be more important than the poverty status, racial composition, or the family structure of neighborhoods. Aber (1992) found that neighborhood socioeconomic status and joblessness interacted to predict adolescent outcomes: it was in conditions of high jobless rates that the absence of affluent neighbors served to depress academic achievement scores.

Studies have explored the mechanisms of community social organization more directly, especially how they are shaped by ecological differentiation. Elliott et al. (1996) examined survey data from neighborhoods in Chicago and Denver, which revealed that a measure of informal control was significantly related to adolescent outcomes in both places—positively to school achievement and conventional friendships, for instance, and negatively to delinquency. A similar finding was reported in Sampson's (1997) analysis of a community survey in Chicago designed to measure the willingness of neighbors to intervene in skipping school, spray-painting graffiti, and like public acts of deviance by children. Variations in the informal social control of children across 80 neighborhoods were positively related to residential stability and negatively related to concentrated poverty. In fact, informal social control accounted for more than half of the relationship between residential stability and lower rates of delinquency.

Although limited, the cumulative results of recent research support the idea that neighborhoods characterized by mistrust, sparse acquaintanceship networks among residents, attenuated social control of public spaces, and a weak institutional base coupled with little participation in local voluntary associations face an increased risk of crime, social disorder, and troublesome youth behavior. Perhaps more important, these dimensions of community social capital or collective efficacy are systematically structured (although not determined) by differences in wealth, jobs, family status, and residential tenure. Once again, however, one must be careful not to view structural patterns as arising solely from processes indigenous to neighborhoods. To understand neighborhood variations and ultimately to design community interventions, one must also take into account urban political economy.

Political Economy

Empirical research on the political economy of American cities has shown that structural differentiation is shaped directly and indirectly by the spatial decisions of public officials and businesses. The decline and destabilization of many central-city neighborhoods, for instance, has been facilitated not only by individual preferences as manifested in voluntary migration patterns, but government decisions on public housing, incentives for suburban growth in the form of tax breaks for developers and private mortgage assistance, highway construction and urban renewal, economic disinvestment in central cities, and zoning restrictions on land use.

Consider public housing and the legacy of urban renewal. Bursik (1989) has shown that the construction of new public housing projects in Chicago in the 1970s was associated with increased rates of population turnover, which predicted increases in crime independent of the area's population composition. Skogan (1990) has noted that urban renewal and forced migration contributed to the wholesale uprooting of many urban communities, and especially that freeway networks driven through the center of many cities in the 1960s destroyed viable, low-income neighborhoods. Across the nation, fully 20% of all central-city housing units occupied by blacks were lost in the 1960s because of urban redevelopment. This displacement does not even include that brought about by evictions, rent increases, and other routine market forces.

Equally disturbing, Wilson (1987) documents the often disastrous consequences of municipal decisions to concentrate minorities and the poor in public housing. Opposition from organized community groups to building public housing in their neighborhoods, de facto federal policy to tolerate extensive segregation against blacks in urban housing markets, and the decision by local governments to neglect code enforcement and the rehabilitation of existing residential units have all contributed to segregated housing projects that have become ghettos for many poor minority members.

The responsibilities of private development and business do not emerge unscathed, either. The idea of cities as growth machines (Logan & Molotch, 1987) reflects the marriage of private markets and enthusiastic

governments to pursue aggressive development, often at the expense of previously stable communities with strong patterns of local social organization. Tax breaks for suburban development and federally supported housing mortgages have been especially prominent in the hollowing out of many urban centers. Historically, real estate agents have aided racial segregation and neighborhood instability by acting as panic peddlers in an effort to induce or accelerate the pace of neighborhood change. Joining them have been banks that redlined mortgage applications and promoted economic disinvestment in the inner city.

Zoning, a seemingly innocuous administrative practice, has undermined the social aspects of traditional urban life. By design, zoning is intended to create separate geographical spaces, and it has done so by cutting up neighborhoods into artificial segments, which disrupts patterns of social interaction and human activities. Indeed, the eerie lack of people walking and interacting on the streets of many suburban developments attests to zoning's dehumanization of the environment.

Whether through the purposeful segregation of low-income public housing, highway construction, urban renewal, government subsidized development by the private sector, zoning, redlining, blockbusting, or something so simple yet powerfully symbolic as gated communities with no sidewalks, it is no longer possible to think of neighborhoods as natural areas created by the aggregation of individual preferences alone. Clearly, government, business, and the political economy matter to an understanding of what communities can and cannot supply.

CONCLUSION

Urbanization and modernity notwithstanding, local communities and residential neighborhoods remain a prominent feature of American society. In this chapter I have proposed a community-level framework to explain why. I have explored the meaning, sources, and consequences of what communities supply from the perspective of a theory of social capital and collective efficacy.

It is appropriate to close, however, with some words of caution on the limits of community. Achieving common goals in an increasingly diverse society is no easy task and has proven a problem for communitarian thinking in an age of individual rights. In the pursuit of informal social control and collective goods, there is always the danger that freedoms will be restricted unnecessarily, that people will face unwanted and even unjust scrutiny. For example, surveillance of "suspicious" persons in socially controlled communities can easily become translated into the wholesale interrogation of racial minorities (see Skogan, 1990). Suppose further that a community comes together with high social capital and cohesion to block the residential entry of a racial group. Put more bluntly, what if racism is a shared value among residents of certain neighborhoods? Such exclusion happens too often, prompting Suttles (1972) to warn of the dark side of "defended neighborhoods."

Consider also the historical connection between official corruption and local solidarity. Whyte (1943, p. 126) was one of the first to document the ironic consequences of dense, multiple relationships in cohesive communities for law enforcement. "The policeman who takes a strictly legalistic view of his duties cuts himself off from the personal relations necessary to enable him to serve as a mediator of disputes in his area." By contrast, "the policeman who develops close ties with local people is unable to act against them with the vigor prescribed by the law." It follows that police corruption is an ever present danger under conditions of high social capital even as it aids in dispute resolution and informal social control because of interlocking social ties. It was the nature of such corruption that originally led to decentralized policing and an emergency-based patrol response in which officers were randomly assigned across neighborhoods. The nationwide move to embrace community policing has perhaps not recognized the risks inherent in the community side of the equation.

Obviously, Americans would not do well to think of racism, norms of social exclusion, and instruments of corruption as desirable forms of social capital, and we must balance community with a normative conception of social justice. It is for this reason that I have focused on widely expressed desires regarding community—especially social order and public safety. My strategy relies on a vision of urban America based on shared values for a safe and healthy environment, not on policies that divide by race and class. Nonetheless, pursuit of community goals must proceed cautiously and with respect for individual rights, diversity, and limits on state power. Fortunately, legal justice and community are not the antinomy common wisdom suggests. Constitutional law has long been concerned with balancing individual rights against the need to promote the health and safety of communities. The very idea of police power suggests the tension, long recognized by the Supreme Court, between individual rights and the pursuit of social order. Bringing law and social justice back into discussions of community development is a welcome and necessary move in the attempt to unite diversity in the name of community.

Finally, I caution against falling into the trap of local determinism. Part of the appeal of community is the image of local residents working collectively to solve their own problems. A defining part of American tradition (nostalgia?) is to hold individuals as well as communities responsible for their own fate. Like Saul Alinsky, I too have embraced the American ideal of residents joining forces to build community and maintain social order. This is not the only or even the most important story, however. As I have been at pains to emphasize, what happens within neighborhoods is in large part shaped by extra-local social forces and the political economy. In addition to encouraging communities to mobilize via self-help strategies of informal social control, it is incumbent on government to mount aggressive strategies to address the social and ecological changes that have battered inner-city communities. The specific nature of such efforts is beyond the scope of this chapter, but that should not detract from the importance of restorative moves at the political and macro-social level. Recognizing that community social action matters, in other words, does not absolve society of the responsibility for seeking equality of opportunities at the neighborhood as well as the individual level.

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CHAPTER 37

Development as Capability Expansion

Amartya Sen

INTRODUCTION

In his *Grundlegung zur Metaphysik de Sitten*, Immanuel Kant argues for the necessity of seeing human beings as ends in themselves, rather than as means to other ends: "So act as to treat humanity, whether in thine own person or in that of any other, in every case as an end withal, never as means only." This principle has importance in many contexts—even in analyzing poverty, progress, and planning. Human beings are the agents, beneficiaries, and adjudicators of progress, but they also happen to be—directly or indirectly—the primary means of all production. This dual role of human beings provides a rich ground for confusion of ends and means in planning and policymaking. Indeed, it can—and frequently does—take the form of focusing on production and prosperity as the essence of progress, treating people as the means through which that productive progress is brought about (rather than seeing the lives of people as the ultimate concern and treating production and prosperity merely as means to those lives).

The widely prevalent concentration on the expansion of real income and on economic growth as the characteristics of successful development can be precisely an aspect of the mistake against which Kant had warned. This problem is particularly pivotal in the assessment and planning of economic development. The problem does not, of course, lie in the fact that the pursuit of economic prosperity is typically taken to be a major goal of planning and policymaking. This need not be, in itself, unreasonable. The problem relates to the level at which this aim should be taken as a goal. Is it just an intermediate goal, the importance of which is contingent on what it ultimately contributes to human lives? Or is it the object of the entire exercise? It is in the acceptance—usually implicitly—of the latter view that the ends–means confusion becomes significant—indeed blatant.

The problem might have been of no great practical interest if the achievement of economic prosperity were tightly linked—in something like a one-to-one correspondence—with that of enriching the lives of the people. If that were the case, then the pursuit of economic prosperity as an end in itself, while wrong in principle, might have been, in effect, indistinguishable from pursuing it only as a means to the end of enriching human lives. But that tight relation does not obtain. Countries with high GNP per capita can nevertheless have astonishingly low achievements in the quality of life, with the bulk of the population being subject to premature mortality, escapable morbidity, overwhelming illiteracy, and so on.

Just to illustrate an aspect of the problem, the GNP per capita of six countries is given in Table 37.1 along with each country's respective level of life expectancy at birth.

There are, therefore, really two distinct issues here. First, economic prosperity is no more than one of the means to enriching the lives of people. It is a foundational confusion to give it the status of an end. Second, even as a means, merely enhancing average economic opulence can be quite inefficient in the pursuit of the really valuable ends. In making sure that development planning and

Table 37.1 Economic prosperity and life expectancy, 1985

Country	Life expectancy	
	GNP per capita	At birth
China	310	69
Sri Lanka	380	70
Brazil	1,640	65
South Africa	2,010	55
Mexico	2,080	67
Oman	6,730	54

Source: World Bank (1988, Table 1).

general policymaking do not suffer from costly confusions of ends and means, we have to face the issue of identification of ends, in terms of which the effectiveness of the means can be systematically assessed. This chapter is concerned with discussing the nature and implications of that general task.

THE CAPABILITY APPROACH: CONCEPTUAL ROOTS

The particular line of reasoning that will be pursued here is based on evaluating social change in terms of the richness of human life resulting from it. But the quality of human life is itself a matter of great complexity. The approach that will be used here, which is sometimes called the "capability approach," sees human life as a set of "doings and beings"—we may call them "functionings"—and it relates the evaluation of the quality of life to the assessment of the capability to function. It is an approach that I have tried to explore in some detail, both conceptually and in terms of its empirical implications. The roots of the approach go back at least to Adam Smith and Karl Marx, and indeed to Aristotle.

Among the classical political economists, both Adam Smith and Karl Marx explicitly discussed the importance of functionings and the capability to function as determinants of well-being.

Indeed, an important part of Marx's programme of reformulation of the foundations of political economy is clearly related to seeing the success of human life in terms of fulfilling the needed human activities.

COMMODITIES, FUNCTIONINGS, AND CAPABILITY

If life is seen as a set of "doings and beings" that are valuable, the exercise of assessing the quality of life takes the form of evaluating these functionings and the capability to function. This valuational exercise cannot be done by focusing simply on communities or incomes that help those doings and beings, as in commodity-based accounting of the quality of life (involving a confusion of means and ends). "The life of money-making," as Aristotle put it, "is one undertaken under compulsion, and wealth is evidently not the good we are seeking; for it is merely useful and for the sake of something else (1980, p. 7)." The task is that of evaluating the importance of the various functionings in human life, going beyond what Marx (1844) called, in a different but related context, "commodity fetishism." The functionings themselves have to be examined, and the capability of the person to achieve them has to be appropriately valued.

In the view that is being pursued here, the constituent elements of life are seen as a combination of various different functionings. This amounts to seeing a person in an "active" rather than a "passive" form (but neither the various states of being nor even the "doings" need necessarily be "athletic"

ones). The included items may vary from such elementary functionings as escaping morbidity and mortality, being adequately nourished, undertaking usual movements, etc., to many complex functionings such as achieving self-respect, taking part in the life of the community, and appearing in public without shame (the last a functioning that was illuminatingly discussed by Adam Smith (1776) as an achievement that is valued in all societies, but the precise commodity requirement of which, he pointed out, varies from society to society). The claim is that the functionings are constitutive of a person's being, and an evaluation of a person's well-being has to take the form of an assessment of these constituent elements.

The primitive notion in the approach is that of functionings—seen as constitutive elements of living: a functioning is an achievement of a person, what he or she manages to do or to be, and any such functioning reflects, as it were, a part of the state of that person. The capability of a person is a derived notion. It reflects the various combinations of functionings (doings and beings) he or she can achieve. It takes a certain view of living as a combination of various "doings and beings." Capability reflects a person's freedom to choose between different ways of living. The underlying motivation—the focusing on freedom—is well captured by Marx's claim that what we need is "replacing the domination of circumstances and chance over individuals by the domination of individuals over chance and circumstances" (Marx & Engels, 1846, p. 190).

UTILITARIAN CALCULUS VERSUS OBJECTIVE DEPRIVATION

The capability approach can be contrasted not merely with commodity-based systems of evaluation, but also with the utility-based assessment. The utilitarian notion of value, which is invoked explicitly or by implication in much of welfare economics, sees value, ultimately, only in individual utility, which is defined in terms of some mental condition, such as pleasure, happiness, desire fulfillment. This subjectivist perspective has been extensively used, but it can be very misleading, since it may fail to reflect a person's real deprivation.

A thoroughly deprived person, leading a very reduced life, might not appear to be badly off in terms of the mental metric of utility, if the hardship is accepted with no-grumbling resignation. In situations of long-standing deprivation, the victims do not go on weeping all the time, and very often make great efforts to take pleasure in small mercies and to cut down personal desires to modest—"realistic"—proportions. The person's deprivation, then, may not at all show up in the metrics of pleasure, desire fulfillment etc., even though he or she may be quite unable to be adequately nourished, decently clothed, minimally educated, and so on.

This issue, apart from its foundational relevance, may have some immediate bearing on practical public policy. Smugness about continued deprivation and vulnerability is often made to look justified on grounds of lack of strong public demand and forcefully expressed desire for removing these impediments.

AMBIGUITIES, PRECISION, AND RELEVANCE

There are many ambiguities in the conceptual framework of the capability approach. Indeed, the nature of human life and the content of human freedom are themselves far from unproblematic concepts. It is not my purpose to brush these difficult questions under the carpet. In so far as there are genuine ambiguities in the underlying objects of value, these will be reflected in corresponding ambiguities in the characterization of capability. The need for this relates to a methodological point, which I have tried to defend elsewhere, that if an underlying idea has an essential ambiguity, a precise formulation of that idea must try to capture that ambiguity rather than attempt to lose it. Even when precisely capturing an ambiguity proves to be a difficult exercise, that is not an argument for forgetting the

complex nature of the concept and seeking a spuriously narrow exactness. In social investigation and measurement, it is undoubtedly more important to be vaguely right than to be precisely wrong.

It should be noted also that there is always an element of real choice in the description of functionings, since the format of "doings" and "beings" permits additional "achievements" to be defined and included. Frequently, the same doings and beings can be seen from different perspectives, with varying emphases. Also, some functionings may be easy to describe, but of no great interest in the relevant context. There is no escape from the problem of evaluation in selecting a class of functionings as important and others as not so. The evaluative exercise cannot be fully addressed without explicitly facing questions concerning what are the valuable achievements and freedoms, and which are not.

In the context of some types of welfare analysis, for example, in dealing with extreme poverty in developing economies, we may be able to go a long distance in terms of a relatively small number of centrally important functionings and the corresponding capabilities, such as the ability to be well nourished and well sheltered, the capability of escaping avoidable morbidity and premature mortality, and so forth. In other contexts, including more general problems of assessing economic and social development, the list may have to be much longer and much more diverse. The task of specification must relate to the underlying motivation of the exercise as well as dealing with the social values involved.

QUALITY OF LIFE, BASIC NEEDS, AND CAPABILITY

There is an extensive literature in development economics concerned with valuing the quality of life, the fulfillment of basic needs, and related matters. That literature has been quite influential in recent years in drawing attention to neglected aspects of economic and social development. It is, however, fair to say that these writings have been typically comprehensively ignored in the theory of welfare economics, which has tended to treat these contributions as essentially ad hoc suggestions. This treatment is partly the result of the concern of welfare theory that proposals should not just appeal to intuitions but also be structured and founded. It also reflects the intellectual standing that such traditional approaches as utilitarian evaluation enjoy in welfare theory, and which serves as a barrier to accepting departures even when they seem attractive.

The "basic needs" literature has, in fact, tended to suffer a little from uncertainties about how basic needs should be specified. The original formulations often took the form of defining basic needs in terms of needs for certain minimal amounts of essential commodities such as food, clothing, and shelter. If this type of formulation is used, then the literature remains imprisoned in the mold of commodity centered evaluation, and can in fact be accused of adopting a form of "commodity fetishism." The objects of value can scarcely be the holdings of commodities. Judged even as means, the usefulness of the commodity-perspective it severely compromised by the variability of the conversion of commodities into capabilities. For example, the requirement of food and of nutrients for the capability of being well nourished may greatly vary from person to person, depending on metabolic rates, body size, gender, pregnancy, age, climatic conditions, parasitic ailments, and so on. The evaluation of commodity holdings or of incomes (with which to purchase commodities) can be at best a proxy for the things that really matter, but unfortunately it does not seem to be a particularly good proxy in most cases.

RAWLS, PRIMARY GOODS, AND FREEDOMS

The concern with commodities and means of achievement, with which the motivation of the capability approach is being contrasted, happens to be, in fact, influential in the literature of modern moral philosophy as well. For example, in John Rawls' (1971)

outstanding book on justice the concentration is on the holdings of "primary goods" of different people in making interpersonal comparisons. His theory of justice, particularly the "difference principle," is dependent on this procedure for interpersonal comparisons. This procedure has the feature of being partly commodity based, since the list of primary goods includes "income and wealth," in addition to "the basic liberties," "powers and prerogatives of offices and positions of responsibility," "social bases of self-respect," and so on.

Indeed, the entire list of "primary goods" of Rawls is concerned with means rather than ends; they deal with things that help to achieve what we want to achieve, rather than either with achievement as such or even with the freedom to achieve. Being nourished is not part of the list, but having the income to buy food certainly is. Similarly, the social bases of self-respect belong to the list in a way self-respect as such does not.

Rawls is much concerned that the fact that different people have different ends must not be lost in the evaluative process, and people should have the freedom to pursue their respective ends. This concern is indeed important, and the capability approach is also much involved with valuing freedom as such. In fact, it can be argued that the capability approach gives a better account of the freedoms actually enjoyed by different people than can be obtained from looking merely at the holdings of primary goods. Primary goods are means to freedoms, whereas capabilities are expressions of freedoms themselves.

The motivations underlying the Rawlsian theory and the capability approach are similar, but the accountings are different. The problem with the Rawlsian accounting lies in the fact that, even for the same ends, people's ability to convert primary goods into achievements, differs, so that an interpersonal comparison based on the holdings of primary goods cannot, in general, also reflect the ranking of their respective real freedoms to pursue any given—or variable—ends. The variability in the conversion rates between persons for given ends is a problem that is embedded in the wider problem of variability of primary goods needed for different persons pursuing their respective ends. Hence, a similar criticism applies to Rawlsian accounting procedure as applies to parts of the basic-needs literature for their concentration on means (such as commodities) as opposed to achievements or the freedom to achieve.

FREEDOM, CAPABILITY, AND DATA LIMITATIONS

The capability set represents a person's freedom to achieve various functioning combinations. If freedom is intrinsically important, then the alternative combinations available for choice are all relevant for judging a person's advantage, even though he or she will eventually choose only an alternative. In this view, the choice itself is a valuable feature of a person's life.

On the other hand, if freedom is seen as being only instrumentally important, then the interest in the capability set lies only in the fact that it offers the person opportunities to achieve various valuable states. Only the achieved states are in themselves valuable, not the opportunities, which are valued only as means to the end of reaching valuable states.

The contrast between the intrinsic and the instrumental views of freedom is quite a deep one. Both views can be accommodated within one capability approach. With the instrumental view, the capability one is valued only for the sake of the best alternative available for choice (or the actual alternative chosen). This way of evaluating a capability set by the value of one distinguished element in it can be called "elementary evaluation." If, on the other hand, freedom is intrinsically valued, then elementary evaluation will be inadequate, since the opportunity to choose other alternatives is of significance of its own. To bring out the distinction, it may be noted that if all other than the chosen alternative were to become unavailable, then there would be a real loss in the case of the intrinsic view, but not in the instrumental, since the alternative chosen is still available.

In terms of practical application, the intrinsic view is much harder to reflect than the instrumental view, since our direct observations relate to what was chosen and achieved. The estimation of what could have been chosen is, by its very nature, more problematic (involving, in particular, assumptions about the constraints actually faced by the person). The limits of practical calculations are set by data restrictions, and this can be particularly hard on the representation of capability sets in full, as opposed to judging the capability sets by the observed functioning achievements.

There is no real loss involved in using the capability approach in this reduced form if the instrumental view of freedom is taken, but there is loss if the intrinsic view is accepted. For the latter, a presentation of the capability set as such is important.

In fact, neither the instrumental view not the intrinsic view is likely to be fully adequate. Certainly, freedom is a means to achievement, whether or not it is also intrinsically important, so that the instrumental view must be *inter alia* present in any use of the capability approach. Also, even if we find in general the instrumental view to be fairly adequate, there would clearly be cases in which it is extremely limited. For example, the person who fasts, that is, starves out of choice, can hardly be seen as being similarly deprived as a person who has no option but to starve because of penury. Even though their observed functionings may be the same, at least in the crude representation of functionings, their predicaments are not the same.

As a matter of fact, the informational base of functionings is still a much finer basis of evaluation of the quality of life and economic progress than various alternatives more commonly recommended, such as individual utilities or commodity holdings. The commodity fetishism of the former and the subjectivist metric of the latter make them deeply problematic. Thus, the concentration on achieved functionings has merits over the feasible rivals (even though it may not be based on as much information as would be needed to attract intrinsic importance to freedom). And in terms of data availability, keeping track of functionings (including vital ones such as being well nourished and avoiding escapable morbidity or premature mortality) is typically no harder—often much easier—than getting data on commodity use (especially divisions within the family), not to mention utilities.

The capability approach can, thus, be used at various levels of sophistication, and how far we can go would depend much on the practical consideration of what data we can get and what we cannot. In so far as freedom is seen to be intrinsically important, the observation of the chosen functioning bundle cannot be in itself an adequate guide for the evaluative exercise, even though the freedom to choose a better bundle rather than a worse one can be seen to be, in some accounting, an advantage even from the perspective of freedom.

The point can be illustrated with a particular example. An expansion of longevity is seen, by common agreement, as an enhancement of the quality of life (though, strictly speaking, I suppose one can think of it as an enhancement of the quantity of life). This is so partly because living longer is an achievement that is valued. It is also partly so because other achievements, such as avoiding morbidity, tend to go with longevity (and thus longevity serves also as a proxy for some achievements that too are intrinsically valued). But greater longevity can also be seen as an enhancement of the freedom to live long. We often take this for granted on the solid ground that given the option, people value living longer, and thus the observed achievement of living longer reflects a greater freedom than was enjoyed.

The interpretative question arises at this precise point. Why is it evidence of greater freedom as such that a person ends up living longer rather than shorter? Why can it not be just a preferred achievement, but involving no difference in terms of freedom? One answer is to say that one always does have the option of killing oneself, and thus an expansion of longevity expands one's options. But there is a further issue here. Consider a case in which, for some reason (either legal or psychological or whatever), one cannot really kill oneself (despite the

presence in the world of poisons, knives, tall buildings, and other useful objects). Would we then say that the person does not have more freedom by virtue of being free to live longer though not shorter? It can be argued that if the person values, prefers, and wishes to choose living longer, then the change in question is in fact an expansion of the person's freedom, since the valuation of freedom cannot be dissociated from the assessment of the actual options in terms of the person's evaluative judgments.

The idea of freedom takes us beyond achievements, but that does not entail that the assessment of freedom must be independent of that of achievements. The freedom to live the kind of life one would take to live has importance that the freedom to live the kind of life one would hate to have does not. Thus, the temptation to see more freedom in greater longevity is justifiable from several points of view, including noting the option of ending one's life and being sensitive to the evaluative structure of achievements, which directly affect the metric of freedom. The bottom line of all this is to recognize that the use of the capability approach even in the reduced form of concentrating on the achieved functionings (longevity, absence of morbidity, avoidance of undernourishment, etc.) may give more role to the value of freedom than might have been initially apparent.

INEQUALITY, CLASS, AND GENDER

The assessment of inequality depends on the chosen indicator of individual advantage. The usual inequality measures that can be found in empirical economic literatures tend to concentrate on inequalities of incomes or wealth. These are valuable contributions. On the other hand, in so far as income and wealth do not give adequate account of quality of life, there is a case for basing the evaluation of inequality on information more closely related to living standards.

Indeed, the two informational bases are not alternatives. Inequality of wealth may tell us things about the generation and persistence of inequalities of other types, even when our ultimate concern may be with inequality of living standard and quality of life. Particularly in the context of the continuation and stubbornness of social divisions, information on inter-class inequalities in wealth and property ownership is especially crucial. But this recognition does not reduce the importance of bringing in indicators of quality of life to assess the actual inter-class inequalities of well-being and freedom.

One field in which inequalities are particularly hard to assess is that of gender difference. There is a great deal of general evidence to indicate that women often have a much worse deal than men do, and that girls are often much more deprived than boys. These differences may be reflected in many subtle as well as crude ways, and in various forms they can be observed in different parts of the world—among both rich and poor countries. However, it is not easy to determine what is the best indicator of advantage in terms of which of these gender inequalities are to be examined. There is, to be sure, no need to look for one specific metric only, and the need for plurality of indicators is as strong here as in any other field. But there is still an issue of the choice of approach to well-being and advantage in the assessment of inequalities between women and men.

The approach of utility-based evaluation is particularly limiting in this context, since the unequal deals that obtain, particularly within the family, are often made "acceptable" by certain social notions of "normal" arrangements, and this may affect the perceptions of women as well as men of the comparative levels of well-being they respectively enjoy. For example, in the context of some developing countries such as India, the point has been made that rural women may have no clear perception of being deprived of things that men have, and may not be in fact any more unhappy than men are. This may or may not be the case, but even if it were so, it can be argued that the mental metric of utility may be particularly inappropriate for judging inequality in this context. The presence of objective deprivation in the form of greater undernourishment, more frequent morbidity, lower

literacy, etc., cannot be rendered irrelevant just by the quiet and ungrumbling acceptance of women of their deprived conditions.

In rejecting utility-based evaluations, it may be tempting to go in the direction of actual commodities (enjoyed by women and men, respectively) to check inequalities between them. There is here the problem, already discussed earlier in this chapter, that commodity-based evaluations are inadequate because commodities are merely means to well-being and freedom and do not reflect the nature of the lives that the people involved can lead. But, in addition, there is the further problem, that it is hard—sometimes impossible—to get confirmation on how the commodities belonging to the family are divided between men and women, and between boys and girls.

For example, studies on the division of food within the family tend to be deeply problematic since the observation needed to see who is eating how much is hard to carry out with any degree of reliability. On the other hand, it is possible to compare signs of undernourishment of boys and girls, to check their respective morbidity rates etc., and these functioning differences are both easier to observe and of greater intrinsic relevance.

There are indeed inequalities between men and women in terms of functionings, and in the context of developing countries the contrast may be sharp then in basic matters of life and death, health, illness, education, and illiteracy. For example despite the fact when men and women are treated reasonably equally in terms of food and health care (as they tend to be in the richer countries, even though gender biases may remain in other—less elementary—fields), women seem to have a greater ability to survive than men, in the bulk of the developing economies, men outnumber women by large margins.

Being able to survive is of course only one capability (though undoubtedly a very basic one), and other comparisons can be made with information on health, morbidity, etc. The ability to read and write is also another important capability, and here it can be seen that the ratio of female to male literacy rates is often shockingly low in different parts of the world. The combined effects of low literacy rates in general (a deprivation of a basic capability across genders) and gender inequalities in literacy rates (unequal deprivation of this basic capability for women) tend to be quite disastrous denials for women. It appears that even leaving out many countries for which no reliable data exist, in a great many countries in the world, the female literary rate is still below 50%. In fact, it is below even 30% for as many as 26 countries, below 20% for 16, and below 10% in at least five.

In general, the perspective of functionings and capabilities provides a plausible approach to examining inter-gender inequalities. It does not suffer from the type of subjectivism that makes utility-based accounting particularly obtuse in dealing with entrenched inequalities. Nor does it suffer from the over-concentration on means that commodity-based accounting undoubtedly does, and in fact it has better informational sources in studying inequalities within the family than is provided by guesswork on commodity distribution (e.g., who is eating how much?). The case of inter-gender inequalities is, of course, only one illustration of the advantages that the capability approach has. But it happens to be an illustration that is particularly important on its own as well, given the pervasive and stubborn nature of inequalities between women and men in different parts of the world.

CONCLUSION

The assessment of achievement and advantage of members of the society is a central part of development analysis. In this chapter, I have tried to discuss how the capability approach may be used to substantiate the evaluative concerns of human development. The focus on human achievement and freedom, and on the need for reflective—rather than mechanical—evaluation, is an adaptation of an old tradition that can be fruitfully used in providing a conceptual basis for analyzing the tasks of human development in the contemporary

world. The foundational importance of human capabilities provides a firm basis for evaluating living standards and the quality of life, and also points to a general format in terms of which problems of efficiency and equality can both be discussed.

The concentration on distinct capabilities entails, by its very nature, a pluralist approach. Indeed, it points to the necessity of seeing development as a combination of distinct processes, rather than as the expansion of some apparently homogeneous magnitude such as real income or utility. The things that people value doing or being can be quite diverse, and the valuable capabilities vary from such elementary freedoms as being free from hunger and undernourishment to such complex abilities as achieving self-respect and social participation. The challenge of human development demands attention being paid to a variety of sectoral concerns and a combination of social and economic processes.

One of the most important tasks of an evaluative system is to do justice to our deeply held human values. To broaden the limited lives into which the majority of human beings are willy-nilly imprisoned by force of circumstances is the major challenge of human development in the contemporary world. Informed and intelligent evaluation both of the lives we are forced to lead and of the lives we would be able to choose to lead through bringing about social changes is the first step in confronting that challenge. It is a task that we must face.

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CHAPTER 38

Five Faces of Oppression

Iris Marion Young

I have proposed an enabling conception of justice. Justice should refer not only to distribution, but also to the institutional conditions necessary for the development and exercise of individual capacities and collective communication and cooperation. Under this conception of justice, injustice refers primarily to two forms of disabling constraints, oppression and domination. While these constraints include distributive patterns, they also involve matters which cannot easily be assimilated to the logic of distribution: decision-making procedures, division of labor, and culture.

For contemporary emancipatory social movements oppression is a central category of political discourse. Entering the political discourse in which oppression is a central category involves adopting a general mode of analyzing and evaluating social structures and practices, which is incommensurate with the language of liberal individualism that dominates political discourse in the United States. A major political project for those of us who identify with at least one of these movements must thus be to persuade people that the discourse of oppression makes sense of much of our social experience. Yet we have no clear account of the meaning of oppression.

In an effort to offer such a definition I aim to systematize the meaning of the concept of oppression as used by such diverse political movements as women, blacks, Chicanos, Puerto Ricans and other Spanish-speaking Americans, American Indians, Jews, lesbians, gay men, Arabs, Asians, old people, working class people, and the physically and mentally disabled, and to provide normative argument to clarify the wrongs the term names.

Obviously the above-named groups are not oppressed to the same extent or in the same ways. In the most general sense, all oppressed people suffer some inhibition of their ability to develop and exercise their capacities and express their needs, thoughts, and feelings. In that abstract sense all oppressed people face a common condition. Beyond that, in any more specific sense, it is not possible to define a single set of criteria that describe the condition of oppression of the above groups. Consequently, attempts by theorists and activists to discover a common description or the essential causes of the oppression of all these groups have frequently led to fruitless disputes about whose oppression is more fundamental.

The contexts in which members of these groups use the term oppression to describe the injustices of their situation suggest that oppression names in fact a family of concepts and conditions, which I divide into five categories: exploitation, marginalization, powerlessness, cultural imperialism, and violence. Each may entail or cause distributive injustices, but all involve issues of justice beyond distribution. One reason that many people would not use the term oppression to describe injustice in our society is that they do not understand the term in the same way as do new social movements. In its traditional usage, oppression means the exercise of tyranny by a ruling group. Thus many Americans would agree with radicals in applying the term oppression to the situation of black South Africans under apartheid. Oppression also traditionally carries a

strong connotation of conquest and colonial domination.

New left social movements of the 1960s and 1970s, however, shifted the meaning of the concept of oppression. In its new usage, oppression designates the disadvantage and injustice some people experience not because a tyrannical power coerces them, but because of the everyday practices of our society. Thus, oppression also refers to systemic constraints on groups that are not necessarily the result of the intentions of a tyrant. Oppression in this sense is structural and refers to the vast and deep injustices some folks suffer as a consequence of often unconscious assumptions and reactions of well-meaning people in ordinary interactions, media and cultural stereotypes, and structural features of bureaucratic hierarchies and market mechanisms—in short, the normal processes of everyday life. We cannot eliminate this structural oppression by getting rid of the rulers or making some new laws, because oppressions are systematically reproduced in major economic, political, and cultural institutions.

The concept of oppression has been current among radicals since the 1960s partly in reaction to Marxist attempts to reduce the injustices of racism and sexism, for example, to the effects of class domination or bourgeois ideology. From often heated discussions a consensus is emerging that many different groups must be said to be oppressed in our society, and that no single form of oppression can be assigned causal or moral primacy (see Gottlieb, 1987). The same discussion has also led to the recognition that group differences cut across individual lives in a multiplicity of ways that can entail privilege and oppression for the same person in different respects. Only a plural explication of the concept of oppression can adequately capture these insights.

Accordingly, I offer below an explication of five faces of oppression as a useful set of categories and distinctions which I believe is comprehensive, in the sense that it covers all the groups said by new left social movements to be oppressed and all the ways they are oppressed.

EXPLOITATION

The central function of Marx's theory of exploitation is to explain how class structure can exist in the absence of legally and normatively sanctioned class distinctions. In precapitalist societies domination is overt and accomplished through directly political means. Both in slave society and in feudal society the right to appropriate the product of the labor of others partly defines class privilege, and these societies legitimate class distinctions with ideologies of natural superiority and inferiority. Capitalist society, on the other hand, removes traditional juridically enforced class distinctions and promotes a belief in the legal freedom of persons. Workers freely contract with employers and receive a wage; no formal mechanisms of law or custom force them to work for that employer or any employer. Thus the mystery of capitalism arises: when everyone is formally free, how can there be class domination? Why do class distinctions persist between the wealthy, who own the means of production, and the mass of people, who work for them? The theory of exploitation answers this question.

Profit, the basis of capitalist power and wealth, is a mystery if we assume that in the market goods exchange at their values. The labor theory of value dispels this mystery. Every commodity's value is a function of the labor time necessary for its production. Labor power is the one commodity which in the process of being consumed produces new value. Profit comes from the difference between the value of the labor performed and the value of the capacity to labor which the capitalist purchases. Profit is possible only because the owner of capital appropriates any realized surplus value.

The injustice of capitalist society consists in the fact that some people exercise their capacities under the control, according to the purposes, and for the benefit of other people. Through private ownership of the means of production, and through markets that allocate labor and the ability to buy goods, capitalism systematically transfers the powers of some persons to others, thereby augmenting the power of the latter.

Not only are powers transferred from workers to capitalists, but also the powers of workers diminish by more than the amount of transfer, because workers suffer material deprivation and a loss of control, and hence are deprived of important elements of self-respect. Justice, then, requires eliminating the institutional forms that enable and enforce this process of transference and replacing them with institutional forms that enable all to develop and use their capacities in a way that does not inhibit, but rather can enhance, similar development and use in others.

The central insight expressed in the concept of exploitation, then, is that this oppression occurs through a steady process of the transfer of the results of the labor of one social group to benefit another. Exploitation enacts a structural relation between social groups. Social rules about what work is, who does what for whom, how work is compensated, and the social process by which the results of work are appropriated operate to enact relations of power and inequality. These relations are produced and reproduced through a systematic process in which the energies of the have-nots are continuously expended to maintain and augment the power, status, and wealth of the haves.

The Marxist concept of class leaves important phenomena of sexual and racial oppression unexplained. Does this mean that sexual and racial oppression are non-exploitative, and that we should reserve wholly distinct categories for these oppressions? Or can the concept of exploitation be broadened to include other ways in which the labor and energy expenditure of one group benefits another, and reproduces a relation of domination between them?

Feminists have had little difficulty showing that women's oppression consists partly in a systematic and unreciprocated transfer of powers from women to men. Women's oppression consists not merely in an inequality of status, power, and wealth resulting from men excluding them from privileged activities. The freedom, power, status, and self-realization of men is possible precisely because women work for them. Gender exploitation has two aspects, transfer of the fruits of material labor to men and transfer of nurturing and sexual energies to men.

Women provide men and children with emotional care and provide men with sexual satisfaction, and as a group receive relatively little of either from men (Brittan & Maynard, 1984, pp. 142–148). The gender socialization of women makes us tend to be more attentive to interactive dynamics than men, and makes women good at providing empathy and support for people's feelings and at smoothing over interactive tensions. Both men and women look to women as nurturers of their personal lives, and women frequently complain that when they look to men for emotional support they do not receive it (Easton, 1978). The norms of heterosexuality, moreover, are oriented around male pleasure, and consequently many women receive little satisfaction from their sexual interaction with men (Gottlieb, 1984).

In 20th century capitalist economies the workplaces that women have been entering in increasing numbers serve as another important site of gender exploitation. Alexander (1987) argues that typically feminine jobs involve gender-based tasks requiring sexual labor, nurturing, caring for others' bodies, or smoothing over workplace tensions. In these ways women's energies are expended in jobs that enhance the status of, please, or comfort others, usually men; and these gender-based labors of waitresses, clerical workers, nurses, and other caretakers often go unnoticed and undercompensated.

To summarize, women are exploited in the Marxist sense to the degree that they are wage workers. Some have argued that women's domestic labor also represents a form of capitalist class exploitation insofar as it is labor covered by the wages a family receives. As a group, however, women undergo specific forms of gender exploitation in which their energies and power are expended, often unnoticed and unacknowledged, usually to benefit men by releasing them for more important and creative work, enhancing their status or the environment

around them, or providing them with sexual or emotional service.

Are there, then, racially specific forms of exploitation? There is no doubt that racialized groups in the United States, especially blacks and Latinos, are oppressed through capitalist super-exploitation resulting from a segmented labor market that tends to reserve skilled, high-paying, unionized jobs for whites.

Is it possible to conceptualize a form of exploitation that is racially specific on analogy with the gender-specific forms just discussed? I suggest that the category of menial labor might supply a means for such conceptualization. In its derivation "menial" designates the labor of servants. Wherever there is racism, there is the assumption, more or less enforced, that members of the oppressed racial groups are or ought to be servants of those, or some of those, in the privileged group. In most white racist societies this means that many white people have dark- or yellow-skinned domestic servants, and in the United States today there remains significant racial structuring of private household service. But in the United States today much service labor has gone public: anyone who goes to a good hotel or a good restaurant can have servants. In our society there remains strong cultural pressure to fill servant jobs—bellhop, porter, chambermaid, busboy, and so on—with black and Latino workers. These jobs entail a transfer of energies whereby the servers enhance the status of the served.

Menial labor usually refers not only to service, however, but also to any servile, unskilled, low-paying work lacking in autonomy, in which a person is subject to taking orders from many people. Menial work tends to be auxiliary work, instrumental to the work of others, where those others receive primary recognition for doing the job.

MARGINALIZATION

Increasingly in the United States racial oppression occurs in the form of marginalization rather than exploitation. Marginals are people the system of labor cannot or will not use. Not only in Third World capitalist countries, but also in most Western capitalist societies, there is a growing underclass of people permanently confined to lives of social marginality, most of whom are racially marked—blacks or Indians in Latin America, and blacks, East Indians, Eastern Europeans, or North Africans in Europe.

Marginalization is by no means the fate only of racially marked groups, however. In the United States a shamefully large proportion of the population is marginal: old people, and increasingly people who are not very old but get laid off from their jobs and cannot find new work; young people, especially black or Latino, who cannot find first or second jobs; many single mothers and their children; other people involuntarily unemployed; many mentally and physically disabled people; American Indians, especially those on reservations.

Marginalization is perhaps the most dangerous form of oppression. A whole category of people is expelled from useful participation in social life and thus potentially subjected to severe material deprivation and even extermination. Advanced capitalist societies often recognize this deprivation and at least partially address it through welfare policies. Material deprivation, which can be addressed by redistributive social policies, is not, however, the extent of the harm caused by marginalization. Two categories of injustice beyond distribution are associated with marginality in advanced capitalist societies. First, the provision of welfare itself produces new injustice by depriving those dependent on it of rights and freedoms that others have. Second, even when material deprivation is somewhat mitigated by the welfare state, marginalization is unjust because it blocks the opportunity to exercise capacities in socially defined and recognized ways.

Liberalism has traditionally asserted the right of all rational autonomous agents to equal citizenship. Early bourgeois liberalism explicitly excluded from citizenship all those whose reason was questionable or not fully developed, and all those not independent (Pateman, 1988; Bowles & Gintis, 1986).

Thus poor people, women, the mad and the feebleminded, and children were explicitly excluded from citizenship, and many of these were housed in institutions modeled on the modern prison: poorhouses, insane asylums, schools.

Today the exclusion of dependent persons from equal citizenship rights is only barely hidden beneath the surface. Because they depend on bureaucratic institutions for support or services, the old, the poor, and the mentally or physically disabled are subject to patronizing, punitive, demeaning, and arbitrary treatment by the policies and people associated with welfare bureaucracies. Being a dependent in our society implies being legitimately subject to the often arbitrary and invasive authority of social service providers and other public and private administrators, who enforce rules with which the marginal must comply, and otherwise exercise power over the conditions of their lives. In meeting needs of the marginalized, often with the aid of social scientific disciplines, welfare agencies also construct the needs themselves. Dependency in our society thus implies, as it has in all liberal societies, a sufficient warrant to suspend basic rights to privacy, respect, and individual choice.

Although dependency produces conditions of injustice in our society, dependency in itself need not be oppressive. One cannot imagine a society in which some people would not need to be dependent on others at least some of the time: children, sick people, women recovering from childbirth, old people who have become frail, depressed or otherwise emotionally needy persons, have the moral right to depend on others for subsistence and support.

An important contribution of feminist moral theory has been to question the deeply held assumption that moral agency and full citizenship require that a person be autonomous and independent. Feminists have exposed this assumption as inappropriately individualistic and derived from a specifically male experience of social relations, which values competition and solitary achievement (Gilligan, 1982). Female experience of social relations, arising both from women's typical domestic care responsibilities and from the kinds of paid work that many women do, tends to recognize dependence as a basic human condition (Hartsock, 1983). Whereas on the autonomy model a just society would as much as possible give people the opportunity to be independent, the feminist model envisions justice as according respect and participation in decision-making to those who are dependent as well as to those who are independent (Held, 1987). Dependency should not be a reason to be deprived of choice and respect, and much of the oppression many marginals experience would be lessened if a less individualistic model of rights prevailed.

POWERLESSNESS

As I have indicated, the Marxist idea of class is important because it helps reveal the structure of exploitation: that some people have their power and wealth because they profit from the labor of others. For this reason I reject the claim some make that a traditional class exploitation model fails to capture the structure of contemporary society. It remains the case that the labor of most people in the society augments the power of relatively few.

While it is false to claim that a division between capitalist and working classes no longer describes our society, it is also false to say that class relations have remained unaltered since the 19th century. An adequate conception of oppression cannot ignore the experience of social division reflected in the colloquial distinction between the "middle class" and the "working class," a division structured by the social division of labor between professionals and nonprofessionals. Professionals are privileged in relation to nonprofessionals, by virtue of their position in the division of labor and the status it carries. Nonprofessionals suffer a form of oppression in addition to exploitation, which I call powerlessness.

This powerless status is perhaps best described negatively: the powerless lack the authority, status, and sense of self that professionals tend to have. The oppression of

powerlessness brings into question the division of labor basic to all industrial societies: the social division between those who plan and those who execute. The status privilege of professionals has three aspects, the lack of which produces oppression for nonprofessionals.

First, acquiring and practicing a profession has an expansive, progressive character. Being professional usually requires a college education and the acquisition of a specialized knowledge that entails working with symbols and concepts. Professionals experience progress first in acquiring the expertise, and then in the course of professional advancement and rise in status. The life of the nonprofessional by comparison is powerless in the sense that it lacks this orientation toward the progressive development of capacities and avenues for recognition.

Second, while many professionals have supervisors and cannot directly influence many decisions or the actions of many people, most nevertheless have considerable day-to-day work autonomy. Professionals usually have some authority over others, moreover—either over workers they supervise, or over auxiliaries, or over clients. Nonprofessionals, on the other hand, lack autonomy, and in both their working and their consumer/client lives often stand under the authority of professionals.

Professionals and nonprofessionals belong to different cultures in the United States. The two groups tend to live in segregated neighborhoods or even different towns, a process itself mediated by planners, zoning officials, and real estate people. The groups tend to have different tastes in food, decor, clothes, music, and vacations, and often different health and educational needs. Members of each group socialize for the most part with others in the same status group. While there is some inter-group mobility between generations, for the most part the children of professionals become professionals and the children of nonprofessionals do not.

Thus, third, the privileges of the professional extend beyond the workplace to a whole way of life. I call this way of life "respectability." To treat people with respect is to be prepared to listen to what they have to say or to do what they request because they have some authority, expertise, or influence. The norms of respectability in our society are associated specifically with professional culture. Professional dress, speech, tastes, demeanor, all connote respectability. The privilege of this professional respectability appears starkly in the dynamics of racism and sexism. In daily interchange women and men of color must prove their respectability. At first they are often not treated by strangers with respectful distance or deference. Once people discover that this woman or that Puerto Rican man is a college teacher or a business executive, however, they often behave more respectfully toward her or him. Working-class white men, on the other hand, are often treated with respect until their working-class status is revealed.

CULTURAL IMPERIALISM

Exploitation, marginalization, and powerlessness all refer to relations of power and oppression that occur by virtue of the social division of labor who works for whom, who does not work, and how the content of work defines one's institutional position relative to others. These kinds of oppression are a matter of concrete power in relation to others—of who benefits from whom, and who is dispensable.

Recent theorists of movements of group liberation, notably feminist and black liberation theorists, have also given prominence to a rather different form of oppression, which following Lugones and Spelman (1983) I shall call cultural imperialism. Cultural imperialism involves the universalization of a dominant group's experience and culture, and its establishment as the norm. Often without noticing they do so, the dominant groups project their own experience as representative of humanity as such. Cultural products also express the dominant group's perspective on and interpretation of events and elements in the society.

An encounter with other groups, however, can challenge the dominant

group's claim to universality. The difference of women from men, American Indians or Africans from Europeans, Jews from Christians, homosexuals from heterosexuals, workers from professionals, becomes reconstructed largely as deviance and inferiority. Since only the dominant group's cultural expressions receive wide dissemination, their cultural expressions become the normal, or the universal, and thereby the unremarkable, and others stereotyped as deviant.

As remarkable, deviant beings, the culturally imperialized are stamped with an essence. The stereotypes confine them to a nature which is often attached in some way to their bodies, and which thus cannot easily be denied. These stereotypes so permeate the society that they are not noticed as contestable. Just as everyone knows that the earth goes around the sun, so everyone knows that gay people are promiscuous, that Indians are alcoholics, and that women are good with children. White males, on the other hand, insofar as they escape group marking, can be individuals.

Those living under cultural imperialism find themselves defined from the outside, positioned, placed, by a network of dominant meanings they experience as arising from elsewhere, from those with whom they do not identify and who do not identify with them. Consequently, the dominant culture's stereotyped and inferiorized images of the group must be internalized by group members at least to the extent that they are forced to react to behavior of others influenced by those images. The culturally oppressed experience what W. E. B. Du Bois called "double consciousness" (1969 [1903]). Double consciousness arises when the oppressed subject refuses to coincide with these devalued, objectified, stereotyped visions of herself or himself: while the subject desires recognition as human, capable of activity, full of hope and possibility, she receives from the dominant culture only the judgment that she is different, marked, or inferior.

The group defined by the dominant culture as deviant, as a stereotyped Other, is culturally different from the dominant group, because the status of Otherness creates specific experiences not shared by the dominant group, and because culturally oppressed groups also are often socially segregated and occupy specific positions in the social division of labor. Members of such groups express their specific group experiences and interpretations of the world to one another, developing and perpetuating their own culture. Double consciousness, then, occurs because one finds one's being defined by two cultures: a dominant and a subordinate culture. Because they can affirm and recognize one another as sharing similar experiences and perspectives on social life, people in culturally imperialized groups can often maintain a sense of positive subjectivity.

This, then, is the injustice of cultural imperialism: that the oppressed group's own experience and interpretation of social life finds little expression that touches the dominant culture, while that same culture imposes on the oppressed group its experience and interpretation of social life.

VIOLENCE

Finally, many groups suffer the oppression of systematic violence. Members of some groups live with the knowledge that they must fear random, unprovoked attacks on their persons or property, which have no motive but to damage, humiliate, or destroy the person. In American society women, blacks, Asians, Arabs, gay men, and lesbians live under such threats of violence, and in at least some regions Jews, Puerto Ricans, Chicanos, and other Spanish-speaking Americans must fear such violence as well. Physical violence against these groups is shockingly frequent. Rape Crisis Center networks estimate that more than one-third of all American women experience an attempted or successful sexual assault in their lifetimes. Violence against gay men and lesbians is not only common, but has been increasing. While the frequency of physical attack on members of these and other racially or sexually marked groups is very disturbing, I also include in this category less severe incidents of harassment, intimidation, or ridicule simply for the purpose of

degrading, humiliating, or stigmatizing group members.

Given the frequency of such violence in our society, why are theories of justice usually silent about it? I think the reason is that theorists do not typically take such incidents of violence and harassment as matters of social injustice. No moral theorist would deny that such acts are very wrong. But unless all immoralities are injustices, they might wonder, why should such acts be interpreted as symptoms of social injustice?

What makes violence a phenomenon of social injustice, and not merely an individual moral wrong, is its systemic character, its existence as a social practice. Violence is systemic because it is directed at members of a group simply because they are members of that group. Any woman, for example, has a reason to fear rape. Regardless of what a black man has done to escape the oppressions of marginality or powerlessness, he lives knowing he is subject to attack or harassment. The oppression of violence consists not only in direct victimization, but in the daily knowledge shared by all members of oppressed groups that they are liable to violation, solely on account of their group identity. Just living under such a threat of attack on oneself or family or friends deprives the oppressed of freedom and dignity, and needlessly expends their energy.

Violence is a social practice. It is a social given that everyone knows happens and will happen again. It is always at the horizon of social imagination, even for those who do not perpetrate it. According to the prevailing social logic, some circumstances make such violence more "called for" than others. The idea of rape will occur to many men who pick up a hitch-hiking woman; the idea of hounding or teasing a gay man on their dorm floor will occur to many straight male college students. Often several persons inflict the violence together, especially in all-male groupings. Sometimes violators set out looking for people to beat up, rape, or taunt. This rule-bound, social, and often premeditated character makes violence against groups a social practice.

Group violence approaches legitimacy, moreover, in the sense that it is tolerated. Often third parties find it unsurprising because it happens frequently and lies as a constant possibility at the horizon of the social imagination. Even when they are caught, those who perpetrate acts of group-directed violence or harassment often receive light or no punishment. To that extent society renders their acts acceptable.

An important aspect of random, systemic violence is its irrationality. Xenophobic violence differs from the violence of states or ruling-class repression. Repressive violence has a rational, albeit evil, motive: rulers use it as a coercive tool to maintain their power. Many accounts of racist, sexist, or homophobic violence attempt to explain its motivation as a desire to maintain group privilege or domination. I do not doubt that fear of violence often functions to keep oppressed groups subordinate, but I do not think xenophobic violence is rationally motivated in the way that, for example, violence against strikers is. On the contrary, the violation of rape, beating, killing, and harassment of women, people of color, gays, and other marked groups is motivated by fear or hatred of those groups. Sometimes the motive may be a simple will to power, to victimize those marked as vulnerable by the very social fact that they are subject to violence. If so, this motive is secondary in the sense that it depends on a social practice of group violence. Violence causing fear or hatred of the other at least partly involves insecurities on the part of the violators; its irrationality suggests that unconscious processes are at work. I offer a psychoanalytic account of the fear and hatred of some groups as bound up with fears of identity loss. I think such unconscious fears account at least partly for the oppression I have here called violence. It may also partly account for cultural imperialism.

Cultural imperialism, moreover, itself intersects with violence. The culturally imperialized may reject the dominant meanings and attempt to assert their own subjectivity, or the fact of their cultural difference may put the lie to the dominant culture's implicit claim to universality. The dissonance generated by such a challenge, to the hegemonic cultural meanings can also be a source of irrational violence.

Violence is a form of injustice that a distributive understanding of justice seems ill equipped to capture. This may be why contemporary discussions of justice rarely mention it. I have argued that group-directed violence is institutionalized and systemic. To the degree that institutions and social practices encourage, tolerate, or enable the perpetration of violence against members of specific groups, those institutions and practices are unjust and should be reformed. Such reform may require the redistribution of resources or positions, but in large part can come only through a change in cultural images, stereotypes, and the mundane reproduction of relations of dominance and aversion in the gestures of everyday life.

APPLYING THE CRITERIA

I have arrived at the five faces of oppression—exploitation, marginalization, powerlessness, cultural imperialism, and violence—as the best way to avoid exclusions of some oppressed groups and reductions of one form of oppression to another. They function as criteria for determining whether individuals and groups are oppressed, rather than as a full theory of oppression. I believe that these criteria are objective. They provide a means of refuting some people's belief that their group is oppressed when it is not, as well as a means of persuading others that a group is oppressed when they doubt it. Each criterion can be operationalized; each can be applied through the assessment of observable behavior, status relationships, distributions, texts, and other cultural artifacts. I have no illusions that such assessments can be value-neutral. But these criteria can nevertheless serve as means—of evaluating claims that a group is oppressed, or adjudicating disputes about whether or how a group is oppressed. One can compare the combinations of oppressions groups' experience, or the intensity of those oppressions. Thus with these criteria one can plausibly claim that one group is more oppressed than another without reducing all oppressions to a single scale.

The presence of any of these five conditions is sufficient for calling a group oppressed. But different group oppressions exhibit different combinations of these forms, as do different individuals in the groups. Nearly all, if not all, groups said by contemporary social movements to be oppressed suffer cultural imperialism. The other oppressions they experience vary. Working-class people are exploited and powerless, for example, but if employed and white do not experience marginalization and violence. Gay men, on the other hand, experience severe cultural imperialism and violence. Similarly, Jews and Arabs as groups are victims of cultural imperialism and violence, though many members of these groups also suffer exploitation or powerlessness. Old people are oppressed by marginalization and cultural imperialism, and this is also true of disabled people. As a group women are subject to gender-based exploitation, powerlessness, cultural imperialism, and violence. Racism in the United States condemns many blacks and Latinos to marginalization, and puts many more at risk; members of these groups often suffer all five forms of oppression.

Why are particular groups oppressed in the way they are? Are there any causal connections among the five forms of oppression? Causal or explanatory questions such as these are beyond the scope of this discussion. While I think general social theory has a place, causal explanation must always be particular and historical. Thus an explanatory account of why a particular group is oppressed in the ways that it is must trace the history and current structure of particular social relations.

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CHAPTER 39

Defining Feminist Community

Place, Choice, and the Urban Politics of Difference

Judith Garber

THE "COMMUNITY PROBLEM"

Community poses a problem for feminism because too many political theories romanticize traditional community forms oriented toward place. Feminist critiques of this "community problem" have exposed the gender, class, and racial implications of various community concepts. As a result of this inquiry, local communities of place—the "family, neighborhood, school, and church web" (Friedman, 1989) prescribed in past and current communitarian theories—are counterposed against communities of choice—friendships and identity groups consistent with diversity and feminist ideals (Friedman, 1989, pp. 286–287; Young, 1990b, p. 172). I argue that this dualistic framework fails to capture the depth or range of women's community relationships, and it misses the feminist potential of democratic places. One possible escape from the limits of this dichotomy are communities of purpose, where shared situations foster local political action. Donning feminist analytical lenses requires us to keep a critical distance from traditional community notions, because there are real dangers in a blind devotion to place-based social and political forms. However, critiques of community must appreciate how women approach the challenge of creating space for democratic, diverse communities in the places they inhabit.

THE FLIGHT FROM COMMUNITY

Feminist distress about communities of place is directed at democratic theory and practice in which a community with settled, embedded values organizes political life. Most communitarians endorse smaller rather than larger governments and direct citizen participation over representative schemes. The most intellectually coherent and familiar strain of communitarian theory is civic republicanism. A crop of philosophers continues to voice the essential civic republican sentiment that politics and citizenship are predicated on "individual … fulfillment in relationships with others in a society organized through public dialogue" (Bellah, Madsen, Sullivan, Swidler, & Tipton, 1985, p. 218).

Liberal feminists, like all liberals, worry that the natural rights of individual women are subsumed in strong-community schemes (Gutmann, 1985). Another danger is that women suffer under close-knit, authoritative, and homogeneous communities of place, whether real or imagined. Too often, such arrangements produce systematic exclusions and oppressions; not the least of which is patriarchy.

This second complaint about community is integral to feminist theory sharing a broadly deconstructionist perspective. Deconstruction of social and political life involves recognizing contingency, subjectivity, and dissonance. Thus, no unqualified concept such as *women* is valid, and a woman's interests can be defined only from her own experience of her social position (Nicholson, 1990). In this literature, there is

also a pervasive argument for shifting political imperatives away from their traditional territorial and governmental referents toward group interests articulated from the standpoint of race, sex, and sexuality.

This line of argument is trenchant, particularly in its skepticism about the appropriateness of attempting to reach the "common understandings" (Phelan, 1989, p. 156) communitarianism requires. However, key feminist deconstructionist treatments of community suffer from a highly constricted conception of the central subject of their inquiry, taking as given what is actually at issue. Feminists much too readily would give up the ability to define community to the philosophers who have presented disappointing models of it. At the same time, they contest the ideological appropriation of community by White men. Current feminist theory tends to present women a stark choice between suffering bad political and social arrangements and rejecting local community altogether. Valuing such communities is not widely acknowledged to be a viable option.

The flight from defining place-based community is a contradiction. A prominent theme of deconstructionism is that politics cannot proceed when conflict is denied in favor of majority rule or consensus. Because this is a cautionary note well worth heeding, taking local community as given is particularly unsettling. It appears that as long as women cannot insert themselves into the dominant ideology, community is judged a fundamentally flawed idea rather than one that has worked badly and could be rescued if conflicts over community, citizenship, justice, and so on were brought to the fore.

This is a theoretical issue, but critics of communitarianism do not take care to understand how actual women regard community, overlooking a crucial fact: women participate daily in "ongoing ideological conflict over the meaning of place" (Hummon, 1990, p. 28) in their struggles to make community their own. Local places often succeed at providing meaningful opportunities for women to express their multifaceted desires for relationships in a public sphere. These relationships are alive in the denser central-city settings where women, and above all poor women, increasingly find themselves. And urban research has demonstrated that there is a bond between community and city for many women. This implies that feminist political thought is not driven by an expansive enough view of community or a deep understanding of cities.

Cities are pervasively gendered, to the disadvantage of women at work, at home, and in public spaces. These findings about cities have not, however, been adequately applied to the sexual inequalities embedded in the institutional relationships of governance, citizenship, and community.

Thus we have two bodies of feminist knowledge at hand: political theory and urban analysis. Each incomplete, but they have obvious sympathies. Together, they can help determine whether cities (in theory and real life) must be cut loose from their traditional community moorings or if place-based community can be sufficiently redefined to meet feminist goals.

COMMUNITY AS FRATERNITY

Community is steeped in fraternal imagery and practices that are most damaging because they conjure up something that has always been largely mythical. Small towns and manicured suburbs can exact a high price from women and other outsider groups. Because interlopers may breach the consensual nature of public decision-making that is predicated on the sameness of the citizenry, they can justifiably be shunned or silenced. Strangers might so threaten the community's perceived identity and economic self-interest that certain people are denied entrance or driven out. Besides techniques to exclude subsidized and rental housing, people of color, group homes, or untraditional families, violence by neighbors and police is not unheard of.

More subtly, a set democratic process and preexisting norms aimed at fashioning political agreement are taken to be necessary for perpetuating the community. They are not themselves usually open for discussion

or contestation. As in more intentional forms of exclusion, the requirements of the whole conspire against honoring basic objections to the community will, such as stating that there is unequal treatment of women or that genuine consensus is impossible or fictitious. Liberals have always insisted that the harmonious public sphere oppresses individuals. It more readily silences people as members of groups—as women, young or elderly people, gays and lesbians, people of color, or immigrants.

Finally, there has historically been a gendered division of political labor in local communities that gives the lie to certain classical justifications for communitarianism. Female local activism, through political leadership, has tended to mirror women's domestic concerns—housing, child care, welfare, safety, the environment. In a sense, these activities amount to "public housekeeping" (Morgen, 1988, pp. 111–113), in which women organize to take up the slack left by "city fathers" but with fewer of the political and economic resources conferred by the state, particularly for women who are not White and middle class. It is thus doubtful whether communal democracy lives up to its advertised ability to bring the public and private spheres closer, create an engaged and empathetic citizenry, and promote social obligations.

DIFFERENCE AND THE MYTH OF COMMON UNDERSTANDINGS

Community need not be fraternal to be oppressive or exclusive, because women differ by race, class, immigration status, language, religion, sexuality, marital status, age, and physical ability. The desolate material conditions of so many urban women's lives concretely manifest these differences. Because women are not positioned equivalently with respect to structures of power and privilege, proclamations about the existence of a unified *feminist* civic sphere are suspect. In this context, the benefits of community cannot redound to all women, and what constitutes community or benefits will itself be deeply controversial.

Local communities that satisfy the primary conditions for feminist politics—diversity and equality—are therefore elusive. This realization evokes an uncomfortable question: will feminist efforts to create political communities of place invariably founder on the shoals of a misplaced or even pernicious desire for "shared final ends" (Young, 1990b, p. 238) in the civic sphere? One answer is provided by deconstructionism, which helps debunk the myth that anything in politics can be genuinely common across an entire jurisdiction.

But feminist deconstruction of cities and communities comes at the price of depriving us of the recourse to political understandings—admittedly grindingly difficult—built on conflict but that are true understandings nonetheless. Positing "difference" as the primary descriptive and normative window on local political life sets communities of choice or identity groups against communities of place.

COMMUNITIES AND CITIES

On the street and in the academy, city is interchangeable with community. Perhaps the most important effort within feminist theory to disengage them has been articulated by Iris Marion Young. Young (1990b) argues that justice is hindered by community and locality, but not necessarily by cities, conceived properly. "As an alternative to the ideal of community" proffered by civic republicanism she offers "an ideal of city life as a vision of social relations affirming group difference" (p. 227). The vast potential of cities to foster nonexclusive social differentiation, variety, eroticism, and publicity (pp. 13, 238–240) is what constitutes "cityness" for her. It remains only "an unrealized social ideal" (p. 227), because cities have cultivated the worst characteristics of both communitarianism and liberal capitalism.

SIZE

As a general rule, the larger the city, the better chance that diverse identities will be

honored instead of being merged into communal norms or forced underground. Like Jacobs (1961), Young believes that metropolises counteract the conformist pressures within smaller communities. Young, however, does not believe that city identity is a positive political value. Urban places, defined as spaces in which anything and anyone goes, would be ideal if the complicating factor of local governments and communities were eliminated. In their absence, the politics of difference could flourish; this major amendment to civic-oriented political theories is integral to her feminist vision. For these reasons Young (1990b, pp. 252–255) proposes restructuring cities into regional units capable of regulating diversity-maintaining mechanisms that municipalities and neighborhoods lack. Neighborhood assemblies would be represented regionally and "have autonomy over a certain range of decisions and activities … only if [they] do not" harm, inhibit, or dictate the conditions of individual agency (pp. 250–251).

But Young's overall picture of city life is flawed. We might reasonably conclude that smaller units that invariably resolve themselves into communities based on geographic, social, and/or cultural proximity are prerequisites to successful metropolises. Jacobs herself argued that cities must encompass three sizes of "neighborhood" units, each retaining certain powers of self-governance (1961, p. 117). Particularly at the street scale, neighborhoods provide a measure of safety out of proportion to their size (p. 119), which is no mean achievement. Contrast this with Young (1990b, p. 237), for whom the most prominent attribute of the city is the cloak of anonymity it offers those who would stand out as nonmembers of the monolithic community, a place where neighbors who watch out for you would merely be nosy. Identity groups—based on attributes such as sex, race, or sexuality—could serve to bridge the gap between anonymity and social connectedness that virtually everyone needs for safety and sanity, especially in the big city. But the subtler conceptual distinctions between community and identity groups threaten to slide into semantics, in part because the neighbors hoped for by communitarians and feared by difference theorists are both caricatures.

POLITICAL ACTION

Both identity and anonymity are valued urban attributes, but they work at political cross-purposes. Hence the political implications for cities of the distinction between an anti-communitarian pluralism and a community that requires pluralism are great. Just as marginalized residents of cities are unlikely to gather their political strength spontaneously, affirming group difference without striving for shared ground on at least some issues is the ultimate estrangement of political empowerment and action. It is unsurprising that Young (1990a) defines what remains of locality without political referents, envisioning cities as "vastly populated area[s] with large-scale industry and places of mass assembly" (p. 317). Conjuring this sterile city helps illustrate that, politically, city and community are mutually dependent, and it feeds the suspicion that banishing effective community from the local scene out of deference to irreconcilable difference turns cities into branch plants of the central state. Community can make cities sites of political action, whereas decorative neighborhood assemblies underneath structures of "democratized regional planning" (p. 253) are unlikely to radicalize anybody.

PLACE AND CHOICE

Jacobs (1961) presaged certain primal fears about the communitarian ideal currently expressed by feminist critical theorists, but she did not shrink from community. She argued that:

> for all the innate extroversion of city neighborhoods, it fails to follow that city people can therefore get along magically without neighborhoods … Let us assume that city neighbors have nothing more fundamental in

> common with each other than that they share a fragment of geography. Even so, if they fail at managing that fragment decently, the fragment will fail … Neighborhoods in cities need not supply for their people an artificial town or village life, and to aim at this is both silly and destructive. But neighborhoods in cities do need to supply some means for civilized self-government.
>
> (p. 117)

Notably, Jacobs uses neighborhood with precisely the same level of generality and substantive implications that people normally connect with the term community but without the dichotomy between place and choice that is a pillar of the feminist "difference" critique of communitarianism. At base, this dichotomy is false and misleading.

First, communities are not merely containers holding people who share a unidimensional identity. In neighborhoods and localities, identity and place necessarily shape one another's character, because territorial communities are little more than the people who make them up, plus society's reaction to those people. The interaction between place and people is one reason why an impoverished African American community in rural Georgia is politically and culturally miles away from an impoverished African American community in urban St. Louis, why the initial gay politics of AIDS was radically different in New York and San Francisco, and also why places change.

The intersection between women's collective attention to place and their collective concern for a particular class, race, or ethnicity fuels their political strength. Although some women form coalitions across identity lines to secure joint benefits for the local place in which they live, one's sense of identity might well encompass people far beyond the neighborhood or city limits. Especially for those with few privileges, nationalist identity is a counterweight to the dominant culture. Grassroots work in the urban arena cultivates political efficacy and identity consciousness, and it forges links to larger social movements. Such "strateg[ies] of diverse but pragmatic affiliations" (Gilkes, 1988, p. 55) need not divert focus from the local community; instead, solidarity on several levels may actually make local action more attractive and significant. Where the fortunes of one's neighbors and friends are seen as being connected—if they are connected—the stakes of political action become very high. Viewed this way, the community problem is that there are too few of them.

Second, people gravitate to particular geographic locales in part for togetherness, so one's community of place and community of choice may coincide. Neighborhoods and districts are not formed randomly but are to some extent composed of self-selected residents who may be choosing a comfortable identity fit or diversity. City dwellers, especially, often experience community primarily via the general type of plurality that Young advocates. This is not to deny that great barriers to free selection of places exist, that some moves are involuntary, or that not everyone desires or engages in community. People often flee constricting communities of origin and of happenstance as soon as possible. But these people go to *places*. Therefore, it exacerbates the community problem to, in essence, reduce geographic communities to "dependent children, elderly and others whose lives and well-being are at great risk" (Friedman, 1989, p. 290), immobile, and lacking alternatives. It "denies people their roots *in* communities" (Ackelsberg, 1988, p. 302).

Third, occupying the same space supplies people with shared experiences, is a de facto commonality, and may create political cooperation among unlike individuals. For instance, although gentrification exerts pressures on housing affordability and neighborhood stability felt by poor and near poor "incumbent" female heads of households, female gentrifiers are economically more "marginal" than men, and there is evidence that women simply place a greater value on urban amenities. Therefore, women may discover common political ground around place-based issues, such as the quality of schools and public transportation, and the safety of streets and parks (Rose & Villeneuve, 1988, pp. 51–57).

DESCRIPTIVE AND NORMATIVE FRAMEWORKS

In short, a place-based versus an identity-based conceptual framework community fails on descriptive and analytical grounds. In terms of simple description, the framework is too rigid to describe all the communities women inhabit and seek out. In terms of analysis, a dualistic approach to community begs the question of how places and interests interact, which is perhaps the central issue in urban politics.

The dichotomous conceptual framework falls short as a normative hierarchy—identity trumps place—because there is no convincing method of ranking community concepts on practical or moral grounds. None guarantees democracy and it is indeed taxing to imagine a strong normative theory of politics or of cities in which the distinction between abstract communities is a key principle. For instance, there is really no reliable method for distinguishing an inner-city neighborhood of poor mothers fighting a toxic waste dump from a suburban community of White middle-class mothers fighting the same thing, unless perhaps the dump will be sited in one of those two neighborhoods. In the latter case the harms and benefits of urban life must be more equitably dispersed than at present, which requires that communities of all sizes adhere to basic rules about not poisoning people. But this rule is not inherently related to place-based community, an issue with prominent spatial elements. Space should not be "objectified as a perpetrator of inequality" (Wilder, 1993, p. 407), because it cannot be judged independently of the exclusionary "institutional processes [that] operate in space" p. 408). Although they surely interact, injustice and compensatory justice (Young, 1990b) are not dimensions of territorial organization.

FEMINIST COMMUNITY IN PRACTICE

Feminists are the last assiduous practitioners of the basic tenets of communitarian politics, an irony that has not escaped feminist theorists (Pateman, 1989, p. 220). The *idea*, not to be confused with any *ideal*, of community is a motivating force in far-flung urban places, kept alive by women for whom it is their only source of political empowerment.

Why do women gravitate so easily to communities of place, given the feminist criticisms? The answer is that, as an abstraction, local community is deeply problematic; in practice, it may actually serve women more often than we think. The benefits of creating some shared public life explains why, when the formal political community of the city betrays women, they create their own. Feminist political theory has, rightly, pointed out that shared public lives have profound limits. Even so, imperfect community appears to go farther toward meeting some women's needs than nothing at all.

Housing is the intersection of community, locality, and domesticity, and it best exemplifies women's interests in linking place and politics. Women's housing cooperatives demonstrate that the prospect of building community from the ground up, attracts "powerless" women to intensely political endeavors. Wekerle's (1988) account of Canadian co-ops portrays models of community substantially like cities in their governing responsibilities but different from patriarchal communities in process and ultimate aims. Women joined the co-ops not only for affordable shelter but also to attain certain political ideals, mutual support, and, according to a resident, "to share responsibilities, rights, democracy" (p. 108). Tenants make decisions about allocating space between communal and private uses, budgets, service delivery, membership, policy making and enforcement, management, redistribution, and economic development, in an urban setting. Similar findings have been reported from New York City's housing projects (Saegert, 1988, pp. 34–35), and Chicago's single room occupancy hotels (Hoch & Slayton, 1989).

In the "community aspects" of these housing arrangements, individual women discovered relatively safe places for themselves. And this happened while engaging in

fundamentally urban tasks. Localities can ensure individual/group and community needs simultaneously if they do not aim for unity or support the oppression of some women by other women under the guise of community. The trick is figuring out how to balance these competing tendencies within local social groupings. Grand theories help us understand more about the oppression perpetuated by exclusion and political inattention to the differing positions of people who make up communities. A more grounded focus would acknowledge that it is a particularly awkward moment for feminists to dissociate the urban from the community. In the United States, a search for roads leading back to functional communities of place occupies residents of inner-city neighborhoods and, particularly, the women who are their backbone.

COMMUNITIES OF PURPOSE

Politics makes little sense if it is not conceived as a joint effort—it is inescapably a *community of purposes* and sometimes also of interests. Communitarianism remains antithetical to feminism, however, as long as theorists continue to think that communities are composed of the "people," who formulate and voice consensual values and ideas. Locally, as globally, conflicts over differences degenerate into violence and repudiate "the community" of interpersonally generated understanding.

On the other hand, focusing criticism on "the privileging of face-to-face relations by theorists of community" (Young, 1990a, p. 313) somewhat misses the point of cities. Face-to-face relations are part of urban life, like it or not. They may not be happy relations, but neither are they anonymous. Caught between the rock of claustrophobic local communities and the hard place of the elusiveness of achieving invisibility through group identification, perhaps the best that can be hoped for is a wary truce; perhaps this is the basis for communities of purpose.

For the practical purposes of action and self-help, a commonality of places and situations permits differences to be recognized, not ignored or (falsely) overcome. Communities of purpose for mutual responsibility and cooperation are integral to feminism and democratic cities if political action is a goal.

Accepting that communities empower some women and materially improve their lives means accepting certain manifestations of the flawed communitarian vision. There is, however, a crucial difference between a hegemonic community and the matrix of communities that serve as the political and cultural anchors for many women (and men) who dwell in urban and suburban cities. In the first case, the republican notion of the public sphere threatens those who do not already have power. In the second case, a meaningful public sphere encourages alternate political discourses that dissent from the majority and conflict with the dominant community's procedural and substantive agreements. If the communities that "we" attempt are understood as prerequisite to conditions of equality and diversity, and not as mirrors of some preconceived notion of these terms, then collective action and communities of purposes located in places make good sense.

However, feminist theorists of communal life must think as deeply and in as much detail about democratic process and institutional design as do communitarians. Process sets the terms for participation by stating how differences and histories of oppression must be accorded validity in setting community values. No wonder feminists concerned with radical democracy as well as deconstruction discuss community compellingly, for democracy demands attention to political action by equals and how this might be achieved. Individuals identify with a community because its own identity and political direction derive from them. Collective action toward social change is unthinkable outside the context of relationships between people who believe their well-being is tied together, for politics is not a singular endeavor.

CONTESTING COMMUNITY

It is true that "American culture incorporates different, contrasting community ideologies" (Hummon, 1990, p. 169), but the ideological clash has not been robust enough to institutionalize in local state-sponsored political processes the voices of marginalized groups. Until community discourse acknowledges women's versions that have been excluded from defining the "official" community or relegated to housekeeping for city politics, feminists will avoid communitarian theories for advocating political and social organization inhospitable to the differences that define people.

However, abandoning place-based community is not the only possible feminist stance. First, advancing the variety of social and economic issues that affect women entails political alliances extending beyond the group, neighborhood, city, or nation. Broader exercises of citizenship are likely to occur only when organization and empowerment are first practiced on at least one level of community. Second, many of the problems that female city dwellers experience as women—homelessness, violence against and by children, sexual assault, lack of public transportation, economic ghettoization—are indeed locally located, if not entirely locally produced. The intimate connections between the daily lives of women and the life of the city suggest that political activity by coalitions of women aimed specifically at defining inclusive, "good" communities might result in localities that are less marginalizing, hierarchical, and dangerous. Thus, informal and formal local communities are potential sources of women's empowerment and political change.

Conceptual wrangling will not resolve the tensions around the continuing, but highly problematic, relevance of place-based community for many women. At the same time, abandoning the name community for fear of invoking unsavory political arrangements lurking beneath it will not relieve us of the two basic "problems" that people do have different relationships with community and that the idea of local community is, apparently, much less appealing to feminist theorists than to women in urban contexts. Even supposing it is possible, genuinely, to accommodate the demands of more women to be citizens of open and humane cities, it remains to be demonstrated which communities are the best vehicles for that transformation. The "community problem" awaits further examination.

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CHAPTER 40

Privileged Places

Race, Opportunity, and Uneven Development in Urban America

Gregory D. Squires and Charis E. Kubrin

When 10-year-old Lafayette Rivers described his hopes in Alex Kotlowitz's award-winning book, *There Are No Children Here*, he began, "If I grow up, I'd like to be a bus driver." Rivers lived in a West Side Chicago public housing complex. Children growing up in more privileged neighborhoods often ponder what they will do when they grow up, but not if they will grow up. The fact that place and race exert such a profound impact on one's future, or whether there even will be a future, violates accepted notions of equal opportunity and fair play. The legitimacy of virtually all institutions is challenged when privilege is so unevenly distributed, and for reasons beyond the control of so many individuals. The costs are not borne by the Lafayette Rivers of the world alone. They are inflicted upon every community whose security and well-being are threatened.

Real estate mantra tells us that three factors determine the market value of a home: location, location, and location. The same could be said about the factors that determine the good life and people's access to it in metropolitan America. Place matters. Neighborhood counts. Access to decent housing, safe neighborhoods, good schools, useful contacts, and other benefits is largely influenced by the community in which one is born, raised, and resides. Individual initiative, intelligence, experience, and all the elements of human capital are obviously important. But understanding the opportunity structure in the United States today requires complementing what we know about individual characteristics with what we are learning about place.

Privilege cannot be understood outside the context of place. A central feature of place that has confounded efforts to understand and, where appropriate, alter the opportunity structure of the nation's urban communities is the role of race. Racial composition of neighborhoods has long been at the center of public policy and private practice in the creation and destruction of communities and in determining access to the elements of the good life, however defined.

Place and race continue to be defining characteristics of the opportunity structure of metropolitan areas. Disentangling the impact of these two forces is difficult, if not impossible. But where one lives and one's racial background are both social constructs that significantly shape the privileges (or lack thereof) that people enjoy.

The linkages among place, race, and privilege are shaped by dominant social forces that play out in response to public policy decisions and practices of powerful private institutional actors. This perspective emerges from what has been referred to as "the new urban sociology," or "urban political economy," which places class, race, and relations of domination and subordination at the center of analysis. In general, this requires understanding how individual characteristics and choices (such as human capital and household neighborhood preferences) and voluntary exchanges that occur via competitive markets are both framed and complemented by structural constraints (such as exclusionary zoning and deindustrialization) in determining the distribution of valued goods and services. Specifically, this involves examining how land-use practices,

urban policy, the dynamics of race and class, and other social forces determine who gets what and why.

RACE AND UNEVEN DEVELOPMENT

Dominant features of metropolitan development in the post-World War II years are sprawl, concentrated poverty, and segregation (if not hypersegregation). Clearly, these are not separate, mutually exclusive patterns and processes. Rather, they are three critical underpinnings of the uneven development of place and privilege.

Sprawl has crept into the vocabulary of metropolitan development in recent years. While there is no universal agreement on a definition of sprawl, there is at least a rough consensus that it is a pattern of development associated with outward expansion, low-density housing and commercial development, fragmentation of planning among multiple municipalities with large fiscal disparities among them, auto-dependent transport, and segregated land-use patterns.

Racial disparities between cities and suburbs, and racial segregation in general, persist as dominant features of metropolitan areas. Cities are disproportionately non-white, with over 52% of blacks and 21% of whites residing in central-city neighborhoods; while suburbs are disproportionately white, where 57% of whites but just 36% of blacks reside. Segregation, particularly between blacks and whites, persists at high levels, and Hispanic/white segregation has increased in recent years. The typical white resident of metropolitan areas resides in a neighborhood that is 80% white, 7% black, 8% Hispanic, and 4% Asian. A typical black person lives in a neighborhood that is 33% white, 51% black, 11% Hispanic, and 3% Asian. And a typical Hispanic resident lives in a community that is 36% white, 11% black, 45% Hispanic, and 6% Asian.

Racial segregation, in conjunction with the concentration of poverty and growing economic inequality, results in growing isolation of poor minority households. If segregation is declining, albeit slightly, for blacks, it does not appear that this has translated into them being able to move into better neighborhoods. For example, in 1990, the typical black household with an income above $60,000 lived in a neighborhood where the median income was $31,585, compared with $46,760 for the typical white household in this income bracket. By 2000, these figures changed to $35,306 for blacks and $51,459 for whites. The same pattern holds for Hispanics. Further confounding the intersection of place and race is the fact that in 2000 poor blacks and Hispanics were far more likely than poor whites to live in poor neighborhoods. Whereas over 18% of poor blacks and almost 14% of poor Hispanics lived in such areas, less than 6% of poor whites did.

Wealth disparities are far greater. While blacks earn about 60% of what whites earn, their net wealth is approximately one-tenth that of whites. Substantial wealth disparities persist even between whites and non-whites who have equivalent educational backgrounds, comparable jobs, and similar incomes.

These wealth disparities also reflect, at least in part, the fact that black middle-class neighborhoods are far more likely than white middle-class communities to be located in close proximity to poor neighborhoods, which residents frequently pass through while commuting to work, going to the grocery store, and engaging in most normal daily activities. Proximity to problematic neighborhoods also affects the value of homes and, therefore, further contributes to these economic disparities.

Seventy percent of white families own their homes; approximately half of black families do so. For blacks, home equity accounts for two-thirds of their assets compared with two-fifths for whites. A study of the 100 largest metropolitan areas found that black homeowners received 18% less value for their investments in their homes than white homeowners. Biases, racial discrimination, and segregation in the nation's housing and financial services markets have cost the current generation of blacks about $82 billion, with the disparity in home equity averaging $20,000 for those holding mortgages.

SPATIAL AND RACIAL INEQUALITY

Spatial and racial inequalities are directly associated with access to virtually all products and services associated with the good life—e.g., health, education, employment. Sprawl, concentrated poverty, and racial segregation tend to concentrate a host of problems and privileges in different neighborhoods and among different racial groups. These "concentration effects" shape opportunities and lifestyles throughout the life cycle and across generations. Perhaps most problematic is the impact of uneven development on children like Lafayette Rivers, and how the proverbial vicious cycle recreates itself over time. Research has demonstrated links between neighborhood characteristics (like poverty and inequality) and teenage pregnancy, high school dropout rates, and delinquent behavior. Patterns of privilege also emerge early in life, persist throughout the life cycle, and recreate themselves in subsequent generations. Infant mortality rates, quality of schools, employment opportunities, life expectancy, and more are affected by where one is born, lives, works, and plays.

Access to clean air and water, exposure to lead paint, high rates of stress and obesity, poor diet, social isolation, and proximity to hospitals and other medical facilities all vary by neighborhood and contribute to long-established disparities in health and wellness. The affluent and predominantly white D.C. suburb of Bethesda, Maryland, has one pediatrician for every 400 children, while the poor and predominantly black neighborhoods in the District's southeast side have one pediatrician for every 3,700 children. And while the hospital admission rate for asthma in the state of New York is 1.8 per 1,000, it is three times higher in the Mott Haven area of the South Bronx.

If education is to be "the great equalizer of the conditions of men—the balance wheel of the social machinery" as the Massachusetts educator Horace Mann anticipated over 150 years ago, that day has yet to arrive. After two decades of progress in desegregating the nation's schools, it appears that progress may have come to a halt or perhaps may have even been reversed. In 2000, 40% of black students attended schools that were 90 to 100% black compared with 32% of black students who attended such schools in 1988. The share of Hispanic students attending schools that were 90 to 100% minority grew from 23% during the late 1960s to 37% in 2000. Continuing disparities result in fewer educational resources, less qualified teachers and higher teacher turnover, and, ultimately, lower educational achievement in low-income and minority communities.

If there is one single factor that is most critical for determining access to the good life, it might be employment. This is particularly true in the United States where individuals and households are far more dependent on their jobs to secure basic goods and services than is the case with virtually all other industrialized nations. The importance of place and race have long been recognized by spatial mismatch theorists who posit that lower-income residents of poorer communities generally reside in or near central cities while job growth has been greater in outlying suburban communities. Those most in need of employment, therefore, find it not only more difficult to learn about available jobs but also more expensive to get to those jobs when they find one. As of 2000, no racial group was more physically isolated from jobs than blacks. The metropolitan areas with higher levels of black–white housing segregation were those that exhibited higher levels of spatial mismatch between the residential location of blacks and the location of jobs. Compounding these troubles are the "mental maps" many employers draw, in which they attribute various job-related characteristics (such as skills, experience, attitudes) to residents of certain neighborhoods. A job applicant's address often has an independent effect that makes it more difficult, particularly for racial minorities from urban areas, to secure employment. Moreover, recent research by Devah Pager, assistant professor of sociology at Princeton, has found that it is easier for a white person with a felony conviction to get a job than a black person

with no felony convictions, even among applicants with otherwise comparable credentials or where blacks had slightly better employment histories. Such divergent employment experiences, of course, contribute directly to the income and wealth disparities.

In many cities, racial differences in poverty levels, employment opportunities, wages, education, housing, and health care, among other things, are so strong that the worst urban conditions in which whites reside are considerably better than the average conditions of black communities. In "Toward a Theory of Race, Crime and Urban Inequality," from *Crime and Inequality*, Robert Sampson and William Julius Wilson (1995) assert that in not one U.S. city with a population over 100,000 do blacks live in ecological equality with whites when it comes to the basic features of economic and family organization. A depressing feature of these developments is that many of these differences reflect policy decisions which, if not designed expressly to create disparate outcomes, have contributed to them nevertheless.

POLICY MATTERS

It has been argued that individuals or households make voluntary choices, based on their financial capacity, in selecting their communities when moving to those areas offering the bundle of services for which they are willing or able to pay. That is, they "vote with their feet." But many urban scholars have noted the role of public policies and institutionalized private practices (such as tax policy, transport patterns, land-use planning) that serve as barriers to individual choice in housing markets and as contributors to spatial inequality in metropolitan areas.

Most households select their neighborhoods on the basis of the services, jobs, cultural facilities, and other amenities that are available within the constraints of their budgets. Critical for many households is a dense network of families, friends, and various social ties that bind them to particular locations. Even the most distressed neighborhoods, including some notorious public housing complexes, often have a culture, social organization, and other attributes that residents want to retain. Community, defined in many different ways, attracts and retains residents of all types of neighborhoods.

But, again, these choices are made in a context shaped by a range of public policy decisions and private institutional practices over which most individuals have little control. Those decisions often have, by design, exclusionary implications that limit opportunities, particularly for low-income households and people of color. The conflict and hassles that racial minorities face outside their communities lead some to choose a segregated neighborhood for their home, even when they could afford to live elsewhere. Such decision-making is framed and limited by a range of structural constraints. Individuals exercise choice, but those choices do not reflect what is normally understood as voluntary.

If suburbanization and sprawl reflect the housing choices of residents, they are constrained choices. Many factors contributed to the development of sprawling suburban communities: the long-term 30-year mortgage featuring low down payment requirements; availability of federal insurance to protect mortgage lenders; federal financing to support a secondary market in mortgage loans (Fannie Mae and Freddie Mac), which dramatically increases availability of mortgage money; tax deductibility of interest and property tax payments; and proliferation of federally funded highways.

The federal government's underwriting rules for Federal Housing Administration and other federal mortgage insurance products, and enforcement of racially restrictive covenants by the courts, along with overt redlining practices by mortgage lenders and racial steering by real estate agents, virtually guaranteed the patterns of racial segregation that were commonplace by the 1950s. Concentration of public housing in central-city high-rise complexes reinforced the patterns of economic and racial segregation that persist today. Exclusionary zoning ordinances of most suburban municipalities

that created minimum lot size and maximum density requirements for housing developments (often prohibiting construction of multifamily housing) complemented federal policy.

Government policy has also encouraged the flight of businesses and jobs from cities to surrounding suburban communities and beyond. Financial incentives including infrastructure investments, tax abatements, and depreciation allowances favoring new equipment over reinvestment in existing facilities all have contributed to the deindustrialization and disinvestment of urban communities. Often such investments subsidize development that would have occurred without that assistance. As one observer noted, "Subsidizing economic development in the suburbs is like paying teenagers to think about sex." The end result is often an unintended subsidy of private economic activity by jurisdictions that compete in a "race to the bottom" in efforts to attract footloose firms and mobile capital, starving traditional public services—like education—for resources in the process. A downward spiral is established that further undercuts the quality of life.

PLACE, PRIVILEGE, AND POLICY

One of the more unfortunate debates in recent years has been over the question of whether race-specific or universal remedies are more appropriate for addressing the issues of race and urban poverty. (An even more unfortunate debate, of course, is with those who simply think we have done enough, or perhaps too much, and that neither race nor class remedies are needed.)

The primary attraction of the universal, or class-based, approaches, according to its proponents, is pragmatism. Recognizing the many common interests of poor and working households of any color, it is argued that the most significant barriers confronting these groups can be addressed with policy initiatives and other actions that do not ignite the hostility often associated with race-based discussions and proposals. Race-neutral policies that assist all of those who are working hard but not quite making it reinforce traditional values of individual initiative and the work ethic, thereby providing benefits to people who have earned them rather than to the so-called undeserving poor. Given the socioeconomic characteristics of racial minorities in general, it is further argued that such approaches will disproportionately benefit these communities, nurturing integration and greater opportunity in a far less rancorous environment than is created with debates over race-specific approaches. Given the "race fatigue" among many whites (and underlying prejudices that persist), class-based approaches are viewed as a much more feasible way to address the problems of urban poverty that affect many groups, but particularly racial minorities.

In response, it is argued that while the quality of life for racial minorities has improved over the years, such approaches simply do not recognize the extent to which race and racism continue to shape the opportunity structure in the United States. Color-blindness is often a euphemism for what amounts to a retreat on race and the preservation of white privilege in its many forms. In a world of scarce resources, class-based remedies dilute available support for combating racial discrimination and segregation. From this perspective, it is precisely the controversy over race that the class-based proponents fear, which demonstrates the persistence of racism and the need for explicitly anti-racist remedies, including far more aggressive enforcement of fair housing, equal employment, and other civil rights laws. On the other hand, race-based remedies alone may not resolve all the problems associated with race and urban poverty given the many non-racial factors that contribute to racial disparity as indicated above.

In reality, both approaches are required. Class-based policies (such as increasing the minimum wage and earned income tax credit, implementing living wage requirements) and race-based initiatives (more comprehensive affirmative action and related diversity requirements), are essential if the underlying patterns of privilege are to be altered.

UNCOMMON ALLIES

Many constituencies that traditionally find themselves at odds with each other can find common ground on a range of policies designed to combat sprawl, concentrated poverty, and segregation. Identifying and nurturing such political coalitions is perhaps the key political challenge. Coalitions that cut across interest groups and racial groups are essential. Many land-use planning, housing, and housing finance policy proposals, for example, are generally articulated in color-blind terms. Fair-share housing requirements, tax-based revenue sharing, and inclusionary zoning are universal in character, although they often have clear racial implications.

Many suburban employers are unable to find the workers they need, in part because of the high cost of housing in their local communities. Often there are local developers who would like to build affordable housing and lenders who are willing to finance it, but local zoning prohibits such construction. These interests could join with anti-poverty groups and affordable housing advocates to challenge the traditional exclusionary suburban zoning ordinances. Developers, planners, and affordable housing advocates came together in Wisconsin and secured passage of a state land-use planning law that provided financial incentives to local municipalities who developed plans for increasing the supply of affordable housing units in their jurisdictions.

Similarly, school choice and fair housing groups—two groups that rarely ally—might recognize that severing the link between the neighborhood in which a family lives and the school that children must attend may well reduce homebuyers' concerns with neighborhood racial composition. This would reduce one barrier to both housing and school segregation while giving students more schooling options.

In many cities, developers, lenders, community development corporations, environmental groups, local governments, and others are coming together to sponsor transit-oriented development. Such developments create new jobs for working families in locations that are accessible by public transportation, reducing traffic congestion, infrastructure costs and other disamenities. Growing such development would yield greater efficiencies in public investment, fewer environmental costs, and more job opportunities.

This list is hardly meant to be exhaustive. The point is simply to show that there are some creative political alliances that can exercise a positive impact on some long-standing, and seemingly intractable, problems. Sprawl, concentrated poverty, and segregation have many identifiable causes. The confluence of place, race, and privilege becomes less mysterious over time. At least some approaches to reduce uneven development and its many costs are already available: land use planning tools like tax-based revenue sharing and the delineation of urban growth boundaries can be used more extensively to reduce sprawl and some of the associated costs; community reinvestment initiatives, housing mobility programs, and inclusionary zoning ordinances can be expanded to diminish further the concentration of poverty; and fair housing law enforcement can be strengthened to reduce racial segregation. If policy is largely responsible for getting us where we are today, then policy can help us pursue a different path toward severing the links among race, place and privilege tomorrow.

NOTE

This chapter is based on Gregory D. Squires' and Charis E. Kubrin's recently published book, *Privileged Places: Race, Residence, and the Structure of Opportunity*.

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CHAPTER 41

Domestic Property Interests as a Seedbed for Community Action[1]

John Emmeus Davis

"Do communities act?" Even as Charles Tilly (1974) posed this provocative question, he was never really in doubt that collective action on a territorial basis can and does occur. After all, American cities were just emerging from a period of political protest, popular mobilization, and social conflict as intense as any they had known, most of it organized on the basis of residential neighborhoods. "Of course communities act," answered Tilly, and embarked on a search for when and why.

We are engaged here in a similar quest, attempting to explain collective action in the place of residence. The Marxist theory of collective action argues that objective, relational interests may be the basis for group formation and inter-group conflict. The neo-Weberian theory of "housing classes" argues that such interests inhere not only in a group's relationship to productive property, but also in a group's relationship to "domestic property"—land and buildings that are used for housing.[2] Combining these theoretical strands, we are led to the proposition that the cleavages and conflicts of residential neighborhoods may be explained, in part, by the different and competing interests that people have in a neighborhood's land and buildings. A better understanding of the conditions for collective action on a territorial basis begins with a better understanding of the interests engendered by domestic property.[3]

There are two basic types of domestic property interests: accommodation and accumulation. People have an interest in the use value of domestic property, utilizing residential land and buildings for personal shelter, or they have an interest in the exchange value of domestic property, utilizing residential land and buildings for financial gain. Some people have an interest in both. Accommodation and accumulation are actually *clusters* of interests, each describing various benefits that people derive from their relationship to domestic property. Three use interests are preeminent: security, amenity, and autonomy. On the other side, three exchange interests are preeminent: equity, liquidity, and legacy. These half-dozen domestic property interests do not exhaust the field. Each could be subdivided again and again to yield an ever-longer list. These six denote the principal lines of demarcation most frequently found within the complex mosaic of competing property interests that give rise to many of the groups and much of the conflict arising within the place of residence.

EQUITY

Equity refers to the unencumbered value inherent in land and buildings. In a market economy, equity is the fair market value of real property minus any debt that encumbers that property. It is the value that exists free and clear once a mortgage, lien, or any other liability has been paid off. Part of this value is created by the dollars and labor of the individual owner, poured into the property over a period of time. Another part, often the larger part, is less a product of the owner's investment than a gratuitous windfall bestowed by the surrounding society. This "social increment" is a function of

numerous factors, including the public's investment in services, facilities, and infrastructure, the region's growth, and the relative scarcity of land and housing. It is also a function of the general amenity of a parcel's setting. As Cox (1981, p. 434) has noted, "a variety of property-value studies … find that such resources as school quality, public safety, quiet, and even views of Pacific sunsets are indeed reflected in house values." Whether created by the property's owner or by the surrounding society, equity accrues to individual parcels of property and belongs to whoever happens to be the property's owner. Equity is commonly defined as "the owner's interest."

Domestic property can be regarded as a kind of financial repository where a combination of personally created and publicly created wealth is embedded in residential land and buildings. Unlike savings in a local bank, however, the financial stake that a person has in domestic property is neither protected nor predictable. Equity in land and buildings is not a private, autonomous transaction between owner and owned, where a dollar in is always a dollar out. Equity, instead, is a relational advantage, contingent upon the decisions and behavior of many actors. Much of what gives value to domestic property is social, not individual.

Equity is also precarious, since many of the conditions that contribute to a property's value can also take it away, should circumstances change. Even the equity which an individual creates through his or her own investment can be wiped out by changes in the maintenance or amenity of proximate parcels of domestic property, by changes in the level of private or public investment in the surrounding neighborhood, or by changes in the regional economy.

Since equity may be harmed as well as enhanced by the actions of others, it is not only a precarious advantage, but often a contentious one as well. The financial benefit that one group of people expects to enjoy from domestic property can be threatened by a competing use that another group intends for proximate parcels of property. Equity is both a product of social relations, therefore, linking every property to those around it, and frequently a source of social conflict as well, pitting one interest group against another.

LIQUIDITY

On the most basic level, liquidity is synonymous with "ease of sale," the facility with which equity can be converted into cash. Liquidity is more than marketability, however, because domestic property may also produce a stream of income without being sold. Residential land and buildings may generate income from monthly rents. They may be used for collateral, permitting the owner to raise cash for personal use or profitable investment. Equity may be unlocked from a parcel of property through a "reverse equity mortgage," creating an annuity for a homeowner who continues to inhabit the house. Domestic property may also function as a tax shelter, reducing the owner's tax liability on income derived from other sources.

Liquidity is clearly related to equity. Generally, the higher the equity, the greater a property's income potential; the lower the equity, the lower its income potential. Anything that affects the equity in a parcel of domestic property will usually affect the income that can be realized from that parcel. But liquidity also has a life of its own. There are factors that affect liquidity rather differently than they affect equity. Favorable tax breaks or governmental rent subsidies, for example, can generate a stream of income that is much higher than a neighborhood's severely depressed property values might otherwise allow. Conversely, a property with a high value may become unrentable because of high vacancy rates in the local rental market, the low amenity of the surrounding neighborhood, or the low status of the surrounding neighbors. Laws such as rent control, anti-conversion ordinances, and zoning may also limit the income that can be derived from rental property that is otherwise quite valuable.

Aside from the fact that equity and liquidity can vary independently, they

should be treated as separate property interests for the simple reason that domestic property is regularly used in two very different ways. It can be used to accumulate wealth through appreciating property values (equity), a benefit usually realized upon the property's sale. Or it can be used to generate income (liquidity), a benefit usually realized throughout the property's tenure. The different uses reflect different ways that people exploit the financial potential of land and housing. They represent different benefits that people derive from domestic property.

LEGACY

Domestic property is an inheritable estate, often the single most valuable possession that is passed from one generation to another. Since inherited property may also be used for personal shelter by one's heirs, there is some reason to consider legacy as much of a "use interest" as an "exchange interest." Indeed, many homeowners who bequeath domestic property to their children do so in the hope that one of their children will actually occupy the dwelling.

Such a legacy of use, however, is not as common in the United States as it once might have been, or as common as it tends to be in other countries. More typical are those cases in which the bequeathed property is quickly sold and the proceeds divided among several heirs, or the property is immediately rented out, providing heirs with an annual income. It is the exchange value of domestic property, not its use value, which is often the greater interest of those who bequeath the property and, even more frequently, of those who receive the property.

Although closely related to equity and liquidity, there are three reasons to differentiate legacy from these other accumulative interests: there is the potential for one's heirs to inhabit the property, where its use value temporarily trumps its exchange value; the futurity of the interest casts the property's profitability in a different light; and some social factors, such as public policies governing taxes and estates, affect legacy differently from equity and liquidity. Legacy involves a person (or group) in a set of relationships and bestows an orientation toward action that is different from the relational ties and action orientation engendered by equity or liquidity.

SECURITY

With security, we turn from interests of exchange to those of use. If exchange depends on domestic property being "worth something," use depends on the property being safely and predictably "with someone." It depends on someone having a secure hold over whatever housing he or she occupies. Even more basic than security of tenure, but closely related, is physical safety. Domestic property shelters one from the weather, shields one from the lawless, and, if there is a garden, nourishes one as well.

Security as safety is a function, in part, of the condition, repair, and design of the property itself. In this respect, security and amenity (another use interest) go hand-in-hand. Security is also a function, however, of the social climate from which the occupants of domestic property seek shelter. Safety does not stop at a person's front door. A milieu in which assault or theft is common jeopardizes the physical safety of the occupants of even the most structurally sound dwelling. The security of domestic property and the security of the surrounding neighborhood are interrelated.

Equally dependent on this interrelationship of property and place is security of tenure. Although largely a function of the legal arrangements under which a property is owned, occupied, and used, the "right to stay put" is affected by other factors as well.[4] Cycles of private investment and disinvestment, for instance, not only raise or lower the exchange value of domestic property; they often exert displacement pressures on renters and homeowners alike. Abandonment and redlining on one side of the cycle, and gentrification, condominium conversions, and office building development on the other, can threaten whatever residential security a population may have.

Public investment—or disinvestment—can also jeopardize security. The sort of massive removal of thousands of low-income residents that occurred under urban renewal is less common today, but government-initiated displacement still occurs, directly or indirectly. As Hartman (1984, p. 303) has pointed out, "a great deal of ostensibly private-sector displacement is supported by or the indirect result of government policies, programs or actions." Low-interest loans for downtown redevelopment, tax policies that encourage luxury renovation of historic buildings, landlord–tenant laws that permit easy eviction, or credit laws that permit easy foreclosure are only a few of the factors that may adversely affect residential security.

Security, like the other interests of domestic property, is a social product of the neighborhood and society in which a property is embedded. Security is a relational advantage, made precarious by its contingency upon many social factors. Furthermore, to the extent that a person's security can be undermined or threatened by other actors, near and far, as they avidly pursue their own economic or political interests, security is not only a precarious advantage, but frequently a contentious one as well.

AMENITY

Amenity refers to the quantity and quality of one's living space. At its most basic level, amenity is a matter of sound housing in good repair. It is what housing activists and public health officials have long sought to achieve via health, safety, and building codes. Amenity has many gradations, however, and quickly rises beyond basic health and safety. It includes a broad range of quantitative and qualitative variations in the size, design, decoration, and energy efficiency of a residential building, as well as variations in the acreage, topography, and other physical attributes of residential land. All of these make a parcel of domestic property more or less comfortable, pleasant, and appealing. All are part of a property's amenity.

Amenity, like security, has a large social component. The quality of one's personal living space is inseparable from the safety, health, beauty, and ambiance of the communal living space—that is, one's neighborhood. The availability of essential services and the proximity of jobs, stores, schools, and recreational facilities are also a part of neighborhood amenity.

Amenity encompasses, therefore, both the individual and the social, private space and public space. It is contingent, in both realms, upon a host of factors and actors, especially the political decisions of public officials in allocating facilities and services and the economic decisions of private investors in making loans, buying property, and developing commercial and residential buildings. Closer to home, amenity is contingent upon whatever one's neighbors are doing with *their* property and whatever is happening in the neighborhood as a whole. The quality of one's personal living space and the quality of the communal living space tend to rise or fall together.

AUTONOMY

Autonomy refers both to the degree of control that one is able to exercise over domestic property and to the degree of individuation that such property impresses upon its occupants. Autonomy as *control* is essentially a matter of one's ability to use, shape, and develop one's housing independently of the dictates of another. Autonomy as *individuation* refers to the contribution that domestic property makes to personal privacy, power, and identity. The homeplace functions for many persons as a "realm of personal control in a world where he or she generally feels impotent" (Rakoff, 1977, p. 101). It is a private, separate sphere, providing some insulation against the self-images imposed by the larger society. Domestic property may also function as a status symbol, raising or lowering personal esteem in the eyes of one's neighbors. As Logan (1978, p. 407) has pointed out, "a home is not just where you live; it is a location in a well-developed status

ecology." Autonomy and identity are tightly intertwined.

On a more macro level, the autonomy of domestic property has been associated with the political independence of individuals and the "home rule" of local areas. The notion that personal control over domestic property provides a basis for an independent, self-governing citizenry is a recurrent theme of political theory. Especially in America there was early acceptance of the view that men of property possessed a moderation of desire, a freedom of thought, and an independence of political judgment lacking in those who owned no land. Only landowners were permitted to vote. Although the United States long ago extended the franchise, there is still a cultural tendency to associate autonomy in the private realm of domestic property with independence and participation in the public, political arena. Those who exercise greater control over their private space, by virtue of owning domestic property, are believed to participate more freely and fully in public affairs. Perin (1977, p. 56) has described this lingering ideological association between homeownership and citizenship in the starkest way: "Homeowners are full fledged citizens. Renters are not."

Of all the interests of domestic property, autonomy would seem the least social, the least relational. Yet the degree of privacy and control that one enjoys over domestic property is regularly affected by the surrounding social environment. The freedom to use and improve domestic property, for example, is dependent upon whatever land-use controls, building codes, rental guidelines, or anti-conversion ordinances happen to be in effect at the time. Use and improvement are contingent, as well, on contractual relations between the owners of property and the lenders who finance it. Most mortgage and development loans carry a stipulation of inspection and approval by the lender for any major changes that the owner may later propose for the mortgaged property.

The latitude that an owner has in using his or her property is also affected, to some degree, by neighborhood norms—the expectations that one's neighbors may have concerning the "proper" maintenance, design, improvement, and use of domestic property. As for non-owners, whatever privacy or control they possess will depend largely on the legal language of their lease, but the conditions of their occupancy are also a social product of landlord–tenant law and housing quality standards governing rental property.

The control that one is able to exercise over a parcel of property is contingent, in short, upon numerous social factors. Autonomy is a relational advantage, a precarious product of the social environment in which a property is embedded. Furthermore, to the extent that part of its precariousness is due to the strategic activity of other groups pursuing *their* advantage, sometimes to the detriment of one's own, autonomy is also inherently contentious. An interest in autonomy not only draws one into relation with various policies, institutions, and norms that delimit one's privacy and control over domestic property, therefore. It also draws one into relations with various social groups who may threaten the autonomy that one already has.

DOMESTIC PROPERTY AS A "BUNDLE OF INTERESTS"

These six relational advantages of domestic property might be treated theoretically as housing preferences (or "values"), housing services (or "utilities"), or, in the jargon of real estate law, as "sticks" in a property's "bundle of rights." For the purpose of explaining collective action, however, they are better seen as "interests." The attributes that make them "interests" are their material, objective, collective, and relational character, as well as the action orientation they bestow upon different domestic property positions.

To say that these advantages are *material* is to claim for equity, liquidity, legacy, security, amenity, and autonomy little more than that they originate in the tenures and functions of a physical entity—land and buildings used for shelter. They also affect the physical or economic well-being—i.e.,

the material condition—of those who have a personal stake in such property.

These six advantages are *objective* in the sense that one's position in relation to domestic property carries a probability of particular benefits, a susceptibility to particular costs, and a propensity to act in certain ways that inhere in the position itself, regardless of whether the incumbent of that position is aware of this state of affairs. Saunders (1984, p. 207) puts it well, when describing the "objective conditions" that distinguish homeowners from tenants:

> Owner-occupiers, for example, form a distinct sectoral interest not because as property owners they mainly *believe* that they have the same sort of stake in the capitalist system, nor because their lifestyle (e.g., suburbanism) leads them to *claim* a superior status to that of non-owners, but because the objective conditions of their material existence are such as to drive a wedge between their interests and life-chances and those of non-owners.

A group does not need to be aware of its property stake for someone else to gauge what the group's interests might be. It is not even necessary for people to want those interests or to defend them for an outside observer to assess the interests inherent in their property position or what relation those interests may have to social factors that threaten or enhance them. There will be times, in fact, when an outside observer can make a judgment of a person's (or a group's) interest that is more accurate than that which is made by the "interested" party. The six interests of domestic property are objective in a double sense, therefore. They inhere in one's objective relation to land and buildings used for shelter, and they can be objectively assessed by an uninterested observer.

To assert that domestic property interests are *collective* is not to embrace the dubious thesis that interests are structural properties of collectivities, having nothing to do with individual actors. Interests are collective only in the sense that people who share a common relation to domestic property are presumed to share a common set of interests. These common interests are a latent, relational bond, existing among similarly situated individuals, which *may* become the basis for solidarity and collective action among them.[5]

Equity, liquidity, legacy, security, amenity, and autonomy have also been described as being *relational*. They each have a character that is social, locational, precarious, and sometimes contentious. They are "social" in the sense that all of these interests are contingent upon numerous factors in the environment surrounding any parcel of domestic property. Whatever private interest an individual may have in using domestic property is invariably defined, limited, threatened, or enhanced by market forces, public policies, and social conditions of the encapsulating social structure. These interests are "locational" in the sense that every parcel of domestic property is situated in—and connected to—a given locale. Some of the most important conditions affecting one's property interests are those that are associated with the parcels and actions of one's closest neighbors. Proximate parcels and proximate actors are linked together in a "community of fate." To have a stake in property is to have a stake in place as well.[6]

The relational character of domestic property interests is also "precarious" and "contentious." These interests are precarious because, in their contingency upon so many social and locational factors, they are susceptible to fluctuation, erosion, or loss. Their precariousness, in particular, is a consequence of many actors pursuing *their* advantage at the expense of one's own. People may find themselves antagonistically related, therefore, even if they neither recognize nor want such enmity, simply because of a different and conflicting stake in domestic property. Their interests are objectively contentious.[7]

To have an interest in a parcel of domestic property, within a specific territorial space, is to become enmeshed in a complex web of local and extra-local relations that both affect one's advantage, for better or worse, and orient one's behavior in a particular way. This *action orientation* reflects the propensity of people to act in

pursuit or defense of their own property interests. These interests bestow not only a propensity to act, but a propensity to act with or against other people. There is a latent tendency for the incumbents of the same property position, sharing a common set of interests, to act *collectively* in defense (or enhancement) of those interests. Similarly, there is a latent tendency for the incumbents of different property positions, having antagonistic domestic property interests, to act *contentiously* in defense (or enhancement) of their respective interests. Whether this dual orientation actually leads to collective action and inter-group conflict will depend on many conditions of consciousness and organization. Even when people's interests are threatened, there is no certainty that they will act collectively or contentiously—or act at all. There is only a *possibility* that they will behave in this way, though a possibility made more probable by the interests that are theirs.

In the end, it is this probability of patterned and predictable behavior that provides the principal reason for treating the relational advantages of domestic property as a "bundle of interests," rather than preferences, utilities, or rights. To regard these advantages as property *interests*, within the Marxist meaning of that term, is to discover a means by which collective action and inter-group conflict *on a territorial basis* might be explained. These interests establish an essential theoretical connection between the property and polity of the place of residence: linking a locality's material base with the differentiation and political action of its indigenous groups; linking the spatial and the social. Interests of equity, liquidity, legacy, security, amenity, and autonomy provide a means of comprehending why the *territory* of a common locale can sometimes become a seedbed for collective action. They provide the raw materials for an explanation of group formation and inter-group conflict in the residential urban neighborhood.

NOTES

1. Excerpted from "Domestic property as a bundle of interests," Chapter Four of *Contested ground: Collective action and the urban neighborhood.* Ithaca, NY: Cornell University Press, 1991.
2. The analysis of housing classes most relevant to the present discussion is found in Saunders (1984) and Pratt (1982).
3. This builds upon Molotch (1976, p. 311) who argued that every locality should be seen "not merely as a demarcation of legal, political or topographical features, but as a mosaic of competing land interests capable of strategic coalition and action."
4. A longer discussion of the "right to stay put" can be found in Hartman (1984), who coined the phrase.
5. At least 10 property-based collectivities may be found in urban neighborhoods that have a diversity of types and tenures of housing: the homeless, public tenants, private tenants, social homeowners, household homeowners, acquisitive homeowners, landlords, financiers, developers, and speculators. These "domestic property interest groups" exist only in embryo. They are objectively constituted social formations that may or may not develop into consciously organized, politically active groups.
6. "Community of fate" was coined by Logan (1978), although I am using the term differently. My own use is closer to that of Blum and Kingston (1984, p. 175), who speak of homeowners sharing "an important economic fate with their neighbors." A similar idea is expressed by Qadeer (1981) who speaks of the "web of externalities" in which urban land is enmeshed.
7. Property interests that are different are not always antagonistic. Cooperation, rather than conflict, is occasionally possible across the political divide created by different property positions and property interests.

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CHAPTER 42

The CDC Model of Urban Development

A Critique and an Alternative

Randy Stoecker

THE CDC DEBATE

For many years I have followed and worked with community development corporations (CDCs). I have become increasingly distressed, however, by their lack of impact and by our fading memory of why CDCs exist. This chapter analyzes the role of the CDC in the urban political economy, exploring what purposes it serves and what impacts it can have. It also proposes an alternative model of urban redevelopment that emphasizes community organizing, community-based planning, and high capacity multi-local CDCs.

Despite the growth of CDCs in the last 30 years, numerous analysts, including CDC advocates, cannot find evidence that CDCs have enough impact to reverse neighborhood decline (Rubin, 1994b; Berndt, 1977; Pierce & Steinbach, 1990) or that the development they produce would not have happened anyway (Marquez, 1993). CDCs do better than local housing authorities at providing housing, but it is "a drop in an ocean of need" (Twelvetrees, 1989, p. 155). Twelvetrees argues that if CDCs are to be rated according to three levels of success (staying in existence, achieving their major objectives, and achieving those objectives efficiently), then only the largest CDCs show success beyond the first level. CDCs are rarely credited with improvements in quality of life, community stability, resident health and happiness, and personal empowerment (Taub, 1990). Vidal (1992) notes that only 25% of CDCs say they have sparked major increases in community pride, and half say they have made some progress in strengthening community leadership. Keating, Rasey, and Krumholz (1990, p. 213) conclude that CDCs fail to achieve the broader goals of "political and economic independence and self-sufficiency."

Consequently, some wonder if CDCs are a case of social movement co-optation. Many neighborhood association members see CDCs as having lost their grassroots mentality. Consequently, critics charge, CDCs have become another developer following a free market approach to redevelopment (Lenz, 1988; Taub, 1990) rather than fighting for the social change necessary to support sustainable communities. Taub (1990, p. 2) states that "The CDC world is filled with tales of ruthless screening, fast evictions, and strict enforcement of behavioral standards." Lenz (1988, p. 25) decries the "terrible paradox of thriving organizations and dying communities."

CDC advocates respond passionately. Like other service providers, they see their work as at least a necessary Band-Aid. We should not expect high productivity from CDCs, they say, because they operate in weak markets, precisely why for-profit developers avoid those neighborhoods. Without CDCs, they argue, there would be no development in urban America's most deteriorated neighborhoods (Hamilton, 1992; Bratt, 1989; Vidal, 1992). Further, CDCs are more likely to meets the needs of the poor and even raise expectations that will lead to political pressure for social change (Rubin, 1995). Additionally, CDC adherents argue that the community organizing model (a more confrontational, conflict-oriented political approach to

addressing poverty) is no longer appropriate because neighborhood structure has changed, the targets are hidden, and there are fewer local vital organizations.

Missing in this debate is a theoretical understanding of the CDC. How does the CDC interact with the contradictions of urban capitalism? What are the political-economic forces impinging on the CDC, potentially hindering effectiveness? To understand these questions, we must look at urban political economy and how the CDC model of urban redevelopment interacts with it.

THE CDC MODEL

The continuing critiques of CDCs across three decades suggest that more is at issue than imperfect practice. My argument is not that CDCs have been doing bad things, or operate with evil intent. As Lenz (1988, p. 25) notes, CDC practitioners "are good people with bad theory." Many CDC directors hold dearly to the goals of community empowerment and political activism. Some CDCs succeed at avoiding the problems discussed later (Rubin, 1997), but those exceptions only serve to emphasize that it is not the CDCs, but the model we hold up for CDCs to meet and the US political economy that are the problems.

From the beginning CDCs were to accomplish bottom-up, comprehensive redevelopment. The bottom-up approach is supposed to help the community determine how to conduct redevelopment and produce more homes and businesses owned by community members. They are also supposed to empower whole communities through comprehensive treatment of social and physical conditions, measuring success in terms of physical redevelopment and community regeneration, participation, and empowerment. As Kelly (1977, p. 18) says, this model is "socialistic-sounding" but "the socialistic aspect is more apparent than real." For the third part of the CDC model is an acceptance of free market philosophy.

The CDC model originally attempted to correct three market failures: (1) the inability of potential investors to see opportunities in the neighborhood; (2) profit maximization that prevented socially conscious investing; (3) and social/legal restrictions on investment such as zoning laws. However, as government finances disappeared, CDCs had to give up even this moderate "directed capitalism" and "accommodate themselves to, rather than redirect, the course of the free market" (Marquez, 1993, p. 289). Their goal is not to transform society but to "extend the benefits of the American economic mainstream … to [those] that are left out" (Pierce & Steinbach, 1990, p. 33). At best, poor neighborhoods are seen as weak markets requiring reinvestment rather than as oppressed communities requiring mobilization, leading CDCs to work within the existing economic rules.

It is important to understand that this model can work only by assuming that capital and poor communities have complementary interests. As Berndt (1977, p. 126) noted, "CDCs have accepted the rationale of the corporation within capitalist society." CDCs have come to operate more and more like businesses, narrowing their activities to physical development. Many CDCs impose rules on tenants that are no different from any other landlord rather than empowering residents to govern themselves.

POLITICAL ECONOMY OF THE CDC MODEL

Understanding the problems with the CDC model requires understanding the relationship between capital and community. The relationship between capital and community is at least potentially contradictory (Feagin & Parker, 1990; Logan & Molotch, 1987). Community's tendency is to preserve neighborhood space as a use value for the service of community members, while capital's tendency is to convert neighborhood space into exchange values that can be speculated on for a profit. This sets up an antagonistic relationship. Capital's conversion of neighborhood space into exchange values drives up rents, destroys green space, eliminates

neighborhood-based commerce, and disrupts neighboring patterns. Capital is less willing to invest in neighborhood redevelopment that maintains neighborhood spaces as use values because that would prevent speculation and limit profit accumulation. Either through destructive investment or disinvestment community suffers.

Further antagonistic relationships exist in the city between workers and employers, and between renters and rentiers. Most important to the dynamics of this struggle, however, are those who are neither clearly workers nor owners, renters nor rentiers. Those in the middle occupy contradictory locations between the haves and have-nots. The members of this vast middle are part owner, and part proletariat. They also control their own housing, but still pay rent in the form of a mortgage. As a consequence, they are pulled in two directions at once. The middle class is therefore culturally unpredictable and politically constrained.

It is this insecure and unpredictable middle location that CDCs occupy. CDCs manage capital like capitalists, but do not invest it for a profit. They manage projects but within the constraints set by their funders. They try to be community oriented while their purse strings are held by outsiders. They are pressured by capital to produce exchange values in the form of capitalist business spaces and rental housing. They are pressured by communities to produce use values in the form of services, homeownership, and green spaces. This is more than a "double bottom-line." It is the internalization of the capital–community contradiction and it leads to trouble. The result is three problems besetting the CDC model: (1) the limits to comprehensiveness; (2) the myth of community control; and (3) the development of disorganization.

Limits to Comprehensiveness

CDC work requires expertise ranging from finance, insurance, and real estate to architecture to zoning laws, along with a vast amount of capital. The things that can make CDCs community based (their smallness and neighborhood roots) inhibit access to the capital and expertise that comprehensiveness demands. The community-based ideology in the CDC model promotes amateurism and volunteerism, isolating CDCs from prominent capital actors and experts.

The ideology of the CDC as community based also leads to a belief that the CDC is an alternative to government programs. Only about half of CDC operating budgets is provided through government sources (Goetz, 1993). The public sector is reluctant to commit funds to CDCs because of the lack of CDC productivity caused by inadequate funding. Also, because CDCs purport to be community controlled, public administrators rationalize that their funding should come from the community as well. The impossibility of that occurring is ignored. Government funding of CDCs may be most useful for maintaining social order. Enough money is provided to stave off social unrest, but not enough to threaten the unequal balance of power. Conservative government celebrates CDCs while providing just enough money to help them fail—suggesting that government and corporations are systematically hostile to empowering community development.

The consequence is victim blaming. Developers are believed to fail or succeed based on their skills, not their circumstances, so project failure is attributed to the CDC (and thus the community) doing a bad job. The reality, however, is that CDCs are grotesquely under-funded organizations working in disinvested communities requiring massive capital infusion. Self-help is unrealistic under such conditions and "may worsen problems in neighborhoods that require more, not fewer, resources.... An emphasis on self-help should not be used to divert attention from the context" (Checkoway, 1985, p. 482)

The role of the CDC has become that of a means to divert our attention from the context. The media celebrate a single small initiative in a sea of decay and the public sees small CDC accomplishments portrayed as big victories and comes to believe there is little need for their taxes or their donations. Then they blame CDCs and their associated

communities when redevelopment fails. Of course, the way to get beyond the problem of smallness and the failure associated with it is to access massive resources. That, however, carries its own burden and leads to the next problem.

The Myth of Community Control

The assumption in the model that CDCs are independent community-based solutions to urban decay mystifies the reality of external control. The problem of maintaining community control is rooted in the fact that poor communities do not have enough community controlled capital and must woo outside capital whose tendency is to transform use values into exchange values. The role of funders in subverting social change efforts has been well established generally (Roelofs, 1987) and in regard to CDCs (Kelly, 1977). The Local Initiatives Support Corporation (LISC), the single most lauded funder of CDCs, is controlled by elites who often view redevelopment from an exchange value perspective rather than a use value perspective. Other large foundation supporters of CDCs are little different, evaluating CDCs for their economic acceptability rather than their ability to serve community needs. While CDCs may be able to use those funds without technically being co-opted, the funds still impose limitations because they embody the profit principle, especially after government funding plummeted in the 1980s and was replaced by comparatively minuscule private sector funding.

This sets up a secondary contradiction between affordability and control. Outside capital resists supporting redevelopment that maintains community control. Government, bowing to market ideology, follows similar rules. CDCs often must choose between acting quickly enough to take advantage of fleeting funding opportunities and practicing more cumbersome democracy (Twelvetrees, 1989). Thus, redevelopment that maintains community control is expensive and redevelopment that is affordable requires giving up control to outside funders.

In addition, as funding becomes scarcer, CDCs package more complex, time consuming, costly, and hard to manage projects. CDCs often have more complex organizational structures than comparable for-profits. This increasing complexity removes even more control from the community. Control devolves to staff, who often live outside the community and are more likely to emphasize the technical details of development over community empowerment (Rubin, 1994a). CDC boards, at most, provide broad guidance rather than direct decision-making.

Even if the board maintains informed control, it may not represent the community. The board of the first CDC—Bed-Stuy Restoration Corporation—was dominated by U.S. Senator Jacob Javits, Ethel Kennedy, the chairman of Mobil Oil, and the president of Citibank (Berndt, 1977). Businesses often play a stronger role in directing CDC policy than residents (Vidal, 1992). The fact that board membership is neither glamorous nor exciting also hinders resident participation. This lack of participation can lead to decisions that do not reflect the community and produce festering resentments (Heskin, 1991). Even CDC supporters agree that CDCs do not "necessarily aim for, nor result in, widespread participation by the affected tenants" (Bratt, 1989, p. 312).

Regardless of how much those within CDCs think of themselves as having common interests with the community, it is questionable that they do. Two-thirds of CDCs manage the housing they develop (Vidal, 1992). Consequently, CDCs are landlords and thus have an interest in maintaining the financial solvency of the organization, even if they are nicer about it than for-profit landlords. Renters, however, have an interest in maintaining the affordability of their housing. This creates a structural antagonism that divides the CDC from the community. Bratt (1989, pp. 234–235) implicitly distinguishes "community-based group" (apparently referring to CDCs) and "its constituency" as if the concepts refer to different things. Residents also miss the contradiction. When redevelopment fails, they blame each other rather than targeting the external causes.

Ultimately, the control–affordability contradiction has "created responsibility

without control … [and] transformed political questions for the political community into technical questions more accessible to experts" (Heskin, 1991, p. 73). Under these conditions, the CDC model is in danger of creating weaker rather than stronger communities.

The Development of Disorganization

Market processes are unpredictable, unstable, unaccountable, and disorganizing. They allow the destruction of communities through speculative investment and disinvestment. When CDCs behave as market-oriented organizations, they become part of those disorganizing forces. CDCs are also pressured to support the capital side of the capital–community contradiction and put organizational profit ahead of community benefit (Twelvetrees, 1989; Berndt, 1977).

When the CDC fails, it contributes to neighborhood decline. When the CDC succeeds, it may also lead to neighborhood decline by disorganizing the community. Community development, when it emphasizes the physical over the social and remains limited to the possibilities dictated by capital, may actually increase turnover and displacement within a community (Taub, 1990).

Can CDCs develop community? Analysts have emphasized that CDCs do "projects," but the continuing influence of the comprehensive emphasis has led to talk about CDCs promoting community organizing. It is unclear, however, whether CDC advocates understand what community organizing is, would want to do it if they knew, or could do it if they wanted to. The CDC model "has confused the building of power with the building of structures" (Traynor, 1992, p. 9).

The classic community organizing model does not appear to fit the CDC definition that uses advocacy synonymously with organizing. Community organizers understand organizing as developing relationships so people can press their demands collectively and gain power through that process. Advocacy is an expert speaking for a constituency, rather than helping them speak for themselves. Some analysts question whether CDCs do any substantial organizing, seeing them as consciously apolitical (Keating et al., 1990). Giloth (1985, p. 39) sums up the problem by citing that "There is housing advocacy and development—but little squatting." In other words, working within the rules, CDCs accept what trickles down rather than help people mobilize to reclaim what has been taken away. Not only is organizing neglected, but the CDC tries to be the neighborhood voice (Vidal, 1992). This is dangerous because we have already seen that CDCs are not adequate representatives of neighborhood interests. The CDC may compete for public attention with organizing groups, dividing the community between CDC supporters and organizing group supporters (Stoecker, 1994, 1995). The CDC also may delegitimize the organizing group by making it appear more militant because CDCs are less threatening to power holders than community action organizations.

Even if the CDC understands community organizing as a true empowerment strategy, it is unlikely the CDC is the best vehicle for conducting community organizing. Constrained by their funding, CDCs cannot take the risks necessary to produce empowering community organizing. Additionally, organizing and even service efforts take a back seat to development when financial or political pressures bear down. Rooted in the capital–community contradiction, development and organizing can become contradictory missions (Stoecker, 1994, 1995).

The CDC model potentially increases internal community conflict, displacement, and disempowerment when it fails and when it succeeds. While CDCs try to work where government left off, they depend on government, while they try to be community controlled, they must respond to outside schedules and funds, and while they are effective because they are small, the problems are big (Twelvetrees, 1989). What is to be done? Many groups got into development because they believed they were not getting enough out of community organizing, but they found that doing development affected fewer people and made organizing more difficult (Bratt, 1989).

A NEW MODEL

It is too much to expect a CDC to be resistant enough to ward off market pressures attempting to co-opt its agenda, accountable enough to remain under community control, yet large enough to do the job that is needed in disinvested communities.

Given that CDCs are not good at maximizing community participation and supporting community organizing, the sensible solution is to do away with the mythology of the CDC as community based. Removing the community-based label removes the possibility of scapegoating the community when redevelopment fails; admits to the CDC's potential community disrupting qualities, allowing residents to better organize to protect themselves; and removes a competing voice from the neighborhood, allowing residents' voices to be heard without the filter of a developer.

Thus, we must also clean up the confusing collage of organizational definitions, and all the labels only confuse the distinction between community organizing and development. Let's reserve CDC for those organizations that build buildings, and community organizing group for those organizations that build community power. And let's be wary of those that refuse to admit their priorities.

If we shift from a development model to a community empowerment model, we can find a place for the CDC that does not so readily contradict community. This new model must emphasize human development and organizing as much as physical development, demand non-market solutions to the problems of poverty, be wary of public–private partnerships, subordinate development plans to an organizing agenda, and promote community, not CDC, control of physical space. These principles lead to two components of a new redevelopment model: a community-controlled organizing/planning process, and the high-capacity multi-local CDC.

Organize, Organize, Plan

Organizing by itself may work as well as the CDC approach in creating redevelopment. The Dudley Street Neighborhood Initiative (DSNI) (Medoff & Sklar, 1994) focused on organizing as the means to development, while partnering with others to do actual physical redevelopment. In Minneapolis, the Cedar Riverside neighborhood residents conducted organizing through their Project Area Committee, limiting their CDC to only implementing plans produced through the organizing process. In San Antonio, Communities Organized for Public Service (COPS) resisted pressure to become a CDC (in the words of their lead organizer, Ernesto Cortes, "for the obvious reasons") as they achieved control of much of San Antonio's CDBG budget.

Community organizing is difficult, however. Capitalist disinvestment has so disrupted community networks that organizing focused on rebuilding neighborhood relationships may be necessary before the community can engage in more public struggle. Defending against, and recovering from, the forces that cause neighborhood decay requires education and planning as much as strategy and tactics.

The most important part of a community organizing model that empowers residents is the planning process, increasingly seen by CDCs as central to development, even if still neglected in practice. Community-based planning, if done correctly, accomplishes four purposes. First, it builds a sense of community, becoming an organizing process. Second, it educates residents on what resources and threats exist in their neighborhood. Third, it builds community power, allowing residents to determine what redevelopment they want and thus better defend themselves against speculators. Finally, it helps residents plan for the ideal, without regard to limitations imposed by elites.

Harking back to the original CDC model, the importance of planning being truly comprehensive cannot be emphasized enough. One of the negative consequences of all past ghetto revitalization programs has been that residents move out as soon as their personal circumstances improve enough, disrupting community networks and draining community resources. People need a sense of

control over their community. Residents also need material reasons to stay, which means that their personal circumstances and surroundings must improve together. And that means redevelopment cannot be conducted by a small CDC doing a house here or a business there. It requires a massive influx of resources at once, and that is where the high-capacity CDC comes in.

The High-Capacity Multi-Local CDC

We must build CDCs with adequate capital capacity. When we remove the community-based mythology from the CDC, individual neighborhoods should neither need nor want their own CDC. Large CDCs have more capital capacity, more political capacity, and more collective talent to conduct physical redevelopment that can outpace community deterioration. Of course, CDCs with greater technical, economic, and political capacity also have greater capacity to overrun community needs. But there are a number of ways to counterbalance these potential troubles.

The most important means of countering the large CDC's power is, to develop strong community organizing groups with comprehensive and detailed redevelopment plans. These groups should have enough expertise in the details of redevelopment to construct development contracts that hold CDCs accountable.

Fight the Power

Is such a model—reemphasizing community organizing, expanding the capitalization of CDCs, and planning for redevelopment—practical or possible? Who is going to pay for this new community-driven approach? A federal government in financial tatters, walled in corporations, foundations that trickle minuscule resources on massive problems? Our acceptance of these political realities as technical realities, however, contributes to the problem. Of course development cannot be done without substantial government dollars, hefty private sector participation, and enormous foundation support. But the money is there. Accessing it is a political, not a technical, problem, which requires mobilizing communities to demand action.

Is this proposal too radical and unrealistic? Can funders be convinced to give tens of millions of dollars for comprehensive redevelopment in a single neighborhood? Can they be convinced to give that money in support of neighborhood-based plans? Can support grow for market-resistant subsidies to community-owned and -controlled businesses that keep wealth in the neighborhood?

The obvious, quick answer is no. No seems to be the answer only because we have come so far down the CDC model path that we have forgotten that the real issue is power, not development. The ideals of a new model that emphasizes community empowerment are unlikely to be achieved in the short term, which makes it even more important that we begin to rethink a redevelopment model that promotes current national and corporate priorities and myths and undermines the potential of communities.

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CHAPTER 43

Strengthening the Connections between Communities and External Resources

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The concentration of poor people—especially poor people of color—in urban pockets of poverty did not occur by chance in this country, or solely as the result of choices made by residents of those communities. The racial and economic isolation, poverty concentration, and political disempowerment that characterize America's poor communities are largely the result of identifiable policies and practices embedded in public and private systems and in our society's power structures—factors that would exist even without a community-change agenda. They contribute to the persistently poor social and economic outcomes experienced in the neighborhoods that are the targets of community-change efforts, and they reinforce segregation by race and class.

This suggests that community building solutions must understand how these systems, rules, and structures affect poor neighborhoods, and then make them work better by tapping into the resources of outside institutions and influencing their actions. That observation raises serious questions, however: How well do community-change efforts incorporate historical and structural phenomena into the solutions they develop? Does the very nature of community-based change lead to a bias toward "local" issues and away from overarching, structural ones? Is it possible to integrate the work done by community members on their own behalf, within neighborhoods, with efforts to influence external players—or do the demands of working within communities preclude or limit such activities? Are the limitations imposed by external funding sources, systems, economic dynamics, and public policies so forbidding that neighborhood improvement is the best that we can hope for? Will the political and funding climate tolerate this type of work, which is more politically oriented than in the past? What range of institutions and alliances do we need to tackle these issues? This chapter argues that participants in community building need to reinvigorate their approach to community change so that it addresses the external relationships and structural factors operating outside communities. Our discussion focuses especially on the inherent issues and tensions of four key activities: *broadening the analysis of the problem*, *finding powerful allies*, *working with the public and private sectors*, and *reexamining the assumptions and biases embedded in the community building approach*.

BROADENING THE ANALYSIS OF THE PROBLEM

The principle of community building has several philosophical underpinnings that emphasize the power of "place" and the assets of neighborhood residents. Looking back at the way community-based initiatives unfolded and the evidence of what they have and have not achieved, there is a fundamental tension focusing inward on internal community dynamics and capacities and addressing external structures which can enhance or constrain their success. On one hand, practitioners and funders believe in the power of poor people in poor communities to change their environment and

take control of their own destinies. Yet in practice, by focusing on neighborhood residents' capacity for change, many community building efforts have diminished, underestimated, or been unable to influence the power of external institutions, public policies, and private market dynamics. Forward-looking participants in community change are looking for a new way to frame their work that captures the critical importance of addressing external issues, even as they continue to expand and deepen capacity-building efforts within their communities. They agree, as one person said, that "framing the problem really matters. If it is framed as internal, that leads to one set of actions; but if it is framed differently, it may lead to a very different set of priorities entirely." Acknowledging the power of the policy environment, many conclude that an internal focus is a losing strategy for even the most exemplary practitioners. They argue for a new approach that links policy, politics, and place on a metropolitan level around the goal of expanding opportunities for poor people.

Essentially, this "localism" leaves prevailing economic and political paradigms unchallenged and approaches urban poverty as a problem for neighborhoods and their residents. Critics suggest that, instead of adding an additional set of approaches and strategies to an aging toolbox in need of innovation, comprehensive community initiatives (CCIs) seemed to displace an older consciousness about the structure of poverty, racism, and the alignments of power that maintain the status quo.

Practitioners, scholars, policymakers, and residents can point to several issues that need to be reinfused into the analysis of the problem. Problems with economic development and housing policies are particularly resonant. For example: public policies and investments promoted the movement of middle-class workers and jobs to the suburbs and left poor people of color isolated in inner-city neighborhoods. As the regional and national economies shifted from manufacturing to service and technology, employment opportunities became more mobile, the labor market split into high- and low-wage sectors, and residents of poor communities were left behind. Housing policies exacerbated the problem. Public housing, intended as a temporary support for people in economic crisis, became in many places permanent housing for the persistently poor due to processes for selecting tenants, a lack of adequate services, discriminatory site-selection policies, the construction of high-density developments, and isolation from surrounding communities. Today, exclusionary zoning practices often preclude subsidized housing in the suburbs or raise the cost of building suburban housing to prohibitive levels. Property tax policies discourage economic integration in the suburbs and make mixed-income communities hard to create or maintain in cities.

These and similar issues, fueled by powerful political forces that are extremely difficult to budge, shape the context within which CCIs operate. In the words of one African-American researcher,

> These things did not happen by chance. Those distressed neighborhoods exist because of policies, procedures, and programs that have been in place in powerful neighborhoods. The zoning laws, the building codes … an entire infrastructure was built in the first half of the 20th century to create the type of segregation that meant that the communities that white people grew up in could only exist because of the type of communities that I grew up in. Now, the problem with all of this is that you can't change the conditions in that neighborhood without restructuring the whole paradigm.

The challenge is not to give up the local-level work but to do a better job of balancing and aligning the two levels. To find that balance, leaders of change in poor neighborhoods need to do two things. First, they must identify the causes of the problems they are experiencing, in the broadest possible way. That means stopping for a moment to consider the historical, institutional, and structural origins of problems. If people begin and end their analysis within the community, they may miss important contextual factors that affect everything they do. The second step is to identify

sources of power outside the neighborhood that can be tapped or influenced to help the community. Again, the challenge here is to cast the net wide, well beyond traditional philanthropies or public programs, to include various levels of government and various types of policies as well as the role of the private sector.

Armed with the results of those activities, participants in community-change efforts can develop strategies for addressing fundamental issues. Judging from the experiences of recent CCIs and other endeavors, those strategies are likely to include finding powerful allies, working with the public and private sectors in new ways, and reexamining the assumptions and biases that are embedded in community building.

FINDING POWERFUL ALLIES

Although CCIs and other community building ventures should recognize the *need* to engage forces outside their communities, they don't have to lead engagement efforts themselves. CCIs do not have the capacity or the power base for that responsibility. The people interviewed for this book offered the following observations about what those "strategic alliances" might look like.

Alliances with national, state, and local policy groups that advocate for disadvantaged groups give community-change initiatives access to expertise and influence in the policy world.
The challenge for CCIs and other community-based groups lies in knowing how to reach out and build those alliances. Policy groups vary in their focus and strategies: some address specific populations, such as children, the elderly, or people of color, while others focus on topics, such as housing or transportation. Some concentrate on lobbying for money, while others pursue systemic change through the legal system.

It is unlikely that there will ever be a policy organization equipped to take on the full range of issues encompassed by a comprehensive community-change agenda. Therefore, alliances need to form across many different vehicles for change. For example, one avenue of work might revolve around policies, such as the housing mortgage tax deduction, which are broad and "non-targeted" but benefit the upper and middle classes more than low-income people. Here, alliances with national housing advocacy groups make sense. Other work might focus on key moments in the legislative cycle, such as reauthorization of welfare or of the Community Reinvestment Act. Or, there might be policy trends that offer opportunities for advocacy. One policy organization, for instance, has picked up on the issue of regionalism.

Coalitions across neighborhoods can expand the base and, consequently, the influence of political constituents.
In one good example, a community group joined with people in two other neighborhoods to establish a leadership institute that taught residents how to influence policy at the city and state levels. "It was important to team with other communities in order to lobby and advocate—for example, with the school board," a practitioner recalled. Other practitioners, cognizant of the suburbs' influence on state legislatures, are considering connections with allies outside their neighborhoods, such as rural districts that are similarly poor but have more voting power.

Alliances across neighborhoods can become more powerful by including connections to middle-class communities as well as other poor neighborhoods, practitioners note. "If you only organize poor communities then you will largely be limited to federal funds, and they tend to come with more strings attached," one person observed. His coalition paired people from rich and poor neighborhoods.

Activities that mobilize residents' political power and use it to influence policy discussions increase the pressure on political forces outside the community.
The problems of poor neighborhoods are as much political as they are technical. That fact suggests the need for a new "politics" of community building—one with explicit

strategies for exerting pressure on the people and institutions who do not naturally serve the interests of disadvantaged people.

Participating in the political arena can lead to examination of and (sometimes) conflict around fundamental ideological issues. As a former public official observed,

> If we want to have the honest conversation about how to do something for poor neighborhoods, we are actually engaging on the most controversial aspect of American poverty. We have to be clear about why those neighborhoods got into such a serious state of distress. And then we have to work our way from that explanation to what the strategies for change are that aren't just about trying to "fix those people" by telling them to pull up their socks and be responsible for themselves.

Many practitioners and even some funders now call for a more explicit political agenda, both to put pressure on the public and private sectors and out of a core commitment to reaching and activating residents.

The new emphasis on politics occurs at the most basic level of neighborhood work, on issues that directly affect children and families. It involves "pressure organizing, coalition building, and collaborative negotiation," in the words of one executive director. The political side of community building means mobilizing residents' political power around neighborhood concerns, for example, and activating voters. A CDC that targeted voter apathy claimed to have doubled the turnout in precincts where it worked and then turned its attention to holding the newly elected representatives accountable to the community. Others have mobilized parents to plan school reform and influence local school boards.

The development of political consciousness does not necessarily entail large-scale movements or electoral activities. Efforts to build political connections encompass a range of organizing styles.

Community organizing runs the gamut from "hell raising" to "relationship building." Observers suggest the need for both ends of the spectrum:

> I feel like we keep shifting back and forth between confrontation-style organizing and consensus-style organizing. On the ground, there needs to be a blend if we're smart. I think it's more about how to be proficient at both—being able to talk like equals to the corporate heads and the lieutenant governor as well as to be able to talk tough to them.

Some practitioners take a pragmatic approach: they will work with anyone, at any level of the political system, who can help them address local concerns. Others look for simple, practical ways to assert their power.

The ability to use information strategically is as important as policy acumen and an agenda for change.

Knowledge about the nuances of power and policymaking helps community stakeholders organize, understand, and prepare for policy changes. Current community building efforts are beginning to track and share information about broad issues at the state and local levels, such as transportation and land use. Communities that lack capacity for gathering and analyzing such information are forming connections with universities and state-wide organizations to expand their reach. In one community, for instance, university students have worked with residents to understand trends in gentrification and to help them find ways to address the problem. There are many other examples of this type of work. Practitioners also are beginning to think strategically about the information that decision-makers get about their communities, and they are finding ways to shape the public dialogue. For example, when race-based assumptions began to drive discussions about welfare reform in a state legislature dominated by suburban interests, a community organization produced information that recast the discourse to recognize that white and suburban communities received as many or more benefits than black communities.

WORKING WITH THE PUBLIC SECTOR

Community building efforts have come of age at a time when ideas about government responsibility for developing, testing, and replicating model programs are changing. People can no longer assume that the public sector will provide money for successful approaches. At the same time, many practitioners and funders suggest that initiatives have not been resourceful enough in pursuing public money. Public officials say that government wants to join with private and nonprofit supporters of communities, and that the timing is ripe. The challenge is to figure out how to make the relationship work effectively, in part because the relationship between community building initiatives and government is a tricky one—part collaboration, part supplication, and part a quest for reform. Experienced participants in publicly funded community building offer the following observations as guidance.

Community organizations need a better sense of the public funding streams that come into their neighborhoods.
Very few community-level actors have a clear sense of the amount and types of government money that flows into their neighborhoods. Getting a full picture of funding streams is a first step in understanding where the opportunities for increases or changes are likely to be. But practitioners say it is very difficult to get the information, because each funding stream is organized and directed differently. Representatives of community organizations further suggest that government workers have little incentive to disclose the information, because it would give outsiders tools for negotiating and pressuring the system.

Nonetheless, financial experts have helped people in some communities put information into the hands of residents so they could hold the public sector accountable for investments. In one neighborhood, a CCI convened 20 residents for a year-long process of assessing organizational effectiveness, using a standard set of questions and a framework for analyzing responses. That process produced an informed watchdog group that could exert pressure when organizations outside the neighborhood, such as the community college or health department, failed to meet community needs. Using financial information to enforce accountability is especially important in low-income communities that receive substantial government resources "on behalf of the community" without formal accountability requirements.

Engaging effectively with the public sector means looking beyond financing to broad policy issues that affect poor communities.
Many public policies that have a significant impact on neighborhood circumstances seem distant to people who are working to change communities, but in fact community members can engage local policymaking institutions—including workforce investment boards, economic development authorities, business improvement districts, school boards, and transportation authorities—around a variety of issues.

Community groups might target specific agencies, such as a police department's "stop and frisk" policies, which affect communities of color much more than other neighborhoods. Or they might analyze a variety of public policies and practices that add up to a "report card" for the local government. Even extremely specific policies offer opportunities to exert community pressure. For example, when a city council considers granting a tax abatement to a company, community participants might negotiate to make livable wages or hiring agreements a precondition.

Local government should figure much more prominently in community-change initiatives.
Former government officials have expressed surprise that CCIs had not developed better methods for working with local government. Local government not only is the source of much public money, it also has broader powers and responsibilities that affect communities. It is the maker, interpreter, or enforcer of rules governing how federal and state programs are implemented, from decentralization mandates to local purchasing policies to the blending of funding

streams. Local government also is an information conduit between communities and outside entities.

Although the involvement of top city officials often boosts community-change initiatives, it does not always translate into long-term change. Political rivalries, turnover in leadership, and bureaucracy can disrupt the community building process.
Mayors and other city officials have taken active roles in neighborhood revitalization, bringing resources, legitimacy, and visibility. But these political connections are not without risk. Constituencies can become alienated, newly elected officials frequently abandon their predecessors' projects, and deeply embedded bureaucratic interests may block action.

Moreover, the senior administrators who support community building are not the people charged with carrying out public policies on the ground. "We discovered that getting the policy right wasn't enough," recalled one public official. "So we set up a middle management training system to be able to sustain the initiatives on the execution side. … If you focus just on the state capital then you miss the people who do the transactions."

WORKING WITH THE PRIVATE SECTOR

Distressed communities need the deep pockets of the private sector to help them achieve their ambitious goals for community change. But private-sector connections are an unmined resource for most community-change initiatives. Community-change ventures that have used or considered private-sector resources offer the following observations.

The greatest challenge is to connect with mainstream capital markets in ways that do not disrupt the community.
For several years, people have discussed the advantages of investing in inner-city neighborhoods. With their access to transportation, physical infrastructure, and historic appeal, poor inner-city neighborhoods can be attractive investment sites. Thus corporations that are unlikely to give money for nonprofit activities might find reasons for more intensive investments in poor communities. In the words of an experienced technical assistance provider,

> The fate of regions and low-income communities is tied up with the new economy. At the community level, we need to find and reduce the hidden costs of doing business so that we can get businesses to harness their resources to the benefit of the community.

Experience shows that there are risks with this strategy, however. As a former public official noted,

> I think many of us think that income diversification in a neighborhood is a good thing. But obviously the unacceptable price that you could end up paying is complete displacement of the population; the very people you want to heal are driven away. How do we accomplish [progress] in a way that doesn't hurt people?

In some areas, it is possible to tap into private-sector resources and still maintain community control over their use.

People who think creatively about funding community change can find support from unconventional sources.
There are many sources of money that are not necessarily obvious to community groups and other local engines of community change. Some local organizations report success in obtaining private capital for community trust funds, construction, and home mortgages. Some use eminent domain authority to support affordable housing and economic development. Private companies may also divert a portion of the funds in their investment portfolios for social purposes. For example, insurance companies interested in investing some portion of their funds in safe securities have agreed to give up a few points on their earnings to help with endowments of historically black colleges.

There have been examples of credit union groups encouraging mainstream credit unions

to put some of their money into an investment pool and agreeing that a small proportion of the earnings will go to communities. Community building initiatives can also tap people who have spent their careers in the corporate world for knowledge about funding streams, innovative financing tools, and hidden market opportunities.

It isn't easy to ensure corporate accountability to neighborhoods, but some communities report successes.
Corporations receive many public subsidies and loans, and some grassroots groups have drawn corporations into community building activities by holding them accountable for these privileges. Approaches include campaigns for livable wages and benefits, community hiring goals and agreements, job training and retention services, improved local environmental standards, and retail services that meet community needs. But the battle is an uphill one. As one community planner reported,

> In the poorest neighborhood in my city there are more than 10,000 jobs. And there are almost 50,000 jobs within walking distance of the neighborhood. The problem is that the people who live in the neighborhood are not connected to those jobs.

Some people fear that the moment to push for greater corporate accountability peaked in the late 1990s when the labor market was tight. "That would have been the time to negotiate over the quality of jobs and the benefits and security that came with the jobs," one analyst said. "We let them keep the agenda focused on 'soft skills' rather than taking up questions like the composition of the work investment boards which are still all corporate."

Poor communities are losing out in the rapid transformations of the private sector.
Corporations are going through many changes that have dramatic effects on low-wage workers and low-income communities. They are downsizing, increasing their numbers of contractors, cutting benefits, and moving overseas. Globalization, revolutions in information technology, and shifting demographics are all trends that are likely to benefit those with access to power and influence at the expense of the poor and politically weak. Thus it is vitally important for low-income communities and their supporters to understand how to reduce the negative consequences of globalization and maximize the positive ones.

REEXAMINING THE ASSUMPTIONS AND BIASES EMBEDDED IN THE COMMUNITY BUILDING APPROACH

Although practitioners and funders of community building generally have deep experience with the historical, structural, and racial constraints imposed on poor people by mainstream society, most have limited their focus to the local neighborhood. They view it as both the starting point and the fundamental core of community change. Why? There are several possible explanations, all of which represent ongoing tensions in the community building arena.

Some observers defend the core assumptions behind recent community-change efforts but say the political climate narrowed the range of possible strategies for change.
The social justice and democracy movements of the 1960s and 1970s were powerful forces behind the proliferation of CDCs and other local change efforts of the time. In those years, political empowerment, grassroots participation, and institutional change emerged as important local capacity issues. But the civil rights consciousness that infused community revitalization theory and practice in the beginning—especially the sense that chronic disadvantages for minority groups were structural and institutional problems—lost ground to the resurgent individualism of the "Reagan revival" during the 1980s.

Some observers believe that the resulting funding climate constrained the activities of change agents. Foundations, too, retreated from "political" funding, and progressive values adopted a more communitarian outlook. When it came time to translate the assumptions into action, critics suggest,

funders would not support fundamental social change or tackle the really tough political and structural issues of power, access, and race faced by poor communities. Some practitioners now wonder whether foundations can ever truly be in the vanguard of democratic social change since they are, after all, the direct by-products of corporate power and historical privilege.

Community-change efforts have promoted collaboration across racial and cultural lines but have not taken the lead in advocating for responses to the fact that all levels of the political economy sort Americans by race—institutionally, geographically, and psychologically.

Many residents and frontline practitioners describe the problems of poor, inner-city communities in ways that reflect a structural analysis of racism. These observers highlight assumptions, practices, and institutional behaviors that consistently give poor people of color too few of society's benefits and too many of society's punishments. They recognize that entrenched white privilege and minority stereotyping in major institutions continually undermine individual and local community gains, as revealed by the policies and practices of public education, housing, employment, transportation, law enforcement, and other social institutions. They suggest that attention to race necessarily leads to a more externally oriented strategy for rectifying race-related disparities in urban outcomes, a strategy that addresses institutional and systemic issues. This knowledge does not carry over into the design of community-change ventures.

Many observers believe that the focus on developing broad social relationships, networks, partnerships, and collaborations in communities failed to address issues of social justice, which are firmly rooted in policies and arrangements of power.

Many participants in community change have operated under the assumption that the work of reinforcing social connections could rebuild the fabric of a community and lead to other broader positive changes. Their work generally focused on building trust and understanding among stakeholders, through collaboration and consensus. While that dimension of the work continues to be important, there is some concern that it underestimates the crucial work of "politicizing" communities so they can tackle tough political and policy issues.

Some analysts believe that the commitment to place-based approaches underestimated the dynamic nature of communities.

Some critics say that community building treats people and communities as fixed and unchanging, while in reality communities are dynamic. Most Americans move frequently, and most jobs are located outside workers' neighborhoods. Instead, they suggest, community change efforts should enable residents to choose where they live so they can have better access to jobs. CCIs and other community-change efforts have engaged only sporadically and superficially in efforts to make policies, power structures, and other influences outside their neighborhoods work on behalf of poor communities. As this chapter suggests, however, opportunities do exist to overcome, shape, or exploit those elements.

Change can happen if people think broadly, act more politically and proactively than in the past, and form nontraditional alliances across sectors. Those obligations should therefore be on every current agenda for comprehensive community building.

CHAPTER 44

Concluding Thoughts

James DeFilippis and Susan Saegert

The community development industry/movement is now almost half a century into the period of growth and maturity that began with Bobby Kennedy's famous visit to Bedford-Stuyvesant in 1966. There remain, however, some basic unresolved issues and questions. In this concluding chapter we will briefly discuss long-standing challenges in community development, as well as describe some of the emerging tensions, contradictions, and difficulties that we see as vital in terms of interpreting the future of community development. We first revisit the tensions that have been evident in community development since its inception as a movement/industry, and then discuss those that have emerged over the course of its 40-year modern history. The point here is not to present a catalogue or laundry list of unresolved problems, because that would be neither intellectually stimulating nor practically useful. At the same time, we would be remiss if we let the book conclude without a recognition of the fundamental conundrums that remain and are emerging in the field. We do not offer a guide for how to respond to these issues, but hope that in the writing we will enable the kind of clear-eyed analysis and practice needed to mitigate the problems and embrace the opportunities.

UNRESOLVED ISSUES (PRESENT AT THE CREATION)

There are several problems inherent in community development as a framework for improving and changing society, and have been part of community development from the beginning.

Community development contains within itself a set of goals and aspirations that, on some irreducible level, are (at best) in tension with each other or (at worst) in direct contradiction with each other (for an early discussion of these tensions, see Sturdivant, 1971). The first of these is the rather well-known issue of the relationship between markets (efficiency) and equity. Communities most in need of development begin their efforts from a position of market failure. The efforts that energized significant victories for the community development movement such as the fight for the Community Reinvestment Act (CRA) staked their claims on notions of equity and fairness. But like the CRA, solutions ultimately were required to contend with market forces and find ways to work with them. O'Connor traces this tension through much of the development of the movement. Since 1980, pretty much all efforts to resolve problems of social equity rely on market mechanisms. For example, the largest source of capital for the community development of housing for many years has come from tax credits for corporations for funds devoted to this purpose.

Reliance on market mechanisms to resolve equity issues often falter because the aims and goals of successful markets and equity are not the same. Communities in need of development are by definition failing in the market. The goals of community development are inherently redistributive. The organizing component of community development, as Stoecker points out, works

to employ the power of political mobilization of disaffected peoples to force a redistribution of power and resources that would and could not occur through market forces. All theories of community development recognize that markets as they exist are not the ideal free markets of economic theory but instead products of the existing distribution of power and resources. Those with the most power and wealth write the rules. Community organizing aims to rewrite them. Unlike Stoecker, we see the contradiction between the goals of organizing and those of local production of goods and services as a tension that community development must live with because the residents of poor communities must both have the necessities of life and struggle to reposition themselves politically and economically. But that does not mean the contradiction has or can be resolved. And as community development has become more market based in the last 25 years, this inherent tension—which was there at the beginning—has only become reemphasized and enhanced.

The first issue is closely related to the second one, which is the tension between doing development and/or service delivery and organizing. The best community development organizations, we would argue (in agreement with Greenberg) are able to do both. And we do not accept a rigid binary where it is one (development/service delivery) or the other (organize). But, having said that, there are real and meaningful tensions between organizing and development/service delivery. These tensions exist both in theory and in practice.

On the one hand, the success of community development (and certainly the budgets of community development corporations) have come from real estate development or service provision. But, on the other hand, both of these require close cooperation with private sources of capital and operating expense funds, and with government. This money comes with strings attached, but it is necessary if organizations are to provide actual goods and services. These functions of community development conflict with community organizing goals to challenge existing power and resource dynamics and to change them so that previously neglected communities gain more. Stoecker lays out the conflicts between these two different functions and regards them as incompatible while Traynor presents development as one possible outcome of increasing the social connections and capacity to act collectively. Perhaps the next step in overcoming these tensions is to shift the scale of development and service provision beyond the local, and extending the scope of organizing to larger geographical scales. At the same time this approach relies on intense citizen engagement within local neighborhoods and institutions.

The problem of scale is in fact the third persistent problem for community development. By this we mean two related, but distinct, things. First, even the most successful community development organizations are relatively small—given the amount of decent affordable housing or adequate social services needed in most metropolitan areas. Even if the components of capacity building highlighted in Glickman and Servon's chapter were enacted, and the problems and potential pitfalls discussed in Rohe, Bratt, and Biswas' chapter were avoided, there would still be the problem of the needs simply outstripping the ability of community organizations to meet those needs. The emergence of social enterprises offers the promise of new ways to provide capital and organizational resources for community development. The capacity of this approach to deliver on this promise has not yet been demonstrated. The second problem with scale is that the multiple and shifting problems of localities are interconnected by the flow of capital, populations, political influence, and changing economic and institutional bases. Sites and his colleagues make this point well in their chapter. Forty years ago, it made more sense to talk about national political economies. Today, that is not possible, or at least, not sufficient. And Newman's chapter reminds us that the tidal wave of foreclosures in some communities is rooted in the embeddedness of community crises in international financial markets. Thus, and as we argued in Chapter 1, most of the problems evident in communities do

not originate in those communities. Therefore the solutions can't be found in efforts that focus solely on communities.

EMERGING ISSUES

As we write this in the summer of 2011 the largest story is the foreclosure crisis, and the economic crisis of which it is both a cause and product. It is a crisis of a magnitude that American cities have not seen since the Great Depression. There is something particularly brutal about this current crisis, because of how hard it has particularly hit so many of the communities that community development organizations have spent the last 40 years trying to improve. Such crises bring with them not just the destruction of lives and dreams, although they do certainly bring such destruction. They also tend to bring with them a broadening of politics; both to the left and right. Right wing, reactionary politics often flourishes in such moments—and they certainly are doing so now. The last year has witnessed not just the rise of the Tea Party movement in the United States, but also the almost wholesale turn to the right—and often far right—in European countries. And in both contexts the spreading of nativist and anti-immigrant organizing and ideologies represent real threats to those trying to improve our diverse communities. This represents a significant challenge for those working with marginal communities. It remains a real challenge for community development theorists and practitioners to push back against the rise of exclusionary and reactionary political explanations for the crisis. As populist rebellions spread across the Middle East and parts of Africa progressive democratic strains and religious fundamentalist tendencies contend with each other. The international political character of many forms of community organizing and development mean that these changes will affect the landscape of immigration, national political sentiments, global capital, and the availability of energy resources with unknown consequences for marginal communities in different countries. As the chapter by Fisher et al. indicates, in past crises such as these, there have also been significant collective efforts on the left, which have yielded meaningful political reform. We do not see it happening now, but the opportunity is still there for community-based organizing and broader social movements to make some good come out of the crisis.

The foreclosure crisis has revealed to the public what the financial sector has long known, and in fact innovatively and energetically created: a global finance system that constantly mutates in search of larger profits and new markets. When community development corporations first came on the scene, residential mortgage investment came primarily from locally or state-based banks. The CRA was based on the simple idea that banks had an obligation to meet the credit needs of the communities in which their branches were located. Banking regulations limited the geographic scope of mortgage lenders. That world is obviously long gone. Several of these changes have had major impacts on community development. These include the ever expanding consolidation of banks, emerging financial services that provide credit and other banking services through unregulated and not fully understood mechanisms, the securitization of debt, and the fragmentation of the various components of loan origination, servicing, and ownership. The loss of locally anchored financial institutions also removes a significant stakeholder from those concerned with the viability of particular cities and towns. As local communities experience neighborhood-, municipal-, and state-level impacts of foreclosure, it has been hard or impossible to identify which institutions had "any skin in the game." Immergluck, however, reminds us how much work is being done, and has been done, by communities facing the crisis.

The issues of globalization and community development, however, are not limited to the changing character of capital, but also extend to the realm of labor. And immigration, which on some irreducible level is about globalizing labor markets, is the second key emerging issue that confronts

community development theory and practice. The chapters by Cordero-Guzmán and Quiroz-Becerra, and Orozco and Rouse usefully discuss the particular roles played by immigrant organizations, and the specific needs of immigrant communities in American cities. But the larger questions of how immigration is transforming the meanings of both community and development remain under-explored in the academic and policy literatures in the field. For instance, if the members of a Mexican-American Hometown Association (HTA) in Pilsen, Chicago, are pooling money to build a community center in their town of origin in rural Puebla, is that community development in Chicago? Or if a community development credit union (CDCU—of the kind described in the chapter by Benjamin, Sass Rubin and Zielenbach) in the South Bronx, New York, is seeing some of its larger loans go to building houses in the Cibao (in the Dominican Republic) for its members to retire to later in life, is that community development in the Bronx?

The fundamental issue, it seems to us, is the potentially radical separation of the notion of community from attachment to *a place*. In both of the examples, the development is what *the community* wants and needs. But in both, the community is transnational. This does not at all delegitimize the needs of the community but it does call for a reexamination of many of the basic assumptions of community development as interventions *in places*. This reexamination is particularly important for the foundations, religious congregations, and local governments that are so important as institutions in community development. These institutions, to varying degrees, see their role in the world in terms of specific places. This is perhaps most true for local governments, which are place defined and play a vital role in the enabling or constraining of what people have called the "community development industry" system.

While the scale of organization of capital and labor has been globalizing, the scale of government as it relates to community development has been shrinking. The growing importance of local governments in community development brings us to the third key issue in community development to emerge in its more than 40-year history. This is the restructuring of the state in American society.

The last 30 years have witnessed fundamental restructurings of the American state. There are several components to this shift which are important for us here, but the most important are the two interrelated processes of devolution and fiscal retrenchment. First, devolution of responsibility for and, to a significant degree, control over, housing and other social services for low-income people and communities began under the Nixon administration and has continued largely uninterrupted in the 35 years since it began (see Bockmeyer, 2003; Eisinger, 1998; Goetz, 1995). What this has meant is that increasingly the federal government has been block-granting social service provision to the state, and to some degree, local level, and it is up to states and localities how to spend that money, in what ways, and with what priorities. This is evident in subsidized housing, in which states and localities control the allocation of Low Income Housing Tax Credits (LIHTC)—the single most important source of federal subsidies for new affordable housing construction, and a stable funding source for community-based organizations. It is also evident in welfare, in which Temporary Aid to Needy Families (TANF), the largest income assistance program for low-income families, is a block grant which provides significant leeway to states and localities in terms of how that money is to be spent (that is, how much for subsidized child care, how much for workforce development, etc.). And the pattern repeats itself for other forms of social services as well.

Second, and not unrelated to devolution, is an overall shrinking of state resources for low-income people and communities. For instance, funding for Community Development Block Grants (CDBGs), a staple in federal funding for development in low-income communities has declined significantly since the early 1980s. And that decline has accelerated in the last decade, as we went from around $4.8 billion per year

in the late 1990s (Schwartz, 2010) to $3.3 in fiscal year 2011 (Rice & Sard, 2011). Other examples abound, particularly in the arena of housing, which has witnessed the 1983 elimination of the project-based Section 8 program, the passage in 1992 of the "HOPE VI" program, which subsidizes the demolition of public housing projects and the relocation of some of their residents, and the 1998 public housing reform which made it illegal for local housing authorities to build new public housing (except to replace units demolished under HOPE VI). To some extent this is not unrelated to the process of devolution, which both limits the growth of federal spending when economic downturns create increased demands for housing and social service assistance (by fixing the amount given to states for multiple years at a time, regardless of what the economic circumstances of those years might be), and encourages states and localities to move people off public assistance (by limiting the amount of money, despite population growth and increased demands). Importantly, and as the CDBG example illustrates, block grants and the other forms of federal devolution have a tendency toward long-term decline in the amount of money allocated to them (Finegold, Wherry, and Schardin, 2004).

There are several consequences for community development of devolution and shrinking of federal resources for assisting low-income people and communities. One of these has been the increasing reliance on community-based, not-for-profit organizations to fill roles formerly played by government. Another involves increasing competition for local governmental resources as more and more functions of the state are devolved. The third consequence is the increasing inability of locally based organizations to confront national and international sources of inequity.

Related to both devolution and retrenchment, and largely as a result of fiscal pressures placed upon them, local governments and states are turning to the community-based not-for-profit sector to fill in the gaps created by state retrenchment. Accordingly, there has been a major shift in the provision of social services and the meeting of basic human needs in Western political economies. A whole host of human needs are increasingly being met by public–private partnerships and the not-for-profit sector. Thus, community organizations become implicated in these state transformations in important ways. First, they receive funding from the government (at the federal, state, and, most often, local levels) to provide services that used to be public sector services. This enables the community organizations to provide services (by transferring resources to them), but it also can impact *what kinds of services* they provide and to whom. It also means that their abilities to organize to demand better, more comprehensive, services from the government—on behalf of their communities—has become compromised because they themselves are the service providers. So not only are community groups left in a position of filling needs that are beyond their capacities, but they are also less able to effectively demand that the government meet those needs itself.

The shrinking allocation of government resources for low-income people and communities has been only the most extreme example of the declining role (and efficacy) of the government in performing its domestic functions. The pitiful federal response to Hurricane Katrina in 2005 related to devolution of responsibilities to local levels without adequate provision of resources or coordination of levels of government, and to the decreased efficacy of federal agencies in performing core missions. Failures in protecting public health, occupational safety, food and drug safety, and environmental quality have similar roots. Thus cities and states increasingly must pick up these responsibilities, further depleting their resources and decreasing funds for community development.

These changes have altered the terrain on which community development is practiced and understood. And they have often done so in ways that have reinforced tensions inherent in community development. But the story here is not uniformly ominous, and community development has demonstrated itself to be both a vital component in the

improvement of urban and rural neighborhoods, and able to adapt to changing structural conditions. The problem on the agenda for the next generation of community development is to move beyond critique and abstract debates about inherent limits to new theory and practice. The problems of historically reified ideologies around private property, historically hardened forms of oppression and exclusion, and the huge power and resource difference between local actors within communities in need of development and external larger, wealthier, and more powerful actors, do not argue for eschewing altogether the local scale. Nor as the chapters in Part IV illustrate does the speed and innovativeness of capital mobility and forms of immigration diminish the significance of local places for social reproduction and justice. If we are able to make the kinds of communities we want—communities that support the ability of individuals and households to thrive, both emotionally and materially—then the organizations involved in community development certainly have a central role to play. We hope this book will play its part in that process by enabling community development theorists and practitioners to better understand the meanings and implications of their craft.

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