Unmaking Goliath

*Community Control
in the Face of Global Capital*

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*The left in the United States suffers from a peculiar historical amnesia.
Few free-school founders or food co-op enthusiasts in the sixties learned anything
from their predecessors in previous decades, because they had never heard of them.
The lessons of the recent past are just as obscure to the scattered activists of
the present. New arrangements for living and working persist, but often in a vacuum.*
—John Case and Rosemary Taylor, 1979

There is very little new about the solutions proposed in chapter 1 except the context in which they emerged. People in the United States have been creating forms of collective ownership and working toward the goal of local or community control for a long time. In order not to lose sight of the lessons of these histories, we need to explore them here. The histories of collective ownership, community development, and local/community control are varied and disparate, and it is the rather ambitious goal of this chapter to bring these histories together. For while these organizations, and, at times, movements, emerged at different times and in different places for different reasons, there are substantial relationships among them. Equally important, however, are the disjunctures that have existed, and which continue to exist. Beginning with the nineteenth-century American roots of collective ownership and community control, the chapter then shifts to 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. The chapter concludes by discussing the implications of this history.

Co-ops, Communes, Collectives, and Community Control in American History

Nineteenth-Century Black Communes

The history of community control in the United States has several different components, but in terms of providing the roots for the emergence of community ownership, the most important of these is the history of black "organized communities" of the nineteenth century. These communities were created primarily in the Northwest of the United States (Michigan, Indiana, Ohio, and Wisconsin) and in Southern Ontario in Canada (Pease and Pease, 1963). The goals of these organizations were to provide sites of isolation and independence from the racism of white North America, and to create a context in which individual blacks could prosper and learn to live freely. In short, "they saw in a community organization the possibility of presenting a common front to a hostile environment, and in common effort they recognized the virtue of mutual aid and assistance and the pooling of resources until such a time as the individual Negro settler could manage on his own" (Pease and Pease, 1963, pp. 16–17). As the above quote suggests, the goal of these communes, unlike their nonblack contemporaries, was not to construct forms of local socialism or communism but instead was unapologetically capitalist and individualist in purposes and organizing principles. They believed in the dominant Victorian ideals of self-help and individualism, and the goals of these communes were to train blacks to fit into what they perceived as the emergent American middle class. At the same time, the American ideal was also still enmeshed in Jefferson's vision of an agrarian populace and in a skepticism of the still barely emerging urban industrial class. So the goals of these communes were to turn freed slaves into Gentleman Farmers, and priority was given to working the soil as a means for improving the character of the individual freed slaves (although it is not clear why this would improve the character of those involved since they had come from situations where, as slaves, very often all they did was work the soil!). Started in the 1830s, these communes disappeared shortly after the end of the Civil War (with the passage of the Thirteenth Amendment to the Constitution), and their impacts on American society were largely negligible. In their assessment, Pease and Pease conclude, "what is most impressive of all about this adventure in humane salva-

tion and massive uplift is the fact that the results were, on the whole, so tragically inconsequential" (Pease and Pease, 1963, p. 160).

These communes essentially prefigured the beliefs that Booker T. Washington disseminated during the Reconstruction Era about blacks needing to succeed in business in order to interact with whites on an equal footing. Washington continued the arguments of the communes by arguing that this equality could be realized by blacks only if they isolated themselves in order for blacks to enter into positions of authority, and then, from those segregated positions of authority, blacks could engage with whites in comparable positions (Washington, 1971). Washington, accordingly, was not an integrationist and he argued: "Let us in the future spend less time talking about the part of the city that we cannot live in, and more time making the part of the city that we live in beautiful and attractive" (quoted in Philpot, 1978, p. 209). Washington was also an unmitigated believer in the potential of capitalism to allow blacks to realize class mobility (although his capitalism was shaped by the industrial world that had developed in the time between the 1830s and his post–Civil War writing), and so he ceaselessly advocated that blacks develop industrial trade schools and become tradesmen. He stated:

> More and more thoughtful students of the race problem are beginning to see that business and industry constitute what we may call the strategic point in its solution. These fundamental professions we are able to occupy not only without resistance but even with encouragement, and from them we shall gradually advance to all the rights and privileges which any class of citizens enjoy (Washington, 1971, p. 19).

The invisibility of class structure and class conflict in his analysis is nothing short of astonishing. As we will see, Washington's arguments, in turn, provided much of the foundation for the emergence of the black capitalism and community economic-development movement of the 1960s (Halpern, 1995; Hampden-Turner, 1975; Perry, 1972).

Co-ops, Communes, and Utopian Socialists

While the black communes emerged in the 1830s and were explicitly geared toward reproducing agrarian and mercantile capitalism in black communities, there was a parallel and yet completely different history of nineteenth-century communes and collectives that were oriented toward exactly the opposite goal—creating places outside the constraints and structures of the emergent industrial capitalist world of wage slavery and employment-based production. These "utopian" communities were attempts at local-scale communism, and they were largely divided between secular and religious communes, although there was a good deal of overlap (Nordhoff, 1993).

While the religious communes were larger in number than the secular ones, the secular communes, based on the goals of creating localized socialist communes, are the more relevant to us here. These nineteenth-century experiments with communism were ideologically a combination of Jeffersonian agrarian democracy (and his acceptance of Locke's labor theory of property) and British socialism. The work of the British socialist Robert Owen was particularly important to the creation of these communes, and he moved to the United States in 1825 to implement his ideas (Curl, 1980). Various forms of these communes grew in rural areas until shortly before the Civil War, and it has been argued that these communist experiments had a substantial impact on the young Frederich Engels in the mid 1840s (see Feuer, 1966). But they foundered in the 1850s, as greater numbers of Americans became workers in the emerging industrial economy, and the communes were unable to reach them (Curl, 1980). Efforts were made to renew this form of localized, independent communism in the 1880s and 1890s, but by then the model had been disparaged by Marx and Engels as not only unable to transform society, but also reactionary (in the sense of backward-looking). The political energy needed to resurrect it therefore proved too much to muster. In the end, these isolated, localized communes had little impact on the burgeoning industrial capitalist country of the nineteenth-century. As Oved (1988, pp. 14–15) argues, "The commune never became an integral part of the forces that formed the nation ... Even when they flourished, the commune and its revolutionary lifestyle never endangered the trend of American society. Communes remained a marginal factor, and this ... is perhaps the reason why there was no attempt to undermine or uproot them." Thus the nineteenth-century communes—black or white, religious or secular—had little impact on the larger world around them mostly due to their goal of opting out, although the reasons differed. This lesson should have been learned by those who created the 1960s incarnations of the commune, were it not for the amnesia cited at the beginning of this chapter.

Things Come Together, Things Fall Apart: The Experience of the 1960s

These two traditions of very different kinds of communes and co-ops converged for a brief period in the mid- to late 1960s, but the convergence was short-lived, constituted by and constitutive of several other social movements. Community (or neighborhood) control reemerged as a broad set of movements in this period, but their strands remained distinct—in their goals, ideological justifications, and institutional forms. Broadly speaking, there were three different strands to this movement—the black power

movement, the direct democracy movement, and the cooperative living movement—but they often overlapped, and each strand was itself not unitary but consisted of multiple components. This convergence yielded many institutional and structural innovations and changes (some short-lived, others much more durable) but for the purposes of this project, the most important institution to emerge was the "community development corporation" (CDC), which was, and is, the principle institutional vehicle for community development in the United States. But before we discuss the emergent social-movement from which sprang community development, as a programmatic idea, and the CDC, its vehicle, 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." While this war on poverty contained a diverse set of institutions, for the purposes of this discussion, the most important components of this legislation were its creation of the Office of Economic Opportunity (OEO), and 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, which was responsible for overseeing the CAAs) was the "maximum feasible participation" of community members—particularly low-income blacks. This drive in federal policy was a complete change from its earlier practice of ignoring local communities during the early Urban Renewal programs of the 1950s. It probably, however, reflected the needs of the Democratic party to generate black involvement in formal politics as much as it was a response to the increasing demands for power by the civil-rights movement which had moved north during the late 1950s and early 1960s (Fisher, 1994).

It is unclear, at best, if within three years the CAAs were able to generate substantial community-level mobilization efforts—and this varied from city to city. In many cities, they simply became service delivery "watchdogs" whose radical potential was rather limited, while in many of the more organized and mobilized cities, the conflictual nature of the CAAs meant that it was "all conflict, all the time." And by 1967, "they were sufficiently threatening or persuasive to precipitate a ange 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 much more broadly understood 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, which was written by Senator Robert Kennedy after his famous visit to Bedford-Stuyvesant, Brooklyn, in 1966 (Peirce and Steinbach, 1987). 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. Although the first CDCs had actually been created somewhat earlier in 1967, and in several different cities, it was after SIP and the 1969 Self-Determination Act that they really started to grow. And this growth was accomplished because of substantial amounts of federal support (Perry, 1971).

The second component of the shift in federal policies was the enactment of the Model Cities Program, designed to place the control over antipoverty/neighborhood development policies back into the hands of city governments—and explicitly away from the hands of 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" (Halpern, 1995, p. 118). This shift indicated how threatened many city governments were by the CAP. By funding CAAs directly, the OEO and CAP were enabling community organizations to bypass city governments and connect directly to national politics and priorities. Community groups had therefore been able to jump scales, while city governments were unable to do so.

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 federal and, after the Model Cities Program, local funding they had come to rely on. Either way, the potential and capacity for radical community organizing and social change was significantly undercut. As Kotler observed shortly thereafter, "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" (Kotler, 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 quarter century.

Black Power and Black Capitalism

While the federal government was both supporting and limiting the opportunities for community empowerment in the 1960s, one of the most powerful forces in driving issues of community control was the emergent "black power" movement, a product of the civil-rights movement, which had been mobilizing since at least the early 1950s. A significant strand of the black-power movement was the drive for "community control" (Altshuler, 1970; Carmichael and Hamilton, 1967). The movement for "community control," which was race-based, had two distinct components. First it dealt specifically with issues of government decentralization and black participation and control. This was particularly true for issues of education and policing. Second, it addressed the control over economic relations between blacks and whites. While the former segment represented a substantial set of issues and conflicts in American cities (see Fainstein and Fainstein, 1976, for a discussion of these), the latter of these two helped drive the creation of the CDC and also foreshadowed the central issue of this project: Can people acting in their communities control the economic relationships that connect them to the rest of the world?

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 was made from a variety of different positions, ranging from direct community ownership by CDCs in black neighborhoods, to co-operative ownership by blacks, to individually owned forms of capital accumulation by blacks. Despite the debates about what form black ownership should take, some of its most visible proponents were decidedly ambivalent about it. Roy Innis, the director of the Congress of Racial Equality (CORE), was one of the principal proponents of black ownership, and his arguments, which exemplify the incoherence of this ambivalence, deserve to be quoted at length here. He stated:

> In the new focus on economic control, there has been much talk about something called 'black capitalism'. . . . There is no such animal. Capitalism, like socialism, is an economic and political philosophy that describes the experience of Europeans and their descendants—Americans. Blacks must innovate, must create a new ideology. It may include elements of capitalism, elements of socialism, or elements of neither: *That is immaterial.* What matters is that it will be created to fit our needs (Innis, 1969, pp. 52–53, emphasis added).

This ambivalence led, fairly quickly, to a reassertion of Booker T. Washington's Reconstruction Era arguments about the central role of black entrepreneurialism and capitalism in the realization of power within the

black community. So despite powerful criticisms of black capitalism (see Boggs, 1970; Kain and Persky, 1971; Sturdivant, 1969) it became, through its promotion by OEO policies, the Nixon administration, and the lack of clarity about issues of ownership by leaders in black communities, the dominant form of black economic "community" control by the end of the 1960s. It should also be noted that the Community Self-Determination Act was co-authored by CORE and the Nixon presidential campaign, and the politics surrounding its passage were a peculiar combination of black power advocates and Rockefeller Republicans (see McClaughry, 1969). As Harold Cruse perceptively noted at the time, this segment of the black power movement, "is *nothing but the economic and political philosophy of Booker T. Washington given a 1960s militant shot in the arm and brought up to date*" (Cruse, 1969, p. 114, emphasis in original). Community control, in its economic guise, remarkably quickly became an argument in support of black capitalism, and advocates for both consciously and unconsciously conflated these two goals (Allen, 1969; Faux, 1971; Green and Faux, 1969; McKersie, 1968; Perry, 1972; Sclar, 1970). The radical potential of demands for black economic power thus became co-opted and transformed 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 neighborhood government. These activists and writers were advocating government decentralization as a means to politically empowering the citizens of urban areas. In short, this movement represented another incarnation of the Jeffersonian liberal traditional of populism and small-scale participatory government. As Wilson put it, "It is primarily at the neighborhood level that meaningful [i.e., potentially rewarding] opportunities for the exercise of urban citizenship exist" (Wilson, 1968, p. 28). Jane Jacobs similarly wrote from Toronto, "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).

But perhaps the strongest supporter of the neighborhood democracy movement was Milton Kotler, who would eventually become the executive

director of the National Association of Neighborhoods. He was clear about what he saw as, "the radical politics of local control" (Kotler, 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 twentieth-century perspective on the declining ability of humans to act as such (see Arendt, 1958). He argued that "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, when push came to shove, not only did the neighborhood government movement fail to address issues of capital and class relations, it actually embraced the capitalist political economy, albeit with a rejection of its bureaucratized and centralized Keynesian form.

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 larger-scale, *or even local*, economic structures and relations. The movement for neighborhood control was not without its political victories and, together with the state-centered wing of the black community control movement, it did affect some institutional changes, most notably in the creation of Boston's "Little City Halls," and New York City's (now defunct) school districts and Community Boards (Fainstein and Fainstein, 1976). But even these institutional victories did not mark a substantial wresting of control from municipal governments by neighborhoods (Marcuse, 1987).

Co-ops, Communes, and Collectives

At the same time that the efforts for black power and direct democracy were being undertaken, the history of communal and collective ownership entered a new phase. During the 1960s, various forms of collective ownership were being created. These efforts tended to be small in scale and very localized in their goals and orientations. Also, the collectives tended to be centered around the institutions of social-service provision and social reproduction: Free schools, communal housing and, consumer co-operatives were the primary forms of this re-emergence. The goals of these forms of collectives ranged from the fairly apolitical cooperatives (see Dodge, 1964) to "counterinstitutions" of the New Left. Adherents of the latter wanted to construct a new society, and took seriously Mao's story of

the old man who shocked his neighbors by moving a mountain one stone at a time as a parable of how small changes can have a cumulative impact on society. They wanted, in short, to "live the revolution" (Moberg, 1979).

At the same time, this was largely a movement of disaffected middle-class white Americans, and was not predicated on a complex analysis of class or race structures. The co-ops', and communes', small size (often no bigger than a communal house in a city) belied their criticisms of the larger society and their conscious goal of using the new institutions as a model to transform that society. Alternative (i.e., collectively owned and controlled) institutions were created throughout the country, but despite their political content, these counterinstitutions were only loosely connected to the larger political movements of the time. This was partly a function of their limited size but also a result of how they constructed themselves in the form of communes. Communes tend to be separatist and closed, which does not easily translate into connected components of a larger movement. In her analysis of American communes, Cavan (1976) found these two attributes (along with the voluntary involvement of their members) to be what characterize communes in the first place, and what distinguishes them from other small-scale social networks and subsocieties. All of this resulted in the demise of most of the communes in the 1970s, and many of the education and social-service reforms initiated became parts of the larger bureaucratic structures that these groups emerged as an "alternative" to in the first place. The echoes of the nineteenth-century communes' experiences were striking. Both were unable to substantially transform society because change cannot be affected by simply "opting out," but instead requires direct confrontations with the structures that govern the political economy. This is an issue that we will return to later in this project.

Opportunities Lost

The possibilities of connecting these three separate movements, all struggling for local control, albeit in somewhat different forms, were always fairly slim. And in many basic ways, they were fighting for different goals and had very 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. Participatory democracy was, stated or unstated, a central goal of these groups, and it was this goal that brought these activists together, on paper at least in the form of books written at the time (see, in particular, Benello and Roussopoulos, 1971).

At the same time, their understandings of capital and class were extremely limited and none of these forms of local control directly confronted capital or even adequately theorized capitalism. In this way, the

movements failed to appreciate the inherent importance of capital and class relations in structuring the American political economy. As Ira Katnelson (1981) argues in his exceptional book, this failure to understand class leads 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. And in sliding into those trenches, the invisibility of class in American public life is reproduced. 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.

From Community Control to Community-Based Development: 1970 to the Present

The period that stretches from the early 1970s to the present has often been described as one in which there is a general decline in the levels of local-scale political organizing, or the "death of urban politics" referred to in chapter 1. While there is certainly a degree of truth to this statement, it is also an oversimplification of local and community politics. Instead, this period can better be described as one in which there has been an increasing disassociation of explicitly political community organizing from community development. Both continue, but they are too often conflated, with the latter being assumed to stand for the former. As such, CDCs are no longer seen as vehicles for community control but instead are characterized as sources for "community-based" activities like housing or "development." This divide, which began in the 1960s with the changing funding priorities of the OEO splitting CDCs from CAAs, is reproduced and strengthened with each generation of community development and organizing groups. But I am getting ahead of myself, and I must first discuss the trends in community or, more appropriate to the time, neighborhood organizing in the 1970s.

Neo-Alinskyism and the Neighborhood Movements of the 1970s

Often described as distinct from what had come in the preceding decade, local politics in the 1970s is better understood as having evolved from the earlier period, particularly from the direct democracy strand of organizing. Local politics were dominated in this decade 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.

As this "Backyard Revolution" (Boyte, 1980) was taking place, a set of populist organizations emerged that were large in scale (often state- or nation-wide) and relatively unencumbered by an ideologically defined set of goals. The principal intellectual figure in this movement was Saul Alinsky who, although he had been organizing in Chicago since before World War II, had emerged nationally as a prominent critic 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. After working for the Congress of Industrial Organizations (CIO) in the late 1930s, he argued that working-class political organizing needed to be free of the ideological framework of class, and that:

> It is not just trying to deal with the factory manager, but with every element and aspect, whether it be political, economical or social that makes up the life of the worker . . . so that instead of viewing itself as a separate section of the American people engaged in a separate craft in a particular industry, it will think of itself as an organization of *American citizens* (Alinsky, 1969, p. 36, emphasis in original).

With his prominence in the late 1960s and 1970s (and for excellent discussions of the goals and importance of Alinsky-style organizing, see Fisher, 1994, pp. 138–155; and Stein, 1986), the work of Alinsky and the IAF played a central role in the emergence of national groups such as the Association of Community Organizations for Reform Now (ACORN) and statewide groups such as Massachusetts Fair Share (Delgado, 1986; Perlman, 1979).

These groups were run by largely white, primarily middle-class staffs and organizers, and the organizers often had little experience with politics and conflict, except what they learned in their training by these groups. The model of organizing was basically the same in every locality: Local people would meet with organizers from the national organization to discuss their concerns and then work to mobilize larger numbers of people in those localities to address these problems. 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 IAF was working nationally to mobilize people, but its local-scale organizations, lacking any coherent ideological framework, became about neighborhoods "getting what they could." This, however, left them poorly positioned to deal with larger social forces, processes, and changes. In this model, the goals of community control and

community empowerment remained, but rather than being seen as means to an end, they became ends in and of themselves. And in this way, it theoretically and practically overlapped with the neighborhood control movement of the late 1960s.

This left neighborhood organizations in the position of being particularly vulnerable to co-optation. This is essentially what happened as the 1980s emerged, and these groups evolved from confrontational organizations to developers. This evolution, which will be discussed shortly, was actually prefigured by the transformation of one of Alinsky's own groups in Chicago, The Woodlawn Organization (TWO). This organization, founded in 1961, was rather militant and held rent strikes and mobilized protests and picket lines, but by the early 1970s the organization had already been transformed into functionally acting as a CDC (Fish, 1973; Fisher, 1994; Jones, 1979). While the group realized early successes, it lacked enough vision to build on those successes when the area continued to decline and suffer from disinvestment and arson. Fish (1973) argued that the group's survival was an important achievement, but it is not clear how its survival affected any significant changes or even necessarily benefited the Woodlawn area.

To say, however, that politically progressive organizing did not occur in the 1970s would be both unfair and an oversimplification of local politics at the time. First, while the neo-Alinsky style organizers were self-avowedly "nonideological" in perspective, their goals of increased participation in, and the democratization of, urban politics were certainly laudable. They were also explicitly confrontational. They recognized that there are inherent conflicts in society, and understood that power is only appropriated through struggle. Second, there were powerful, 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 (which formally ended in 1973 but, given the lag time associated with government construction projects, dragged on through to the late 1970s). Third, substantial political and legal victories were realized by those who struggled against the practice of financial institution redlining, and the efforts of these organizers yielded the 1975 passage of the Federal Home Mortgage Loan Disclosure Act and the 1977 Community Reinvestment Act (Squires, 1992).

CDCs: Professionalization and a New Generation

While the neighborhood movement was emerging in the 1970s, the older CDCs were themselves undergoing significant changes, with a new set of "2nd generation" (Peirce and Steinbach, 1987; Zdenek, 1987) CDCs growing from the roots of the antiredlining and urban renewal fights that had

taken place. The older CDCs were facing uneven outcomes, as some grew while others failed. They shared a common experience, however, in which the sense of community control of enterprise continued to decline in importance as profit-making increasingly became the dominant goal. This was partly driven by the difficult realities of the markets these groups were operating within. This problem surfaced almost immediately (see Sturdivant, 1971), and continues today, but was also a function of the changing priorities of the OEO which, despite being on its last political legs, was still the dominant source of financial support for these "1st generation" CDCs. In one of the last policy statements from the OEO about the SIP program, issued in 1974, the agency stated, "All things being equal, ventures with a greater employment potential should be given higher priority than those with smaller employment potential, but in the short term job creation should not be pursued as an objective at the sacrifice of venture profits . . ." and "In order to produce benefits for low-income impact area residents, however, the institution-building and venture development efforts of the CDC require the participation of the non-poor in managerial and leadership roles" (quoted in Berndt, 1977, p. 137). The OEO, however, was not long for this world, and the Nixon administration terminated the agency and the CDC program was shifted to the newly created Community Services Administration. The first-generation CDCs were therefore left to deal with this loss of funding and, in accordance with the ideologies of black capitalism and the priorities that had been established by the OEO and President Nixon, they did so by becoming increasingly individualist and entrepreneurial in their orientation and goals.

Evaluations written during the 1970s, which for all intents and purposes were the first real evaluations of the CDCs created in the late 1960s, indicate the extent to which community control had become less important relative to the goal of economic development. Kelly (1977) conducted a survey of the members of the boards of directors of the CDCs created by OEO funding, and found that only 35 percent of the board members considered, "Providing opportunities for community-controlled ownership of businesses and property" one of their three highest priorities (Kelly, 1977, p. 25). In fact, in her analysis of community economic development, she plainly stated: "the community economic development movement in no way opposes or contradicts the American tradition of individual entrepreneurship" (Kelly, 1977, p. 21). A similar observation was made by Berndt (1977) who described the Bedford-Stuyvesant Restoration Corporation (the CDC that emerged from Robert Kennedy's tour through the neighborhood) as being run like General Motors. This should not have been surprising, because the people running it were the chair of Mobil Oil and the president of Citibank (Stoecker, 1997).

The second generation CDCs created in the late 1970s and the early 1980s came out of a different tradition from that of the first generation. Whereas the first generation was founded largely through government sponsorship, this second generation emerged out of protest movements that became organizations (see Piven and Cloward, 1977, for a useful framework for understanding the distinctions between movements and organizations). In becoming CDCs, they transformed themselves from being confrontational in their dealings with city governments, schools, banks and other local expressions of power, to cooperative in those relationships as they became more immersed in the structures against which they were originally protesting (Clarkson, 1987; Fulton, 1987; Gittell, 1980; Lenz, 1988).

Shelterforce magazine, one of the primary forums for discussion of CDCs and community organizing efforts, 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). While this description is a rather crude one, it nonetheless fairly accurately describes a process which was not actually one 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. Instead they were merely programmatic.

Nonprofits for Hire: The 1980s and 1990s[1]

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 their existence and activities and an increased set of burdens and expectations 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 (Zdenek, 1987). The number of CDCs exploded in the 1980s, and an additional 1,000 CDCs were created between 1981 and 1987 (Peirce and Steinbach, 1987). The number of CDCs nationwide, therefore, essentially grew at modest, but

significant, rate through the end of the 1960s and the 1970s, and beginning in the late 1970s and early 1980s began to grow much more rapidly. This growth continued through the decade, and by the early 1990s more than 2,000 were operating nationwide (de Souza Briggs and Mueller, 1997). This rapid growth has since continued, and there are currently roughly 3,600 CDCs (National Congress for Community Economic Development, 2002).

The growth of CDCs has been accompanied by significant changes in their structures, goals, and relationships with the public and private for-profit sectors. First, CDCs grew in the 1980s in spite of, and partially in reaction to, the shrinking desire of the public sector to provide goods of collective consumption—particularly affordable housing. The disappearance of Urban Development Action Grants (UDAGs) and project-based Section 8 funding are two of the most notable and visible examples of this decline in federal support for inner-city areas. Shrinking public resources left CDCs directly facing the impacts of these cutbacks, and thus helped create many more CDCs out of community-based political organizations. Local governments, as was discussed in chapter 1, 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 while CDCs are rightfully best known for producing housing, their role is, and was, not limited to just affordable housing, as CDCs branched out into the areas of social-service provision, education, and health and child care (Vidal, 1996).

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, 1997). CDCs increasingly found themselves in the 1980s and 1990s 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 four most important intermediaries/foundations in community development were created. These are: the Neighborhood Reinvestment Corporation (NRC), formed by the federal government; the Local Initiatives Support Corporation (LISC), started by the Ford Foundation; the Fannie Mae Foundation, created by Fannie Mae; and the Enterprise Foundation, the product of real-estate magnate, and sometime urban

utopian, Jim Rouse. Together they finance, provide technical assistance for, and generally shape the structure of the community-development industry. They are key institutions in both the growth of CDCs and in their increasing professionalization.

Together, this growing network of localized CDCs, their larger-scale foundation support, and other not-for-profit voluntary associations, have created a situation in which CDCs in many poor neighborhoods and localities have functionally become "the Shadow State" (Wolch, 1990). They provide the goods of collective consumption that formerly virtually defined municipal government functions. This role has been embraced not only by CDCs themselves, but by the state, as it willingly walks away from the provision of these services, and looks to the community-based sector to fill in the holes it has left behind (DeFilippis, 1997). It is also important to note that this public sector retreat, and the growth of the not-for-profit sector in public life, has been actively promoted by both the Democratic and Republican parties. And in 1996, while Newt Gingrich was wondering aloud about the movie *Boys Town* and the use of not-for-profit orphanages as a solution to the "problems" of children of welfare parents, president Clinton was leading a weekend-long celebration of "volunteerism" in Philadelphia. These events are merely emblematic, and represent the broad (if often only rhetorical) support for not-for-profits by both parties.

At the same time, most of whatever remained of the radical politics that were part of the context from which CDCs emerged in the 1960s, 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—without any sense of apology: "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). That guide was tellingly called *Corrective Capitalism*.

Community Development Today

As has already been suggested, 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," "capacity-building," "consensus organizing" and "social capital construction," among others. Rather than discuss these initiatives individually, it is perhaps more useful to explain the perspectives, aims, and objectives that they all share.

First, these initiatives are unambiguously market-based in their larger goals and programmatic details. This perspective has probably been made most explicit by Michael Porter through his Initiative for a Competitive Inner City and in a set of articles (Porter, 1995, 1997) which 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" (Porter, 1997, p. 12). But Porter is far from alone in making these arguments, and the dominant argument 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 (Bendick and Egan, 1991; Berger and Steinbach, 1992; Carr, 1999; Grogan and Proscio, 2000; Peirce and Steinbach, 1987; Taub, 1990; Tholin, 1994; Vidal, 1992, 1996). This point is highlighted by the trajectory of Paul Grogan, who was the president of LISC for over a decade and then founded CEOs for Cities (Herbert, 2001).

The second shared attribute of community development theory and practice in the last decade is a promotion of nonconfrontational forms of engagement and organizing. Community development is now a collaborative process, and the older, more conflictual ideals of black power, and neo-Alinsky-style organizing have been rejected (Epstein, 1996). Michael Eichler, the president of the Consensus Organizing Institute, which has received a great deal of attention in the field (see Gittell and Vidal, 1998), described a project that the Institute had worked on as having, "demonstrated 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' " (Grogan and Proscio, 2000, p. 66). The dominant understanding is thus that low-income inner-city residents have a shared set of interests with the larger society they exist within, and organizing and development should be structured accordingly. Power relations are therefore downplayed or completely ignored in this framework.

While it might seem a bit paradoxical, given the neo-liberal 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* (see Sites, 1998). 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 that allow those

mutual goals to be realized. This form of communitarianism thus mirrors consensus-based 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; see also Shragge and Fisher, 2001). The second is Robert Putnam, whose work on social capital (Putnam, 1995, 1996, 2000) has become almost axiomatic in community-development theory and practice (see DeFilippis, 2001). Not only do both of them argue that relations within communities tend to be largely "win-win" relations, but 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 largely 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 nonconfrontational 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 radical 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 empowerment and control, they have now become vehicles for the market, in which the goal of community control is not even an issue.

Problems in Neoliberal Communitarian Community Development Theory and Practice

All of this would be fine, and not warrant any objection here, if this understanding of community development had demonstrated itself capable of

accomplishing the two goals of this project: to allow low-income people to have more control over their economic lives, and to do so in ways which equitably improve the lives of people in low-income communities. Unfortunately, it has failed in achieving, or moving toward, both of these goals. Admittedly, community development has produced a substantial volume of adequate affordable housing for low-income people over the last thirty years. And certainly the lives of thousands of low-income people have benefited significantly because of this. But all too often, the reality has been that community-development efforts have failed to visibly or measurably improve the larger communities in which they are located. Instead, we are faced, as Lenz put it, with "the terrible paradox of thriving organizations and dying communities," or, more morbidly, "the operation was successful, but the patient died" (Lenz, 1988, p. 25). The persistence of these problems led Stoecker to observe that "the continuing critiques of CDCs across three decades suggest that more is at issue than imperfect practice" (Stoecker, 1997, p. 4). He is certainly right. The problems are much more fundamental and require a complete rethinking of community development. Community development needs to reconnect with its goals of community control, but it must do in a way that understands capital, capitalism, and class in American society.

The theoretical problems relate to both halves of the neoliberal communitarian framework, and they will be addressed in turn. First, the interests of capital should not be assumed to be synonymous with the interests of communities. I do not subscribe to the view that capital and community *necessarily* have the diametrically opposing interests of exchange value and use value (respectively), and some forms of capital are very much *within* communities. But given the lack of capital owned and controlled by low-income people, however, the use value vs. exchange value is usually the case. Capital is interested in the extraction of profit, which is needed to reproduce itself and to generate wealth for the *individuals* who own it. This is inherently true in capitalism. We should no more assume the shared interests of black inner-city business owners and their workers than we would the shared interests of Nike and its sweatshop workers in Indonesia. And while both the local business owners and their workers might share an interest in a community (because of their local dependence on it), that in no way eliminates their inherent respective class interests.

Second, capitalism is about competition—both between and within classes. And while capitalist economies are not zero-sum games, they still, like all forms of competition, unquestionably produce winners and losers. Given this reality, it is exceedingly unlikely that low-income people in inner-city areas would be able to succeed in many competitions with their wealthier, better-educated, and more politically powerful, suburban (or

urban gentrifier) counterparts. This is especially true if the playing field for the competition is the free market, which has already produced such uneven results. Uneven development is an inherent component of capitalism, and one of the primary geographic manifestations of its competitive structure. Only by ignoring this geographical and historical truism can we assume that underdeveloped places and spaces can be developed by the free market for the gains of people within them.

Third, given the histories of capital disinvestment and decline in most inner-city neighborhoods, more often than not, any investment capital in them will need to come from the outside. The potential for inner-city residents to control their own economic lives therefore immediately gets undercut by a framework that relies on free-market investments into the inner-city. Embracing the market leaves control over capital and economic development firmly and squarely beyond the reach of people in the inner-city.

The communitarian half of the framework is comparably fundamentally flawed, and in similar ways. First, the individual is *not* the same as the group. We cannot assume that individual gains and interests are the same as those of the larger community. This point is especially valid in low-income urban neighborhoods. As Blakely and Small astutely observe in their critique of Porter, "there is little connection between [individual] work and better outcomes for ghetto dwellers or for their communities. The signals are very clear. To move up economically requires moving out. As a result, the link between job and social betterment is lost collectively as achievers move out of the ghetto" (Blakely and Small, 1995/1996, p. 166).

Second, the communitarian perspective assumes that people in a community share common interests simply by virtue of living in the same area. But clearly communities are diverse, conflict-laden, and contested places and spaces. For interests to be shared requires the construction of shared interests—not the a priori assumption of their existence. Landlords and renters, business owners and workers, and service providers and recipients are all fairly obvious examples of how interests are not shared by people in a community. They demonstrate that individuals' self-interest cannot be "added up" to yield a community's interests. Not only does this assumption of shared or mutual interests deny the various forms of exploitation and conflict that occur between people in a community, it also ignores how oppressive communities can be to people who are in some way defined as "different" (see Young, 1990, for a thorough discussion of these issues).

Third, communities are not simply the products of the attributes of the people within them. Instead, as was discussed in chapter 1, for localities, communities are the products of a complex set of much larger-scale social

relationships. Citibank (for instance) and its lending practices, state governments and their education financing policies, communities with soon-to-be emigrants in other countries, are all very real examples of how America's urban communities are products of a whole host of relations that extend geographically well beyond the place of the community. These relations are often contentious (school funding issues being a classic example), and are always imbued with issues of power. Only by ignoring these vitally important, power-laden connections can we assume that communities are the products of the attributes of the individuals that live and work within them.

Along with concerns over the processes of globalization and capital mobility, it was in reaction to this fundamentally flawed framework for community development that this current project emerged. But this is also why the failures of the 1960s community control efforts warranted such attention here. At the substantial risk of telescoping history, the current problems of CDCs stem from the flaws of the framework that inspired their formation. The contemporary forms of community development only represent a deepening of those problems—not their creation.

Concluding Comments

I want to end this chapter by discussing three moments from 1999, which highlight the contemporary political state of community development. The first is an extended memo in the *Neighborworks Journal*, which is the journal of the NRC, by James Carr, 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). In this new paradigm, the first role for government is to, "assist private firms to extract value from community assets" (Carr, 1999, p. 22)—which is a far cry from government supporting community control or equitable development.

The second "moment" comes from the substantial gutting of the Community Reinvestment Act, which occurred in the fall of 1999. The CRA was a product of long-standing community organizing efforts in the 1970s, and its enactment as a national regulatory policy in 1977 needs to be understood as a major victory for organizers at the time. After years of political pressure from banks to eliminate it, or substantially mitigate its

regulatory powers, the fight came to a head in 1999. The problem was that by 1999 the community organizations that had worked so hard to see it enacted had long since become CDCs. As such, they were unable or unwilling to mobilize much constituency to save it. To be fair, ACORN did have some demonstrations and protests, but the political battle was largely waged as one of "our lobbyists" vs. "their lobbyists." The outcome, therefore, was never seriously in doubt.

Finally, that summer I was at a meeting at the Urban Justice Center in New York planning a march from Washington, D.C., 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 community organizations who might be sympathetic to the march in order to solicit their support. One of the people in the room (John Krinsky, who had researched Mutual Housing Associations and Community Land Trusts, while at the Community Service Society—see chapter 4) suggested that one of the groups we should contact about this march was 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 thirty local community and political organizers to the mention of its name was a unanimous, "Who?"