Urban Movements and State Strategies

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ABSTRACT

The American urban social movements of the 1960s and 70s constituted a heterogeneous mixture of tendencies. Given this mixture and the prevalence of material needs and distributive demands in it, and given the relatively open political opportunity structure of the U.S., the transition to a pragmatic and institutionalized form of community organizing and community economic development during the late 70s and early 80s is not difficult to explain. The transition from advocacy-style community organizations to effective CDCs was additionally encouraged by government programs, both on the local and, particularly under Carter, on the national level. This article describes and explains the process through which active community-based interest organization and representation has become supported and presupposed both in legislative negotiations and in the implementation of certain services, while also being channelled to adapt to the economic norm of the public-private partnership. Under current conditions, voluntarism and coproduction have come to shape the terrain—a qualitatively new terrain—on which the movements' goals have to be worked out.

This article discusses urban movements in the United States as one particular manifestation of contemporary social movements. While these movements are seen as articulating the complex tensions and crises of the post-war organization of societal progress and cohesion, and as attempts to overcome its problems both by challenging the hegemonic order and by prefiguring new ways of being, the movements themselves have been undergoing a significant transformation process, which is not always well understood.

This transformation process, its possible causes, the way it is influenced by state and private strategies, and the resulting inclusion of community-based organizations into the local socio-economic regulation process, are one topic of this paper. The argument developed is that the inclusion of protest movements or of their organizational vestiges in efforts to cope with a multi-facetted crisis, the creation of new linkages and arrangements that include—in our case—community-based organizations and neighborhood groups, has deeply ambiguous consequences. While it does tend to stabilize the social order on a reduced material level, it is also predicated on self-initiative and autonomous forms of social action which cannot always be controlled. This process takes place in the context of broader societal restructuring, which entails that the familiar scenarios of political conflict are shifting to new terrains, the structure of which we can only begin to delineate here.

Though the paper focusses on *urban* movements, the findings are of interest to the current debate on the role of social movements in general. In fact, the local level makes them of particular significance for an understanding of contemporary social movements. The local level is where global restructuring manifests itself in terms of changing economic functions of metropolitan and peripheral areas, of central cities and neighborhoods; here, the changing relations between affected (and disaffected) local interests and the state get directly expressed; and it is here, also, that the experiments of living and working in alternative ways take place.

First, the composition of the American neighborhood movement is mapped, on the basis of which, then, its transformation is described. Various state strategies and policies, which have influenced the emergence of tripartist structures on the local and regional level, are presented in a third step. And finally, the article raises the question what role the move-

ments might play on this transformed political terrain, and how they would have to act in order to effectively increase the space for autonomous practice and to strengthen the popular, ecological, and feminist voices.

I. The Movements

The neighborhood movement which rocked the country in the second half of the 60s, and still made headlines during the 1970s (though it had substituted the actors: no longer was the talk of the riots in the black ghettos, but of citizens groups engaging in a variety of community activism,[1] ranged from rent strikes to welfare rights demands, resistance to urban renewal or highway construction. This "community revolution" turned the American urban scene into a battlefield.[2] It took place in the context of a general upheaval of civil society including the civil rights movement, the rise of women's liberation, the anti-war movement, the student protest and the growth of alternative cultures. These movements not only challenged the myth of a liberal, conflict-free society, but also introduced qualitatively new demands on to the American political agenda: beyond their various stated goals, these movements were also attempts to work out, politically, theoretically and practically, problems of identity, hierarchy, inequality and lack of community.[3]

As opposed to comparable movements in Europe, however, which were not so much protesting against the failure of state and society to provide for economic growth and material prosperity, but rather against the *price* of that growth, and which strongly rejected traditional political agents (parties, interest groups, bureaucracies), the American social movements–possibly because there is a longer and relatively legitimate tradition of their existence side by side with and often complementing the established institutions of the political system–are characterized by a more uneven, fragmented pattern. Urban movements (like other social movements) are shaped by a *coexistence* of "new" with "old" social movements, in the sense that getting some very basic material economic needs met still plays a crucial role–side by side with the more "post-materialist" emphasis on direct participation and the rejection of representation, on the personal as political, and the concern with the *quality* of life and work.

Pronounced uneven economic and social development, racial and ethnic inequality, discrimination on the basis of race and gender, and the lack of civil rights are responsible for "old" and "new" values, issues and actors paralleling and overlapping in the American movement sector. They produced both state-oriented struggles, demanding state intervention to redress those discriminations and inequalities, as well as the exploration and insistence upon a self-defined identity (as in the case of Blacks or Latinos, gays or feminists etc.).

In the urban movements, we therefore are confronted with a heterogeneous mixture of tendencies, which sometimes blended, but then again fragmented into its different components:

A. *The new urban neighborhood movement*, in which the new middle class is the social force and progressive political actor. The basis for this aspect of the movement is the gen-

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[1] Cf. John H. Mollenkopf, *The Contested City* (Princeton: Princeton UP, 1981) p. 181; Harry Boyte, *The Backyard Revolution* (Philadelphia: Temple UP, 1980).

[2] Manuel Castells, *The City and the Grassroots. A Cross-Cultural Theory of Urban Social Movements* (London: Edward Arnold, 1983) p. 49.

[3] Noël Sturgeon, *Anti-nuclear direct action movements in the United States* (University of California: Santa Cruz, 1986).

eration of the new middle class itself, due to the expansion of the tertiary sector in most core cities. They are oriented towards communal values and seek to improve the quality of their neighborhood, which implies a multi-issue perspective: both urban and environmental issues are raised. Their relation to the state ranges from wanting to connect with local government without changing the political institutions, but to increase their voice and power within them, to demands for municipalization and extension of representative democracy towards grassroot democracy. Insofar as it thereby reacts to the socialization of consumption, it is in danger of becoming a corporate movement defending pure economic interests in the collective consumption realm, i.e. a special interest group defending its privileges.[4]

Frequently, however, it is permeated with a cultural consciousness or goal (symbolized by the Back to the City Movement): the preservation or creation of new urban neighborhoods, the desire to create affordable middle class islands characterized by a conservationist use of the inner city, which values urban culture and defines the city as a city to be *lived in.*[5] The development of this specific style of life depends, in other words, upon the improvement of their urban environment.

B. A second cluster within the neighborhood movement consists of those neighborhood groups in which local *culture and territory* is the driving force. This includes both groups striving to realize an autonomous ethnic norm and those striving to realize an autonomous cultural norm. Examples are the gay community in San Francisco, and latino communities in various large cities.[6] That is, some "minorities," in trying to defend their cultural identity, organize on a territorial basis to achieve relative security and freedom. When their objectives are purely cultural, they face the danger of becoming cultural 'tribalists.'

C. The third tendency can be characterized as the *defensive neighborhood movement*, because it is a defensive reaction on the part of established neighborhoods (frequently of consolidated homeowners), who are attacked either by gentrification or deterioration; in either case the threat of the loss of privileges constitutes the dominant force.[7]

The class composition here is mixed, predominantly ethnic white working class and WASP, as they constitute themselves against the urban decay of their quality of life in old industrial cities. Such groups can also be understood as 'collective consumption' organizations fighting around a variety of urban issues and public services, as well as organizations

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[4] Cf. Dennis Gale, "Middle-Class Resettlement in Older Urban Neighborhoods: the Evidence and the Implications," *Journal of the American Planning Association*, 45, 19/9; Howard Sumka, "Neighborhood Revitalization and Displacement: a Review of the Evidence," *Journal of the American Planning Association*, 4, 1979; Richard LeGates, Chester Hartman, "Displacement," *Clearinghouse Review*, 15, 3, July 1981.

[5] Cf. Bruce London, "Gentrification as Urban Reinvasion: Some Preliminary Definitional and Theoretical Considerations" in *Back to the City: Issues in Neighborhood Revitalization*, ed. Shirley B. Laska, Daphne Spain (Elmsford, N.Y.: Pergamon Press, 1980).

[6] Cf. John D'Emilio, *Sexual Politics, Sexual Communities: The Making of a Homosexual Liberation* (Chicago: University of Chicago Press, 1983); John Walton, Luis M. Salces, "Structural Origins of Urban Social Movements: The Case of Latinos in Chicago," *International Journal of Urban and Regional Research*, Vol. 3 no. 2, June 1979; Lawrence Knopp, "Social Theory, Social Movements and Public Policy: Recent Accomplishments of the Gay and Lesbian Movements in Minneapolis, Minnesota," *International Journal of Urban and Regional Research*, vol. 11, no. 2 (June 1987); Orde Coombs, "The New Battle for Harlem," *New York Magazine*, Feb. 1982.

[7] Cf. for example Paul R. Levy, "Neighborhoods in a Race with Time: Local Strategies for Countering Displacement" in: *Back to the City: Issues in Neighborhood Revitalization*, eds. Shirley B. Laska, Daphne Spain (Elmsford, N.Y.: Pergamon Press, 1980).

demanding participation in local government. Their interest base is their territory; it is upon this basis that the need for increased control and the desire to improve the level of local and urban services is conducted.

Insofar as this is a revolt of the "small ones against the big ones", class interest here can be directly expressed. However, and just as frequently, insofar as the stance taken is anti-taxes, anti-government (i.e. against government intrusion, state planning, redlining and disinvestment), the opposition to city plans to alter or destroy the local scene or against service cutbacks carries racist overtones and is directed against what is perceived to be a process of ethnic and racial recomposition of their territory. Their goal of local defense and control often in fact means "Keep the Blacks out", (e.g. New York's West Side's Committee of Neighbors to Insure a Normal Environment,[8] and suggests just how fluid the line between progressive and conservative attitudes here can be: *any* ideology will get appropriated. The anti-bussing movement is only a particularly strong reaction of this form. Their relation to the political system is characterized by the desire to participate in the existing political institutions rather than to claim political power; however, there is opposition to the central state as regulator, mediator or welfare state.

D. The fourth cluster are those community organizations which have, to varying degrees, been administratively and technically tied into local governments and agencies, be it in the form of *community development corporations* or as *service delivery organizations.* Their class composition reflects those unorganized, reserve labor sectors who are systematically generated in the restructuring of labor for the changing needs of capital. In the U.S., it involves overwhelmingly Third World people.

Hence their interest base is both class and territory: because of the tight correspondence of race to class, which results in the spatial patterns being permeated by racial separation, these community organizations spring up in a setting characterized by blight, devastated by arson, abandonment and disinvestment. It is not precisely a territory that is to be defended, but in order to survive, and to create a "viable" community, the goals usually center around development of housing and community development programs, sometimes extending to collective consumption issues (although in a more power-oriented manner than the groups considered under C). When social programs shrink, the goal becomes either to keep them going through the established linkages and pressure points on local government, or to resort to various forms of self-help and community development strategies.[9]

These groups constitute the result of Alinsky-style organizing in the 1960s, whose success was predicated on an organization's capacity to become an authoritative representative for a mobilized (frequently black) community. As such, it became tied to the lower levels of the institutional system, where it was accepted and absorbed into the management of programs they had set out to control. This, still accompanied by the claim for more political power and increasingly by searching out interests in the private market to support their survival needs, seems the best way to get resources and to deal with the problems– thereby apparently guaranteeing social autonomy against the traditional strategy of the federal bureaucracy and also defending what was often perceived as an autonomous informal economy.

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[8] See Jim Sleeper, "Neighborhood Gentrification: More Inequity than meets the Eye," *Dissent*, 1, 1982.

[9] Cf. Eugene J. Meehan, "Urban Development: An Alternative Strategy," in *Urban Revitalization*, ed. Donald B. Rosenthal (Beverly Hills: Sage, 1980).

II. Transformations

Given this mixture in the neighborhood movement (and the prevalence of material needs within it), and given the more open opportunity structure of the American political system, the transition to a pragmatic and institutionalized form of community organizing and community economic development could occur with less friction than in other advanced industrial countries. Although many of the movements did challenge specific state actions (urban "removal", toxic waste disposal, or housing practices), they rarely challenged state authority *per se*. Government programs, both on the local level and particularly under the Carter administration on the national level, made it quite attractive and sometimes possible for advocacy-style community organizations to transform into effective community development organizations (CDCs).[10]

So where we had once militantly confrontational community groups staging sit-ins and picket lines, disrupting meetings and the usual course of business of government agencies (such as the Renegades in New York City or the Commandos in Milwaukee), we now have "an adult and youth counseling program, a youth employment program, vocational training programs for ex-offenders, a prison work-release job placement program, group foster homes for Cuban refugee youths, community improvement program and a high school, the Commando Academy."[11] The executive director of the Commandos, a school drop-out and ex-offender, "now carries a briefcase, negotiates contracts and sits behind a polished walnut desk. Nearby is a black flag with a gold clenched fist, symbol of the Commandos."[12]

To develop efficiency and capacity as a social service agency or development agent presupposes, of course, considerable resources, staff, planning and technical expertise: resources which are quite different from those a classical advocacy-oriented community organization had at its disposal. But the perception that a neighborhood organization represents the political will of a constituency, and that it can mobilize that will if necessary, can and should substitute–so the advocates of this transformation argued–for the prior experience and capital that might be required of another development entity.[13]

This transformation did not occur without conflict of course. While no other agencies besides such community-based organizations have the kind of credibility needed in those areas to mobilize self-initiative, sweat, or even to dispel the resistance against taking up underpaid, substandard work (like the National Congress of Neighborhood Woman can), this credibility has more often than not come under serious strain: People's Development Corporation in the Bronx, for example,

> met none of the basic conditions for the survival of a small, complex business: its management had no experience working as a team; there was little trust between workers and management; the operation was badly undercapitalized especially in terms of covering administrative overhead and cash flow needs: it did not have good relations with its vendors, and vertical lines of authority had never been implemented. PDC's managers had control over neither their workforce nor their balance sheets.

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[10] Cf. Andrew H. Mott, "The First 20 Years of Community Organizing and Self-Help," in *Citizen Participation*, 7/1 (Winter 1986), pp. 16–23.

[11] *New York Times*, Dec. 5, 1981.

[12] ibid.

[13] Robert Kolodny, *Organizing for Neighborhood Development: A Community Development Guide* (Washington, D.C., Center for Community Change, 1985), p. 16. Cf. also Linda M. Gardner, *Community Economic Development Strategies: Creating Successful Businesses* (Berkeley: National Economic Development and Law Center, 1983) or Robert Friedmann, William Schweke, *Expanding the Opportunities to Produce: Revitalizing the American Economy Through New Enterprise Development* (Washington, D.C.: The Corporation for Enterprise Development, 1981).

> As for the homesteaders, pulling sweat ... 'became just labor, a negative thing.' Homesteaders were 'working for the money, working for as long as they could.' Sweat time became the price workers had to pay to get a CETA job, instead of a commitment to an apartment, to themselves, to the community....
> The more the managers tried to gain control over the cashflow and the productivity, the worse the problems got on the job and in the fiscal office. Finally, in February, 1979, a group of workers were fired. That afternoon–payday–the construction manager had his car windshield smashed with a baseball bat. A few days later, PDC's main offices were destroyed by arson.[14]

Such an illustration–there are numerous similar ones that could be added–is presented not to document the "fall" or "defeat" of the urban movements, but to point to a process in which the line between movements and the state, the seam along which social struggles, compromises and reforms take place, is shifting. This shift creates new tensions in a terrain opened up "within" the state and needs to be analyzed as such.

The transformation of the urban social movements into something that could more appropriately be called "interest groups" (rather than "social movement organizations"),[15] was, in part, triggered by increasing economic pressure and in part by the state's shift to a new type of conservative austerity politics, which–in searching for more effective policy instruments and, on the local level, in attempting to "do something" about the local impact of uneven economic development–(re)discovered the potential of self-help, of small business, and even of alternative movements. Thus, *direct* linkages between movement groups and state administrative structures have emerged and gradually consolidated.

There are plenty of historical precedents for such linkages in the *U.S.*, but their expansion to include CBOs and neighborhood organizations, not only to insure a more routine representation of formerly excluded constituencies, but, in addition, to implement certain services and programs in urban neighborhoods, often as part of Public-Private Partnerships, has reached a qualitatively new level.[16]

III. State Policies

The systematic concessions to the neighborhood movement under the Carter administration (if quantitatively modest compared with Model Cities and Community Action Programs of the 1960s), including the creation of access points within the state bureaucracy such as the National Neighborhood Commission, resulted in producing stable client representative organizations or adressees for the state which

- were formally and informally included in negotiation structures and legislative processes,
- became the crucial third partner in Public-Private Partnerships, and
- took on a role in implementing certain (public) services.

That step completed, the reduction or elimination of funding for neighborhood or marginalized interests, as set in under the Reagan Administration, did not mean the end of these forms of routinized representation, but, I would argue, it did transform their functions.

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[14] Steve Katz, "The Faded Dream of Washington Avenue: A Look back at People's Development Corporation, 1974–1979" in *City Limits*, April 1983, pp. 11–20.

[15] Or other forms of institutionalization in other movement sectors, such as the "movement entrepreneur" etc.

[16] Cf. for example Roger S. Ahlbrandt, Howard Sumka, "Neighborhood Organizations and the Coproduction of Public Services" in *Journal of Urban Affairs*, 5, 1983 or Committee for Economic Development, 1982.

Already under Carter neighborhood policy was being geared towards privatization: its primary goal was to stimulate the private sector's role in revitalization. The purpose of the various government funding programs[17] was to leverage private investment, and community organizations were to serve as a *vehicle.* Leverage grants not only stimulated large corporations to make additional grants and investments so neighborhood housing development organizations could package sound housing construction and rehabilitation projects, they also served—and importantly so—to create "a sound businesslike framework" in decaying local areas.[18]

But while for community organizations who had struggled for and won the right to represent their community's interests (e.g. in the distribution of CDBG funds) or to carry out a rehab project, there still existed more of a connection between the mobilization potential and their own program activity, since 1981, the cuts, the way in which what little state support remained is allocated, and the profile of the demonstration projects under the new administration affect these organizations in a way that restricts their activities and functions to (co-)producing and/or managing public goods and services. A particular kind of non-profit sector is here emerging, which is based on *entrepreneurship.*

Various federal programs (and also individual states' programs) are deliberately exploring to what extent the State can play a role in restructuring labor markets and modes of production—both by creating precarious substandard work conditions for marginalized urban groups *and* through devolution of decision-making authority. Besides the Enterprise Zones Program, the Quality of Life Initiatives, and the Alternatives to Service Delivery—all of which presuppose CBOs for their effectiveness[19]—other programs have effects in a similar direction:

The "new federalism," which increased the flexibility of local governments, shifted responsibility for certain services to individual states, and substituted categorical grants with block grants (which meant less funding for neighborhood organizations).[20] The Community Development Partnerships are Awards for National Excellence to those neighborhood organizations who leveraged the highest private investment (13 private $ for 1 CDBG $).[21]

One of the few funded neighborhood organizations under the current administration is the National Center for Neighborhood Enterprise, which explores ways to "help the

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[17] Most notably of UDAG, cf. Paul K. Gatons, Michael Brintnall, "Competitive Grants: The UDAG Approach" in *Urban Economic Development*, eds. Richard D. Bingham, John P. Blair, (Beverly Hills: Sage, 1985).

[18] U.S. Department of HUD, The Office of Public/Private Partnerships, *Emerging Partnership Opportunities for Cities.* An Introduction to the Use of Federal Economic Development Tools and Techniques for Investors and Developers. (Washington, D.C.: U.S. Government Printing Office, 1980,) p. 2.)

[19] Cf. The White House, The Administration's Enterprise Zone Proposal (Mimeograph, march 23, 1982); U.S. Department of Housing and Urban Development, Office of Community Planning and Research, Governmental Capacity Sharing Program, Alternative Service Delivery Approaches Used by Local Governments. (Washington, D.C.: HUD, 1984); Roger S. Ahlbrand, Howard Sumka, "Neighborhood Organizations and the Coproduction of Public Services," *Journal of Urban Affairs*, 5, 1983.

[20] Cf. George E. Peterson, "Federalism and the States: An Experiment in Decentralization," in *The Reagan Record. An Assessment of America's Changing Domestic Priorities.* An Urban Institute Study, eds. John L. Palmer, Isabel V. Sawhill (Cambridge, MA: Ballinger, 1984); Susan E. Clarke, "Neighborhood Policy Options: The Reagan Agenda," *Journal of the American Planning Association* (50/4, Autumn 1984), pp. 493–501.

[21] U.S. Department of Housing and Urban Development, Office of Community Planning and Development, *Working Partners 1984. Reports of Successful Local Community Development Public/Private Partnership.* (Washington, D.C.: HUD, 1984).

poor help themselves."[22] This foundation explicitly utilizes the 'Mediating Structures' research sponsored by the American Enterprise Institute to test the role community organizations might play in solving urban economic and social problems.[23] The administration maintained programs such as Neighborhood Housing Services which support the cooperations between private firms, banks, neighborhood organizations and local government in revitalizing efforts.

The *mode* of allocation also has an effect on the community organizations active in the field. Much of the support given comes in the form of tax credits or of suspension of regulations as inducements to invest. As a consequence, community organizations have turned to activities which are rewarded with investment tax credits and to syndication. Groups can generate income of their own if they become efficient CDCs. But the use of technical tax procedures for revitalization changes the form of politics significantly: there is no more publicly carried out conflict over the distribution of direct funding; "invisible" benefits do not lend themselves to mobilization processes.

At the same time, a broad ideological campaign seems to have had some success in convincing *private corporations* of the advantages of "philanthropy as investment" and of a social definition of profit.[24]

Besides individual corporations (such as Control Data or Xerox etc.) participating in and/or funding tripartite arrangements on the local level, intermediary and investment assistance organizations have been formed to pool, coordinate and pass on loans and grants to the most promising neighborhood development projects. One of these, the Local Initiatives Support Corporation,[25] also tests whether a national intermediary organization can influence corporations to be more willing to invest in community-based economic development.[26] LISC-subsidized projects complement the State strategy by focussing more on the urban *under*class, the problems of which neither national urban policy (with its "trickle down austerity") nor the market can solve. The assumption is that self-help community development can.[27]

In sum, all federal programs (UDAG, JTPA, CDBG) and some states' programs (such as New York State's Preservation Companies Program) require, stimulate or reward the participation of *private corporations* or social enterprises in the production of public goods and services. Besides this encouragement through the state, some companies see reasons of

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[22] Robert L. Woodson, "Helping the Poor Help Themselves," *Policy Review* (The New Quarterly Journal of the Heritage Foundation), 21, Summer 1982, pp. 73–86.

[23] Cf. Peter Berger, Richard J. Neuhaus, *To Empower People: The Role of Mediating Structures in Public Policy* (Washington, D.C.: The American Enterprise Institute, 1977/1981).

[24] Cf. President's Task Force on Private Sector Initiatives, *Corporate Community Involvement* (Washington, D.C.; Partnership Data Net, 1984); Committee for Economic Development, *Public-Private Partnerships: An Opportunity for Urban Communities.* A Statement by the Research and Policy Committee of the Committee for Economic Development. (Washington D.C.: Committee for Economic Development, 1982); *Public-Private Partnerships in American Cities. Seven Case Studies*, eds. R. Scott Fosler, Renee A. Berger (Lexington, MA: D.C. Heath, 1982); Kathleen Teltsch, "Sharp Drop in U.S. Aid for Housing Spurs New Push for Private Support," *New York Times*, September 21, 1987.

[25] Founded in 1980 largely with support from the Ford Foundation, LISC has grown into a $ 125 million enterprise backed by contributions and loans from 400 corporations, insurance concerns and philanthropies.

[26] Avis Vidal et al, *The Local Initiatives Support Corporation: Preliminary Findings of an Evaluation in Progress* (Cambridge, MA: State, Local, and Intergovernmental Center, Kennedy School of Government, Harvard University, 1985).

[27] Mitchel Sviridoff, "Neighborhood Revitalization: The Role of LISC," *Community Action*, 1/3, 1983, pp. 5–8.

their own to become active: large regional employers, given current restructuring of cities and labor markets, feel a need to provide functional forms of reproduction for their particular labor force, since comprehensive regional development planning is neither centrally coordinated nor funded. In Cleveland, for example, 40 corporations led by the Standard Oil Co. of Ohio, have pledged $ 5 million to rehabilitate hundreds of single-family dwellings, to be carried out in cooperation with local parishes, bankers, and local neighborhood activists.[28]

The second partner in these Public-Private Partnerships, local government, clearly stands to gain from it by increased flexibility and innovation in meeting neighborhood development problems. But what about the third partner?

Some ex-leaders of neighborhood movements embrace the PPP-strategy and the role neighborhood organizations get to play in it–since it opens up jobs for "promising members of the underclass."[29] These advocates are quite aware of the shift this entails from what community organizations used to do; therefore they write: "(Organizing) will have to promote the mentality of self-help so that neighborhood leaders accept the challenge of localism and welcome rather than oppose municipal contracts for services."[29a] Similar admonitions as to how to deal with the difficulties in the transition were displayed at the National Neighborhood Coalition (NNC) conference "Looking back to the Future", when it celebrated the 21st birthday of the War on Poverty.[30]

Other neighborhood groups see their potential role more controversially than the ones which usually make the headlines. Some protest this type of public-private venture in the economic development of poor neighborhoods. Bellah et al. in *Habits of the Heart*[31] describe the objections of one such group against the city (of Philadelphia)'s plans to develop "jobs"

> in isolation from questions about the kinds of work to be done, how it was to be organized and by whom. The city was thus tacitly directing economic development into channels of purely individual success, in effect promoting the hegemony of the very 'antipolitical system'–the corporate economy–that had for so long ignored the needs of the city's poor neighborhoods.[32]

But the abstraction from use value and from the conditions of production, the focus on individual success, has become rather commonplace in the discourse of most of these community organizations which have managed to survive. Even those coalitions and lobby organizations of neighborhood groups which do not converge so directly with the PPP concept (as NAN does), as for example the National Low Income Housing Coalition, are not quite aware yet of the *shift* in the locus of politics which has occurred.

They favor a direct relation between neighborhood and federal government, whereas the partnerships allow for greater influence of private corporations on local governments, on the local economy, and on tax and land use decisions. They emphasize the role of community-oriented non-profit organizations not just as development organizations, but also as social forces with a democratizing influence, whereas the partnerships thwart any

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[28] Kathleen Teltsch, "Sharp Drop in U.S. Aid for Housing Spurs New Push for Private Support," *New York Times*, September 21, 1987.

[29] James V. Cunningham, Milton Kotler, *Building Neighborhood Organizations.* A Guidebook Sponsored by the National Association of Neighborhoods (Notre Dame: University of Notre Dame Press, 1983).

[29a] ibid. p. 186.

[30] *Citizen Participation*, vol. 6, no. 1, Winter 1986.

[31] Robert N. Bellah, Richard Madsen, William M. Sullivan, Ann Swidler, Steven M. Tipton, *Habits of the Heart. Individualism and Commitment in American Life* (Berkeley: University of California Press, 1985).

[32] ibid, p. 217.

potential of the groups to act independently of their partners: not democratic challenge, but consulting and PR structure their relationship to each other.[33] However, the problem with this very democratic agenda is that while NLIHC presents its critique and its suggestions in Washington, D.C., its own constituency, the local community groups all over the country, are being sucked into the structures of the regionally evolving PPPs, and the organizational, political, and financial infrastructures which emerge here tend to impede the implementation of programs other than the partnership ones.

While thorough empirical work still needs to be done about the actual effects and implications of the practice of community-based organizations' participation in local partnerships, especially as to the new conflict lines which emerge here, what is already apparent is a tendency towards an economization of the neighborhood movement. The emergence of tripartist linkages on the local level, aided by the engagement of large corporations and their foundations, and institutionalized via state support, has resulted in group activities getting pushed out of the political arena onto the market, fostering the expansion of state-sponsored entrepreneurship. What needs to be stressed, however, is the ambiguity of this integration of community organizations: while active, community-based interest organization and representation is now supported and presupposed in various legislative negotiations, it is also channelled to adapt to the economic norm of the Public-Private Partnership.

IV. The Role of the Movements in a Changing Context

In order to identify and evaluate the significance of these transformations of the movements, they have to be seen in the context of the more general trends away from welfare state support to the support of small commercial enterprises. (This trend is also underlined by proposals currently on the table to allow the use of transfer payments for making unemployed workers into small entrepreneurs). Such small businesses, including informal and home businesses, would be in spheres of marginal production, would create highly flexible jobs, and would mobilize untapped reserves of self-labor.

Various technical assistance and training organizations of the "neighborhood movement" cosponsor this development when they suggest, as for example McNeely from the Development Training Institute does, to replace capital with labor because "a cooperative mode of owning the business allows the workforce to accept reduced wages in exchange for their participation in the ultimate growth and value of the company."[34] The same author also calls for support of informal and home businesses with the argument that "a vast potential market may exist in the many young, relatively affluent, downtown workers ... who often don't have the time to perform these services for themselves."[35]

This is a clue to direct our attention to the changing economic and societal context, in which these transformations are taking place. The market, which McNeely points to, has,

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[33] Andrew H. Mott, "A Housing Supply Proposal Linked to Community-Based Sponsors," *Resources for Community-Based Economic Development*, 2/11, November 1984. This article was adopted from NLIHC testimony before the House Banking, Finance and Urban Affairs Subcommittee on Housing and Community Development.

[34] Joseph McNeely, "Capital, Control and Consultants: CDC Strategies for the Future," *Citizen Participation*, vol. 6, no. 2 (Spring 1985), pp. 8–19; similarly: Robert Friedman, William Schweke, *Expanding the Opportunities to Produce: Revitalizing The American Economy Through New Enterprise Development* (Washington, D.C.: The Corporation for Enterprise Development, 1981).

[35] ibid, p. 9.

in fact, been created in the restructuring of the core cities which involved the rapidly expanding process of high-income residential and commercial gentrification (due to tertiary sector growth particularly in global cities). This gentrification entails not only physical upgrading but also a reorganization of the consumption structure, both of which generate a demand for low-wage workers. As Saassen-Koob writes:

> All the various components of high-income gentrification are labor intensive: residential building attendants, workers producing services or goods for specialty shops and gourmet food shops, dog walkers, errand runners, cleaners of all sorts, and so on. The demand for low-wage workers to service the high-income life-styles of the rapidly expanding top level work force is one key factor in the expansion of an informed sector in cities like New York and Los Angeles.[36]

If the function of community organizations is to be more than just to provide that pool of "socialized servants,"[37] or if new economic development projects are to be more than just precursors of those new jobs which emerge in small-scale rather than large, but high-tech outfits, and in service rather than industrial sectors, or if the homesteaders' function is to be more than just spearheading a useful type of urban revitalization, that "more" will presuppose the actors understanding the transformation phase which is currently under way.

Space does not permit here to go into the analysis of how the current crisis and erosion of the fordist mode of regulation impacts on the economic and social structure of cities (a process which has been leading to highly selective growth, to polarization in the employment structure, to the formation of two distinct and separated social and productive spheres within one and the same city).[38] These changed conditions lead to new forms, agents, and qualities of urban contradictions and conflicts, which get articulated by (new) urban social movements.

The new societal situation calls for new forms of state intervention, the success of which is, however, premised on the self-activity and cooperative production of decentral, community-based organizations. It may seem paradoxical that precisely under conditions of marginalization and peripheralization, the self-activity of citizens should become a precondition and means of the political steering process. But this is what we see emerging: a regulation model, which ties economic development and social policy directly to the interests of affected social groups, thus linking the reduction of services to the economization and depoliticization of challenging and competing interests.

The inclusion of movement organizations or their vestiges in efforts to solve the crisis the movements have been articulating and to respond to the erosion of established channels of interest intermediation has, however, highly ambiguous consequences: while it serves, on the one hand, to produce social integration on a lowered material level, it also opens up space for developing and exploring autonomous forms of social action.

Therefore, urban social movements appear as both democratizing elements *and* as instruments of capitalist revitalization, social restructuring, and mass integration. The growth of the informal sector is not only a survival strategy for the poor and unemployed, but also an integral element of the new mode of accumulation. The new entrepreneurial

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[36] Saskia Sassen-Koob, "The New Labor Demand in Global Cities," in *Cities in Transformation*, ed. Michael P. Smith (Beverly Hills: Sage, 1984).

[37] Andre Gorz, "Die Zukunft der Arbeit. Thomas Jahn und Thomas Kluge sprechen mit Andre Gorz," in *In Zukunft. Über den Wandel des Fortschritts*. Eds. Winfried Hammann, Thomas Jahn (Hamburg: Rowohlt, 1985).

[38] Cf. *The Capitalist City*. Eds. Michael P. Smith, Joe Feagin (London: Basil Blackwell, 1987).

forms of organizing marginalized interests are not only opportunities for democratic self-organization free from the state's definitions, but also vehicles for urban revitalization in the interest of capital.

The contemporary restructuring context in all metropolitan regions sets up pressures towards corporatist forms of self-help, voluntarism and coproduction, as well as towards market-mediated, entrepreneurial forms of organizing marginalized sectors. While the former is stronger in most European countries, the latter is more pronounced in the U.S. In both cases, the boundary between grassroots groups and the State has shifted and made obvious that *mere* decentralization, self-reliance, or community- or client-orientation are not sufficient if the goals of the urban social movements are to be realized. These demands can, in fact, be quite functional in the restructured economy, and they resonate, not accidentally, with some conservative austerity strategies. But this state-mediated incorporation of movements does not *a priori* imply their successfull integration. All it means is a shift of the political conflict scenario on to a new terrain, on which the movements' claims and attempts to work out problems of identity, hierarchy, and inequality are now projected.