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COMMUNITY ECONOMIC DEVELOPMENT AND THE PARADOX OF POWER

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Abstract:

This article starts from the premise that poverty is a growing problem in the United States. Intergenerational poverty, the entrenchment of a class of very poor people, is a major sub set of that problem and is tied very closely to the issue of race. The author claims that missing in the fight by the poor and their allies against stratified poverty is the creation and utilization of power. This paper examines the disparate ways in which commentators have defined power. It suggests that those seeking to obtain power must understand the concept's varying meanings and direct their activities to meet their own understanding of the concept. CED may be nothing more than a re-affirmation of existing power relationships or it may be the cause and the result of a change in those relationships. This paper attempts to make sense of this apparent paradox.

Keywords:

CED, theories of power, poverty, race.

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Introduction

Power is ubiquitous in politics and, indeed, in all human relations. Its meaning, however, is not always well understood and is often murky. Philosophers, political scientists and sociologists have provided us with some insight into the concept but, of course, with widely varying views. Machiavelli believed the foundation of politics was power, read as force. Spinoza had a more nuanced view of power that presaged much of the modern discourse.

One man has another in his power when he holds him in bonds; when he has disarmed him and deprived him of the means of self-defense; when he has inspired him with fear; or when he has bound him so closely by a service that he would rather please his benefactor than himself, and rather be guided by his benefactor's judgment than by his own. The man who has another in his power in the first or second way holds his body only, not his mind; whereas he who controls another in the third or fourth way has made the mind as well as the body of the other subject to his right; but only while the fear or hope remains. Once the one or the other has been removed, the second man is left in possession of his own right.¹

The vast literature about power and its meaning, produced over centuries, is testament to the absence of concrete definition.² Much of the modern literature deals with the relationship between power and poverty. It is a literature to which I have contributed³ and it is to this relationship that I wish to return in this essay.

The poor in the United States, particularly poor people of color, have been locked, often for generations, into their poverty. Given current public policy, they can expect to continue to be locked in for generations to come. Social stratification in this country is, and for decades has been, a significant social problem. Despite all of its material well-being, the United States has an enormous level of poverty.⁴ It also has among the highest levels of disparity between the rich and the poor in the industrialized world,⁵ a disproportionate amount of which burdens African-Americans and Hispanics.⁶ One might ask: why is this true and what may be done about it?

1 Spinoza, 'Tractatus Politicus' in *Lukes* 86.

2 Dennis Wrong has said, "Power is the capacity of some persons to produce intended and foreseen effects on others." Amitai Etzioni has defined power as the "capacity to overcome part or all of the resistance, to introduce changes in the face of opposition..." Other definitions have also been suggested by other social scientists. Many of these have been compiled by Paul Mott. He quotes, among others, "Goldhammer and Shils: A person has power 'to the extent that he influences the behavior of others in accordance with his own intentions.' Weber: Power is the probability that one actor within a social relationship will be in a position to carry out his own will, despite resistances, regardless of the basis on which this probability rests. Bierstedt: Power is latent force." Paul E. Mott, 'Power, Authority and Influence' in Michael Aiken & Paul E. Mott (eds), *The Structure of Community Power* 5 (1970).

3 Michael Diamond, 'Law the Problems of Poverty, and the "Myth of Rights"' 1980 *BYU L. Rev.* 785 (Diamond, Myth); Michael Diamond, "Community Lawyering: Revisiting the Old Neighborhood" [2000] 32 *Columbia Human Rights Law Review*; Michael Diamond, 'Community Economic Development: Reflection on Community, Power and the Law' [2004] 8 *The Journal of Small & Emerging Business Law* 151 (Diamond, Reflections).

4 Nationally, the poverty rate increased from 14.3 percent in the 2009 ACS to 15.3 percent in the 2010 ACS. The number of people in poverty increased from 42.9 million to 46.2 million during the same time period. American Community Survey Briefs, ACSBR/10-01, issued Oct. 2011 available at <http://www.census.gov/prod/2011pubs/acsbr10-01.pdf> accessed 4 November 2012. For a general discussion of poverty in the United States today, see Peter Edelman, *So Rich, So Poor: Why It's So Hard to End Poverty in America*, (The New Press, 2012).

5 See Timothy M. Smeeding, 'Poorer by Comparison: Poverty Work and Public Policy in a Comparative Perspective' in *The Inequality Reader* (Westview 2011) 154-155.

6 Carmen DeNavas-Walt and others, *Income, Poverty, and Health Insurance Coverage in the United States: 2010* (issued Sept. 2011) www.census.gov/prod/2011pubs/p60-239.pdf accessed July 16 2012; Poverty rate by race and ethnicity' (Public Agenda) <http://www.publicagenda.org/charts/poverty-rate-race-and-ethnicity> accessed July 16, 2012.

The answer to the first of these questions involves an historic pattern of segregation and discrimination (that continues to the present). The relationship between race or ethnicity and poverty is exceedingly strong and involves both governmental and private actions and inactions. The answer to the second question is more opaque. We have suffered, in the United States, a history of largely failed policies and programs that were designed to reduce poverty.

One explanation for the failures is that they were the result, at least in part, of several basic misunderstandings. The first and, perhaps, most important is the misapprehension, conscious or unconscious, of the nature of chronic poverty among people of color. Another is that the programs that were enacted were designed to address the symptoms of poverty, not its structural causes. In this paper, I continue a long-standing examination of these issues, but I hope with this effort to do so through a wider-angle lens.

In Section I, I will briefly discuss the existence and causes of poverty and social stratification, including governmental complicity in creating and maintaining them, with some emphasis on the distinction between individual poverty and community poverty. In Section II, I examine various concepts of power and devote some time to considering the relationship between poverty and power, or, more precisely, between poverty and the absence of power. In Section III, I discuss the paradoxes in applying the various views of power to poor communities. Some of them merely reinforce existing power relationships while others may contest them. Section IV addresses the various elements of community economic development and examines how they relate to the theories of power I have identified. I also propose in this section various policy considerations to address some of the principal underlying causes of chronic community poverty. Finally, in Section V, I suggest a model of community economic development that addresses the lack of power in poor communities.

I. Social Stratification and Intergenerational Poverty

*The greatest improvement in the productive power of labour, and the greater part of the skill, dexterity, and judgment with which it is anywhere (sic) directed, or applied, seem to have been the effects of the division of labour.*⁷

Societies everywhere have been stratified.⁸ Pre-literate societies had their chiefs, their shamans, and their village elders. Feudal societies had their landowners, serfs, and merchants. Industrial societies have their capitalists, their labor, and their unemployed. Smith's observation suggests a reason for social stratification, the benefit of having people fit into the productive system in the most efficient way, that is, to have people who are capable and willing to perform the tasks for which they are most qualified. Smith is far from alone in making this point.⁹ It is not, however, the purpose of this essay to delve into the question of whether social and economic stratification is a necessary or beneficial aspect of social organization. I do wish, however, to examine the chronic and extreme stratification that exists in the United States today, particularly for African-Americans and other people of color.

7 Adam Smith, *Wealth of Nations* 9.

8 See generally, Harold R. Kerbo, *Social Stratification and Inequality* (McGraw-Hill 2012) 51-81.

9 See, for example, Kingsley Davis & Wilbert More, 'Some Principles of Stratification' [1945] 10 *American Sociological Rev* 242.

Much of the stratification in the United States dates to slavery and, after reconstruction, to Jim Crow laws in the South and their de-facto equivalents in the North. The discriminatory social practices that led to local segregation and stratification were, in fact, bolstered by policies of the federal, as well as those of many state, governments that segregated people on the basis of race. For example, beginning in the 1930's the Home Owners Loan Corporation (HOLC), a predecessor to the Federal Housing Administration, had an explicit policy of segregation on the basis of race. Moreover, HOLC promoted a policy of limiting loans to African-Americans for the purchase of homes,¹⁰ thereby limiting one of the major sources of family wealth creation.¹¹ Similarly, in *Hills v. Gautreaux*,¹² several residents of public housing and others on the waiting list to get into such housing sued concerning the siting of housing projects on the basis of race. Housing developments that would house black residents were placed in black neighborhoods while those that would house white residents were placed in white neighborhoods. Since black communities already contained significant numbers of poor households, the placement in them of public housing projects, which typically housed very low income residents, caused extremely high concentrations of poverty.¹³ William Julius Wilson led the way in claiming that these very high concentrations of poverty resulted in severe social pathologies such as teen pregnancy, dropping out of high school, delinquent behavior, alcohol and substance abuse, and unemployment at levels far greater than would be expected but for the concentration. These factors, in turn, contributed to further disinvestment in the neighborhood and the flight from it of financial and human capital.¹⁴

In addition, through the Urban Renewal and the Interstate Highway programs, federal and local governments engaged in policies that displaced residents, largely in predominantly black, low income communities, in the name of redeveloping "blighted" urban neighborhoods or of providing efficient methods of automobile transportation. The results of these programs were the destruction or isolation of existing communities. Many have argued that these policies were designed at the behest of white elites to create buffers against the spread of black neighborhoods that would threaten white enclaves or for the benefit of real estate developers who wished to acquire cheap land.¹⁵

The isolation and continued segregation of black (and later Hispanic) communities coincided with the increase of the number of the poor. The number of people in the United States living below the poverty line has grown over the years and, at the same time, has become increasingly concentrated.¹⁶

10 See, for example, Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States*, 195-218 (1985). The limitations went to the number of loans approved (i.e. Imposing higher underwriting standards for black applicants than for white applicants, and to the neighborhoods in which loans to black applicants would be made. These were limited to segregated, primarily black areas.

11 See, for example, Kenneth T. Jackson, *Crabgrass Frontier: The Suburbanization of the United States* (1985) 195-218; Michael Diamond, 'De-concentrating Poverty: De-constructing a Theory and the Failure of Hope' in Michael Diamond and Terry Turnipseed (eds), *Community, Home, and Identity* (Ashgate 2012) (forthcoming) (Diamond, De-concentrating).

12 425 U.S. 284, 286-87. Plaintiffs obtained a consent decree. The decree gave class members special housing vouchers that allowed them to obtain housing in racially diverse neighborhoods throughout the Chicago area.

13 William Julius Wilson, *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy* (The University of Chicago Press 1985) 55-58; William Julius Wilson, *More than Just Race* (W.W. Norton & Co. 2009) 27.

14 See Wilson, *More than Just Race* (n 13) 27 (citing Paul Jargowsky, "Poverty among Blacks in the 1980s," [1994] *Journal of Policy Analysis and Management* 13, 288-310.

15 Douglas S. Massey & Nancy A. Denton, *American Apartheid: Segregation and the Making of the Underclass* (Harvard University Press 1993) 55-56 (Massey & Denton).

16 "We document a 25 percent increase in the number of poor places during the post-2000 period (and growing shares of poor people living in them) after deep and widespread declines in concentrated poverty during the economic boom of the 1990s." Daniel T. Lichter et al., 'The Geography of Exclusion: Race, Segregation, and Concentrated Poverty' (2011) Nat'l Poverty Ctr., Working Paper No. 11-16, 2.

For example, according to the 2010 census, approximately 10 million people lived in communities where at least 40% of the residents had incomes below the poverty line.¹⁷ Thus, not only must poor families in such neighborhoods battle the effects of their own poverty, but they must also deal with the consequences of living among many others with similar levels of deprivation.

One might ask, what are the costs to community residents and to society of having such great concentrations of poverty? The obvious costs involve human suffering for the individuals and for their children. The costs to society are more varied. First, there are the direct costs of public services to the poor, and it is to these costs to which many in the United States direct their ire. They include such items as public assistance, policing, health and substance abuse services, and food stamps, to name a few. The indirect costs are significant as well but are less frequently subject to scrutiny. They include the loss of productivity from potentially valuable workers, and the loss to residents of some of the benefits of community such as safety and social capital. Many residents also suffer from the hopelessness and disengagement that result from intergenerational poverty, particularly in high concentration poor neighborhoods.

To some extent, society has blamed the poor for their plight. Over the years, a variety of pejorative phrases have been developed and used to identify and disparage the poor. We have made distinctions between those who suffered poverty due to conditions beyond their control such as infancy, advanced age, sickness, or disability and all others who were held to be in control of their circumstances. These were said to be lazy, unambitious, drunkards, or criminals.¹⁸

They were designated as the undeserving poor and were largely cut off from assistance. These characterizations were often highly correlated with race but the underlying facts, including the structural obstacles placed in the path of many such people, the political economy of poverty, were rarely explored. Sloganeers were apparently satisfied with attributing poverty to individual or, in some cases, racial, characteristics.

More recently, terms such as the “culture of poverty” and the “underclass”¹⁹ have been used to describe certain groups of poor people.²⁰ For example, Oscar Lewis used the former term to describe several “traits” that he ascribed to the poor. The culture, he said,

*...tends to perpetuate itself from generation to generation because of its effects on the children. By the time the slum children are six or seven, they have usually absorbed the basic values...and are not psychologically geared to take full advantage of...increased opportunities that may occur in their lifetimes.*²¹

17 Alemayehu Bishaw, U.S. Census Bureau, U.S. Dep’t of Commerce, *Areas with Concentrated Poverty 2006-2010* (December, 2011), <http://www.census.gov/prod/2011pubs/acsbr10-17.pdf> accessed 4 November 2012; Alemayehu Bishaw, U.S. Census Bureau, U.S. Dep’t of Commerce, *Areas with Concentrated Poverty: 1999* (2005) 3tbl.1. <http://www.census.gov/prod/2005pubs/censr-16.pdf> accessed 4 November 2012; Claudine Gay, ‘Moving Out, Moving Up: Housing Mobility and Political Participation of the Poor’ (2008) Harvard University, Working Paper, unpublished paper on file with the author.

18 For an interesting historical view of distinguishing and labeling the poor, see Herbert J. Gans, *The War Against the Poor: The Underclass and Antipoverty Policy* (Basic Books, 1995) 11-26. See also Michael B. Katz, *The Undeserving Poor: From the War on Poverty to the War on Welfare*, (Pantheon, 1989).

19 The term “the underclass,” which started as an academic concept, was transformed into a popular and pejorative label for urban African-Americans. Beginning with Gunnar Myrdal’s use of the term under-class “to describe the victims of deindustrialization” the term went through a series of definitions until the August 29, 1977 issue of Time magazine did a cover story entitled ‘The American Underclass: Destitute and Desperate in the Land of Plenty’ *Time* (Aug. 29, 1977). The article went on to describe in particularly negative terms, the personal attributes of poor, urban, African-Americans. The term as a pejorative label had entered the popular consciousness.

20 Even Ronald Reagan joined this movement when he used the term “welfare queen” in his 1976 presidential campaign. See “Welfare Queen” Becomes Issue in Reagan Campaign’ *New York Times* (Feb. 15, 1976) 51

21 Oscar Lewis, *La Vida* (Random House 1966) xlv.

Poverty was stratified and inter-generational, often on the basis of race. Yet, despite the views of Lewis (and others), the programs designed to reduce poverty tended to focus on giving assistance in the form of equal opportunity such as the Fair Housing Act²² or the Civil Rights Acts.²³ This meant, according to the policy makers, that those with the ambition to achieve would be more able to do so.²⁴ It was designed to bring individuals and their families out of poverty. In some cases, the policies achieved their goals. In most cases, however, they have failed to do so. While discrimination on the basis of race and ethnicity has been removed from the legal structure, the ongoing effects of past discrimination linger. Poverty persists and grows more desperate. Policies that do not address the structural obstacles to low income people of color escaping from poverty cannot lead to a just society. They merely offer the false hope of some individual or household being among the chosen few who can escape the chains of stratified impoverishment.

The policies that were developed did not, for example, address problems such as systematically imposed education, skills or health deficiencies brought on by past discrimination. Moreover, they turned a blind eye to the existence of ongoing, albeit, more subtle discrimination.²⁵ A different approach to combating poverty is needed, one that deals with the structural impediments and offers the possibility of creating power in and improving the quality of the built environment and the economic prospects in low income communities.

II. Poverty, Community, and the Power Deficit

*The interests of blacks in achieving racial equality will be accommodated only when it converges with the interests of whites. However, the Fourteenth Amendment, standing alone, will not authorize a judicial remedy providing effective racial equality for blacks where the remedy sought threatens the superior societal status of middle and upper class whites.*²⁶

Poverty involves more than merely the absence of means. There are many who are without means that society does not consider to be poor and who do not suffer the ignominy reserved for the poor. Various examples come readily to mind: members of the clergy and ascetics; starving artists; perhaps, for some, their elderly grandparents. Individuals in each of these examples could be said to lack means (although each may actually have a call upon those who do have means). What separates these examples (and others) from those that society defines as poor? It may be that some of them have made lifestyle choices (while having had other options), or that they had accepted to some significant extent the cultural norms and behaviors of the majority group. Each is also likely to have some ability to influence his or her environment in a meaningful way. The absence of meaningful lifestyle choices and the inability to influence environments almost always describes the situation of the poor, those who suffer from what I have elsewhere called a “power deficit.”²⁷

22 42 U.S.C. §§ 3601-3619 (2006).

23 Civil Rights Act of 1964, Pub.L. 88-352, 78 Stat. 241; 42 U.S.C. §§ 2000a et seq. (2006).

24 See Marjorie E. Kormhauser, ‘Cognitive Theory and the Delivery of Welfare Benefits’ [2009] 40 Loyola Univ. Chicago L.J. 253, 257, suggesting that Americans accept welfare as universal programs under the norm of equal opportunity.

25 Devah Pager and Hana Shepherd, ‘The Sociology of Discrimination: Racial Discrimination in Employment, Housing, Credit, and Consumer Markets’ (2008) National Institutes of Health Annu. Rev. Sociol. <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2915460/pdf/nihms222293.pdf> accessed 4 November 2012.

26 Derrick Bell, *Brown v. Board of Education and the Interest-Convergence Dilemma*, [1980] 93 Harv. L. Rev. 518, 523 .

27 Diamond, Reflections (n 3) 160.

The question of whether the acceptance of mainstream norms is an element of this conception of poverty is a much more complex question and one that I will touch upon in subsequent sections of this paper.²⁸

Consider again Derrick Bell's position that progress for African Americans will come only if permitting such progress converges with interests of the white elite. His belief is based on the view that African Americans, as a group, lack the power to implement change against the wishes of the white power structure. One might extrapolate from Bell's observation by saying that if this is true for African Americans as a group, it is more clearly true for poor African Americans and for the poor among other racial/ethnic groups. This leads us to the point at which the theoretical meaning of power meets the reality of poverty in America.

i. The Meaning of Power

*Every social act is an exercise of power, every social relationship is a power equation, and every social group or system is an organization of power.*²⁹

When we speak about social or political power, what is it that we are speaking about? Many commentators have used the term but they and most others have only vague notions of what they mean. Other commentators have a more definite meaning in mind but their meaning often conflicts substantially with those of yet others who also put forward a different definitive meaning. In fact, the concept of social power has been a highly contested one.³⁰ Paul Mott, after compiling and examining many of these meanings has nevertheless concluded social scientists generally agree that social power is "some form of energy"³¹ and that "[t]he creation of human systems of coordinated action is the major means of binding in energy."³²

Unfortunately, this conception of power is deceptively simple. For some, the power of the elite does not depend either on the force amassed by it or on the deprivations inflicted by it on the subordinated. Rather, according to these theoreticians, power is defined and exercised by the elite through such devices as its ability to manipulate social norms or to induce the subordinate to "consent" to the subordination. These are quite different concepts from the more traditional views of power collected by Mott. I would like to turn to three such theoreticians and briefly discuss their views.

28 It should be noted that William Ryan et al. found "...contrary to conventional wisdom, people at different income levels display pretty much the same distribution of values, social attitudes and lifestyles." Ryan, however, goes onto note the difference between values and actions. *See also* Diamond, *Reflections* (n 3) 160.

29 Amos H. Hawley, 'Community Power and Urban Renewal Success' [1963] 68 *Am. J. Soc.* 422.

30 Mott, (n 2). Many of the definitions have been compiled by Paul Mott. He quotes, among others, "Goldhammer and Shils: A person has power 'to the extent that he influences the behavior of others in accordance with his own intentions.' Weber: Power is the probability that one actor within a social relationship will be in a position to carry out his own will, despite resistances, regardless of the basis on which this probability rests. Biersted: Power is latent force." Mott (n 4) 5. Many others have defined power by identifying the specific relationship between the dominant participant and the subordinate one. For example, Dennis Wrong defines power as "the capacity of some persons to produce intended and foreseen effects on others. Dennis H Wrong, *Power: Its Forms, Bases and Uses* (1979) 2. Amitai Etzioni defines power as the "capacity to overcome part or all of the resistance, to introduce changes in the face of opposition..." Amitai Etzioni, *The Active Society: A Theory of Societal and Political Processes* (1968) 314.

31 *ibid.* 6.

32 *ibid.* Mott and others have argued that organizing and organization are the ways to leverage individual power.

The first, Antonio Gramsci, believed that subordinated groups (in his case, the proletariat) were able to be controlled because they accepted and internalized the norms of the elites. Gramsci made the observation that “social hegemony” is accomplished through a two part process: the “spontaneous consent” given by the masses to the “general direction imposed on social life by the dominant” group (this is based on the internalization of the dominant group’s norms); and the “apparatus of state coercive power which “legally” enforces discipline on those who do not “consent.”³³ Gramsci believed that the use of force or coercion should rarely be necessary as the dominant group is typically able to avoid rebellion through co-optation or through concessions based upon, to use Bell’s term, interest conversion. One need only examine the political climate in the United States today to see at work the internalization of social norms where many working class Americans oppose the idea of “big government” despite the potential benefit to themselves of governmental intervention.³⁴ They support de-regulation and shudder at the thought of “socialism” when government acts concerning health care, nutrition, or, ironically, financial bailouts of financial and industrial giants.³⁵

Michel Foucault expressed a similar thought concerning the nature and operation of power. He stated that traditional theory placed power in the hands of a monarch and, at the same time, identified as limitations upon that power the rights accorded to citizens. Foucault asserted that his goal was to invert that theory and to show how the concept of rights and the “apparatuses” associated with their application result not in sovereignty (centralized power in a monarch) but in domination, the cultural subordination of the non-elite.³⁶ Foucault was concerned with “power at its extremities...with those points where it becomes capillary.”

*[Our] paramount concern...should be with the point where power surmounts the rules of right which organize and delimit it and extends itself beyond them, invests itself in institutions, becomes embedded in techniques, and equips itself with instruments and eventually even violent means of material intervention.*³⁷

Foucault was interested in power where it operates, in its smallest manifestations. He believed that the system of sovereignty and the countervailing rights that supposedly limited sovereignty were “superimposed upon the mechanisms of discipline in such a way as to conceal its actual procedures, the element of domination inherent in its techniques...”³⁸

The third social theorist I would like to mention is Steven Lukes. His book, *Power: A Radical View*, first appeared in 1974.³⁹ In it he traced modern theories about power and placed them in three dimensions. The first, which Lukes

33 Antonio Gramsci, *Selections from the Prison Notebooks* (International Publishers 1971) 12.

34 A particularly ironic example is the comment from a member of the audience at a town hall meeting in South Carolina about the healthcare bill who told Rep. Robert Inglis (R-S.C.) to “keep your government hands off my Medicare.” Paul Krugman, *New York Times*, July 28, 2009. Medicare, of course, is a healthcare program created and administered by the federal government.

35 It seems odd that protestors would label as socialist the bailout of some of the nation’s iconic capitalist institutions. There is, of course, an alternative explanation for working class opposition to social support. To the extent that the support would go to African-Americans or Latinos, racism and anglocentricity may play a role.

36 Michel Foucault, Lecture Two, 14 Jan. 1976 in *Power/Knowledge: Selected Interviews and Other Writings 1972-1977* (Vintage 1980) 95.

37 *ibid* 96.

38 *ibid* 105.

39 Steven Lukes, *Power: A Radical View* (Palgrave 1974). Lukes published a second edition in 2005 in which he added two chapters to his original work. It is to the second edition that I refer throughout this essay.

calls the one-dimensional view and which is promoted by theoreticians such as R. A. Dahl and N. W. Polsby, deals primarily with political behavior. It examines decisions made in the face of observable conflict in policy preferences between elements of society. Through such examinations, proponents of this view of power are able to discern who typically wins in these conflicts. This allows the observer to identify in which group political power lies.⁴⁰

The two-dimensional view looks beyond decisions about observable conflicts and includes non-decisions, that is, situations where the decision makers suppress certain potentially damaging issues from entering political discourse so that no debate takes place and no decision appears to have been made on these issues.⁴¹ I say “appears” because if no decision is made, the status quo remains in place and the status quo is, presumably, favorable to the elites. If it is not, of course, the elites would cause it to be changed.

Where issues that might be controversial are nevertheless deemed by the elite to be innocuous, discourse might be permitted and decisions, even those detrimental to the elite, to be made. Of course, allowing negative, albeit innocuous decisions to be made also reflects (and, perhaps, enhances) the power of the elites. Bachrach and Baratz, major proponents of this view, believe that *potential* conflicts as well as overt ones must be considered in analyzing and evaluating power. They claim, according to Lukes, that the first dimension “unduly emphasizes the importance of initiating, deciding and, vetoing’ and takes ‘no account of the fact that power may be, and often is, exercised by confining the scope of decision-making to relatively ‘safe’ issues.’⁴² The difference, then, between the first and the second dimension is that the conflict which each requires is often covert in the second dimension. This requires the observer to identify grievances of the subordinated party that have not been brought into the political discourse of the society, not an easy task.

Lukes then describes his three dimensional view of power. Before doing so, he criticizes the first two dimensions as being both too concerned with individuals and overly behavioristic.⁴³ More importantly, perhaps, he criticizes them for focusing primarily on the existence of conflict, overt or covert. Power, according to Lukes, is not only exercised in conflict situations.

...A may exercise power over B by getting him to do what he does not want to do, but he also exercises power over him by influencing, shaping or determining his very wants. Indeed, is it not the supreme exercise of power to get another or others to have the desires you want them to have-that is, to secure their compliance by controlling their thoughts and desires?⁴⁴

Gramsci, Foucault, and Lukes have presented quite a different view of power from those compiled by Mott that usually are based on force or coercion. In a practical sense, these differences in conceptualization would call for different strategic approaches for those seeking to combat subjugation. It is a different exercise to combat power as force or coercion from combating it as a set of internalized cultural or aspirational norms or when there is a lack of (or false) consciousness concerning issues that might be in contention.

40 *ibid* 16-19.

41 *ibid* 17-25.

42 *ibid* 22.

43 *ibid* 26.

44 *ibid* 27.

ii. The Power Deficit Squared

The absence of power is manifest in low income communities-of-color in the United States yet the governmental policies to combat poverty have failed to make significant inroads in to the problem. There are many reasons for this failure. Some of them have to do with societal will while others deal with program design.

On the latter score, Lukes criticizes the one and two dimensional view of power by pointing out, among other things, that they are individualistic. While it is clear that poor individuals suffer greatly from the absence of power, the problem is much deeper than that of individualized poverty. In the United States, the problem of poverty and stratification is systemic and structural, not individualistic. Thus, various racial or ethnic groups suffer collectively from a power deficit. Structural elements of the political economy have relegated such groups to subordinate positions in society. Often, members of the subordinated groups are steered or forced into segregated, very poor communities. Many such communities are plagued, also for systemic reasons, with high levels of joblessness, poor housing, poor health and education, and a lack of municipal and private social services.⁴⁵ Moreover, there is often a lack, in such communities, of institutional infra-structure and social organization.

One governmental response to these conditions has been an attempt to de-concentrate poverty through a series of mobility and economic integration programs that were designed to create mixed income neighborhoods.⁴⁶ The desired result from such programs (a result not clearly achieved, according to the empirical data)⁴⁷ was an increase in well-being through increased social capital and community efficacy for those people able to reside in the mixed income communities.⁴⁸ There has been little or no effort made to improve the quality of life and built environment in existing communities with a high concentration of low income residents. This may be due to the tradition of “rugged individualism” in the United States. Marvin Olsen has said “[a] basic tenet of classical political liberalism... is that the individual rather than the organized group or community is the fundamental political actor.”⁴⁹

Olsen is concerned, however, that in any situation where the individual is pitted against the state and its bureaucratic apparatuses, the individual will be powerless and subject to manipulation by elites.⁵⁰ Olsen’s response to this problem is what he calls “pluralism.” His view echoes de Tocqueville and Madison in that he calls for various interest organizations throughout society that can exert influence on the state and can mediate the impact on its own constituents of other interest groups.⁵¹ Certainly, in the context of poverty, one might quibble with the relevance of this view. Nevertheless, there is an important element to be extracted from the idea of pluralism.

45 “Residential segregation is not a neutral fact; it systematically undermines the social and economic well-being of blacks in the United States. Because of segregation, a significant share of black America is condemned to experience a social environment where poverty and joblessness are the norm, where a majority of children are born out of wedlock...where educational failure prevails, and where social and physical deterioration abound. Through prolonged exposure to such an environment, black chances for social and economic success are drastically reduced.” Massey & Denton (n 14) 2.

46 For a critique of these programs, see Diamond, De-concentrating (n 11).

47 *ibid.*

48 It should be noted here that the number of low income residents of high concentration poverty neighborhoods that were able to move to mixed income communities was minute percentage of the poor who lived in such communities. G. Thomas Kingsley, *Appendix A: Scope and Status of the Hope VI Program*, in *From Despair to Hope: Hope VI and the New Promise of Public Housing in American Cities* 300 (Henry C. Cisneros & Lora Engdahl eds., 2009).

49 Marvin E. Olsen, *Participatory Pluralism* (1982) 29.

50 *ibid.*

51 *ibid.*

Pluralism involves interest groups participating in the political discourse of the day. Putting Gramsci, Foucault, and Lukes aside for a moment, one would argue that in the context of low income communities there is a need for organization and institution building. All communities, including low income communities, have strengths as well as their more obvious weaknesses. There are, as would be the case anywhere else, members of the community with insight, intelligence, skills, and resources. There is some level (albeit, by definition, less than elsewhere) of economic resources. In other words, there are assets to build upon. Yet assets, alone, are insufficient for the development of power and its implementation. As Etzioni has said, “The common sense view...tends to estimate the power of an actor by an inventory of his assets...Actually, the amount of assets an actor has determines only the collectivistic context of his power, his power *potential*.”⁵² To harness and utilize that potential, further action is necessary. There needs to be, among many other things, such activities as education and organization.

The idea of collectivization, of leveraging individual assets to create or enhance the possibility of power, is not new. In fact, despite its mainstream liberal tradition, the idea of collective action has a long history in the United States.⁵³ Even in legal discourse, at least since the 1960s, the need to organize and for collective action has played a prominent role.⁵⁴ But, one might ask, to what purpose is the education and organization to be put? The answer has typically been to develop and utilize power. We have seen, however, that the idea of power and its source is widely contested. Thus, in order to make power-building activities efficacious, the actors involved must have a theory of power and its use and they must fit their activities to that theory. For example, if power is based upon the ability to use force or coercion, one set of activities might be useful. If, however, power is based on internalized cultural norms, or upon manipulation or false consciousness, a different set of activities might be needed.

III. Community Economic Development and Power: The Enigma

I began this essay with the comment that power is ubiquitous in the political arena, and I went on to point out the existence in poor communities of what I have called the power deficit. Many, including me, have suggested that the building of community institutions is a way of reducing the power deficit in such communities and increasing their political leverage. While I continue to hold this view, I have refined my thinking on the question. I now see power as having several dimensions, not in the sense discussed by Lukes (although I tend to agree with his assessment) but in the sense of the distinction between those who view power as Mott does and those, such as Gramsci, Foucault, and Lukes, who see power in more subtly intrusive ways. In this section, I will elaborate on the distinction in the context of poor communities and offer a vision of Community Economic Development (CED) to address this broader theory of power.

From the point of view of the powerful, power surely involves force, or threat of force, and coercion imposed upon the powerless. It also involves the authority of position and the powerful often hold, or have access to, positions of institutional authority in society. From the point of view of the subjugated, power also has elements of force and coercion. But it has other, less structural, elements. I have pointed out how Gramsci, Foucault, and others view power as embedded in the “capillaries” and apparatuses of society so that the elite are able to procure the acquiescence, if not the consent, of the powerless to the goals, norms and position of the elite.

52 Etzioni, (n 30) 322.

53 For an interesting legal history of the labor movement in the United States, see William E. Forbath, *Law and the Shaping of the American Labor Movement* (Harvard University Press 1991).

54 See generally Steven Wexler, ‘Practicing Law for Poor People’ [1970] 79 Yale L.J. 1049; Diamond, Myth (n 3) 785; William P. Quigley, ‘Reflections of Community Organizers: Lawyering for Empowerment of Community Organizations’ [1994] 21 Ohio N.U. L. Rev. 455, 462.

This might arise due to a false consciousness among the non-elites, or to a racial or ethnic antipathy that divides those who are economically, but not socially, similar. Under such a regime, any benefit accruing to the powerless would likely be the result of the elite providing just enough to maintain the acquiescence of the powerless, the convergence of interests between the powerless and the elite, or to the insignificance of the benefit to the interests of the elite.

Consider what it would mean to create power if such a view was accurate. It would not be sufficient merely to build durable institutions for the subjugated to stave off force or coercion since these institutions would, presumably, just be part of a system whose apparatuses were designed to preserve the hegemony of the elite. They would be subsumed in the Foucauldian capillaries of power. To build power in this context would also require the raising of consciousness of the oppressed or, perhaps, the alteration of their consciousness. Once the oppressed became conscious of the oppression, they would have to be willing to combat it and then they would need the means to do so.

The powerful, however, will not willingly give up their power, and they presumably have the resources to rebuff forcefully any attempts to wrest that power from them. The powerful, however, also are subject to countervailing political and legal limitations. The overt use of force by the elites is constrained by ideals⁵⁵ that are shared (if not actually practiced) by much of the population. These ideals, much like Foucault's description of power, can be said to be embedded in the capillaries of the society. Brazen and ongoing disregard of them would likely be resisted by the society as a whole.

So what is left for the poor as far as acquiring power is concerned? William H. Simon has echoed Cloward and Piven in arguing that 'the key political resource of the poor is their capacity to disrupt. Disruption might take the form of electoral rebellion, excessive welfare claims, strikes, or simply rioting. In [Cloward and Piven's] view fear of disruption was the principal motivation of elites in yielding benefits to the poor.'⁵⁶ If the cost to the elite of repressing the disruption and the movement that spawned it is greater than the loss in power suffered by the elite as a consequence of accommodation, accommodation would be the elite's rational choice. Thus, the effective threat of disruption politically situates any movement by the oppressed somewhere between revolution and acquiescence concerning the status quo. The movement would normally accept society's basic economic infrastructure but would demand a redistribution of power and its benefits.

As Simon points out, however, because disruption has costs to the poor as well as to the elite, actual disruption should be used in only the most serious situations.⁵⁷ Thus, in order to make any change sustainable, communities must create or enhance the types of durable institutions that can acquire and utilize power for the benefit of the community over time. In order to do this, communities and their residents will need to have knowledge, skills, capital and both internal and external alliances.

These are not simple things to achieve. Moreover, it must be kept in mind that the communities we are discussing are severely distressed. They are home to people who, on an individual basis, have extremely limited resources. A good portion of their time and energy must be devoted to their own survival and to that of their families.

55 I use this term broadly here and it includes concepts such as the rule of law, democracy, and equality. They go to the sense of national identity that Americans present to the rest of the world.

56 William H. Simon, *The Community Economic Development Movement* (Duke University Press 2001) 59.

57 *ibid.*

There is generally little time available for them to engage in political education and mobilization. Thus, some commentators have called what CED advocates have asked of community residents “heroic.”⁵⁸ Others have pointed out that as residents of such communities accumulate sufficient resources, they leave the community for better neighborhoods thus removing a level of skill as well as financial and social capital.⁵⁹

IV. Community Economic Development: Growth for Individuals and Communities

So how does CED fit into the creation of community power? First, there must be a conscious purpose of building such power. In one sense, the ability to create economic institutions where there were none (or very few) before is quintessentially the creation of power. Certainly, if one subscribes to the Mott, Wrong, Etzioni, or even Simon view of power, CED is a power enhancer. This is less clear, however, if one subscribes to the Gramsci, Foucault, or Lukes views or even to Derrick Bell’s interest convergence view. In this section, I consider the meaning and purpose of CED and the roles it is expected to play in combating subordination. Then, in Section V, I will tie community economic development to a theory of power and offer an alternative approach to CED.

i. The Nature and Purpose of Community Economic Development

Throughout the half century of its formal existence, CED has meant many things to policy makers, activists, and community residents. The meaning has ranged from increasing the well-being and wealth of individual participants to enhancing community welfare; from increasing employment to capital accumulation; from job creation to building community institutions. Policy makers and legislators have sought to accomplish these widely disparate goals by developing programs and activities that were designed to promote a range of outcomes. Thus, programs were developed to further, among other things, job creation, job readiness, entrepreneurship, accessible goods and services, wealth creation, capital formation, and social mobility.

While these programs have resulted in some individual successes, they have not, as a whole, fared well. Part of the reason for this is that the programs have been developed and implemented largely in isolation from each other.⁶⁰ The need for these programs to be inter-connected, which should be obvious, traditionally has been minimized or totally disregarded. An even greater failing is that these programs, as is true with so much of our anti-poverty policy, were based on providing assistance to individuals. They have been designed to make some poor people a bit better off. This is not, in itself, a negative goal (assuming, of course, that it is not the result of a cynical repression of broader distributional possibilities). It is clear, however, that these policies are not designed to address the structural flaws in society that have left disproportionately large numbers of minority group members in inexorable poverty.

58 See, for example, Nicholas Lemann, ‘The Myth of Community Development’ *The New York Times Magazine* (Jan. 09, 1994).

59 Wilson, *The Truly Disadvantaged* (n13) 56.

60 Diamond, De-concentrating (n 11). Scott E. Cummings, ‘Recentralization: Community Economic Development and the Case for Regionalism’ [2004] 8 J. Small & Emerging Bus. L. 131,134 (arguing for the need for regional level coordination of CED as opposed to a pure local focus); Betty Claire Mubangizi, ‘Drawing on Social Capital for Community Economic Development: Insights from A South African Rural Community’ [2003] 38 (2) Community Dev. J. 140, 147-48 (concluding that a lack of coordination between CED organizations has duplication, skewed distribution, and the dampening of initiatives).

In addition, these policies and their resulting programs are not designed to alleviate the manipulation of cultural norms or the internalization by the subordinated of the goals and desires of the elites. In fact, the individualized and highly selective advancement of some members of the subordinated group as a result of the programs merely re-enforces the power of the elites. It leaves some of the poor believing that the economic system is fair and that they have a reasonable chance to succeed in it. It leaves others with a sense of hopelessness that results in their disengagement from the mainstream economic and political system.⁶¹

Community economic development should serve greater purposes than simply assisting select individuals. While I have no objection to the increase of wealth for individual poor families, I am concerned with the ongoing crisis of inter-generational poverty among African-Americans and Latinos. Programs designed to help some small number of individuals out of this socially constructed morass are not sufficient. In fact, if one accepts William Julius Wilson's view, they may be counter-productive. Wilson suggests that as residents in poor communities obtain sufficient resources to move to higher income communities, they do so, leaving behind those who haven't such resources and removing, according to Wilson, those with the talent and ambition to succeed.⁶²

I have a very different view of community and of its possibilities. And while I recognize the political contradictions inherent in any economic development approach,⁶³ I propose a model of CED that offers the possibility of individuals escaping poverty but one that also creates the possibility of collective power; one that confronts the structural and psychological impediments to full economic and political participation; and one that recognizes its connections to the existing political economy and the need to foster outside connections in order to be successful.

CED should help to create community institutions that are capable of marshaling human and financial resources. These institutions should bring together local residents to identify and articulate common problems, develop comprehensive responses, provide ongoing opportunities for community-wide interactions, and make connections with outside entities, both public and private. They should address job creation, entrepreneurship, capital formation, education, housing, safety, and health. They should, both within and outside local communities, organize residents politically and raise consciousness about the structural obstacles facing residents and about the potential residing in low income neighborhoods. They must, in collaboration with residents and local and outside groups, develop a comprehensive plan and mobilize the community to implement it.

ii. Community Economic Development as a Power Enhancing Strategy

There is an important distinction to be made between income and capital.⁶⁴ On the one hand income is a flow of money over time. It is used to pay for current needs and desires and, if there is a surplus after fulfilling these components, to save, thus transforming income into capital.

61 See, for example, Cornell West, *Race Matters* (1993, Vintage) 15-33.

62 Wilson, *The Truly Disadvantaged* (n13) 56. Wilson's view suggests an incompatibility between individual wealth accumulation and community development, a view with which I do not agree.

63 These contradictions involve recognition of the fact that CED participants typically accept and participate in the prevailing financial structure. These activities may change power relationships but there is typically a zero sum outcome: someone gains power or economic benefit at the expense of someone who loses power or benefits. There is not a change in the distributional system, merely in who gains a bigger share of the distribution.

64 For an interesting discussion of the difference between income and wealth, and how wealth disparity maintains the racially stratified nature of economic life, see Melvin L. Oliver and Thomas M. Shapiro, *Black Wealth/White Wealth* (Routledge 1997).

Capital is the assets over which one has control at any particular time. Such control may be the result of inheritance, saving, or investment. It also may be the result of education, connections, or fortuity. At any rate, it is the store of resources on which one is able to rely in pursuing and achieving many of one's goals. The distinction between programs to assist individuals and those designed to improve communities can be conceptualized in much the same way. The former are designed primarily for consumption, the latter for the building of durable assets.

However, the building of assets, which creates, in Etzioni's words, only the "potential for power" is a necessary but not sufficient condition for the creation and utilization of power in low income communities. While community economic development may lead to improved quality of life for community residents or even to improving the community itself, if the improvement is the result of the beneficence of the elites or of an instance of interest convergence, it will not be the result of community power and will be unstable and susceptible to divestment by the same elites that permitted its creation. In this way, it would act to reinforce the dependence and subordination of the residents.

True community based CED arises from the desires and actions of residents. Improvements are planned and initiated by them through representative community organizations. These activities may include improving the infrastructure through new or renovated affordable housing or through the conversion of vacant lots into neighborhood gardens or play areas. It might involve creating new businesses or bringing existing businesses into the community that would produce more goods and services for the neighborhood as well as create more local jobs. To the extent that the businesses are locally owned, the possibility of capital reinvestment in the community is also enhanced. CED efforts should include the political organizing and education of local residents and of pre-existing local institutions. It should involve making linkages with government and with outside private institutions that have the capacity to affect, for better or worse, life in the neighborhood.

There are, however, other aspects to CED beyond the creation of business ventures and the improvement of infrastructure. CED must also create institutions that play, to use Olsen's terms, a mobilization role or a mediation role.⁶⁵ The mobilization role involves educating residents and coordinating efforts of existing institutions. The mediation role involves making connections and alliances with outside organizations and acting as a buffer between the state or outside institutions and the community. These roles are extremely important in CED, but I would like to add two other roles that are not directly included in Olsen's model but that I believe to be equally important. They are capital accumulation and coordination and planning. In the following pages, I will discuss the roles CED institutions need to play in order to achieve community power in addition to individual success.

a. Workforce Development and Entrepreneurship

Traditionally, economic development was heavily involved with job creation. This task was often undertaken by Community Development Corporations (CDCs) or equivalent nonprofit community organizations. The methodology included helping local residents to start new businesses and attracting outside businesses to the community. It also often included training local residents on the basics of obtaining and keeping a job and on how to perform the requirements of a job once employment was secured. The latter effort would bring residents together in classes that offered them both a set of skills and the opportunity to interact with each other on job related as well as other issues.

⁶⁵ Olsen, (n 43) 33.

The former activity often involved the CDC's interacting with government and with outside businesses in their effort to coordinate finance, tax, and regulatory packages that would induce those businesses to open in the low income community. These connections and alliances provided substantive entrepreneurial and employment benefits and also helped to relieve some of the isolation often felt by low income communities through ongoing interactions with outside entities.

The businesses, of course, offer employment and goods and services to the communities in which they operate. They also offer a forum for a variety of interactions. People who patronize the businesses have the chance to interact with each other and to develop new social capital. Community events can be publicized through the businesses and local and other issues discussed there. Local coffee shops or dry cleaners, for example, are often the site for such announcements and conversations. Such businesses, particularly those that are locally owned, can become the sort of durable community institutions that help to mobilize others and can develop for themselves power and influence.

Another form of entrepreneurship that is often overlooked in discussions of economic development is tenant ownership of multifamily housing. It is important to realize that tenant owned buildings are businesses as well as homes to their residents. Resident-owners must manage what are sometimes quite large enterprises with significant annual income and expense and with the possibility of increased value. These institutions also offer important opportunities for close interaction with other community residents and with public and private officials. They also become focal points of neighborhood improvement and an example of what can be accomplished by other residents.

Both locally owned businesses and tenant owned housing offer the possibility of wealth creation and enhancements to social capital, local economic independence and legitimacy, and political power. None of these institutions, however, can make major community-wide impacts standing alone. To have such an impact, they must be coordinated with other similar institutions and with the mobilizing and mediating institutions suggested by Olsen.

b. Health, Education and Welfare

There should be (but often there is not) a recognition of the relationship between job readiness and performance on the one hand and the health, education, and welfare of the local residents on the other. Residents surely need education, both general and job specific, to succeed at obtaining and retaining a job. Similarly, they need good health to obtain and retain a job and services, such as day care and public transportation, to be able to meet job requirements. These issues are themselves aspects of CED. Job readiness programs, adult education, health care clinics, community health worker programs, and day care centers all create jobs while at the same time supporting the employment and employability of others. They also stimulate social capital and ancillary economic activity through a variety of local and outside interactions.

Activities such as these do not arise solely as a result of market activity. If they did, the needs they address would have already been met in low income communities. Instead, they typically arise due to the initiative of some planning and mobilizing entity interacting with community residents and community non-profits, service providers, government entities, and public and private funders. So while activities such as these are a form of CED in and of themselves, they also are a kind of catalyst to other economic activity in the community. As I mentioned earlier, because such linkages are often overlooked by planners, many of the programs designed to promote CED activities were developed in isolation from each other. Job training was not tied to job availability. Job availability was not coordinated with day care so that workers had safe, convenient and wholesome places to leave their children during working hours.

Health issues, a major obstacle to employment, through health education and the availability of local health clinics were not always considered and addressed.

There must also be a connection made with the local schools. Basic education is essential to full participation in newly created economic activity. Similarly, teaching about entrepreneurship and providing support for those seeking to start businesses needs to be a part of public education.⁶⁶ Students must obtain knowledge and skills. They also must become aware of productive community based business activity, the possibility of further such efforts, and the real opportunities they have to participate in these activities. More than merely hope, expectation must be fostered among students and young people in the neighborhood.

c. Capital Accumulation

Capital is a fundamental building block of development. By definition, its presence is limited (but not absent) in low income communities. And, just as collectivization is generally a key to political action, collectivization is also a key to community economic development. Before collectivization of capital can take place, however, there must be both a source for the capital and a repository for it. There are at least three main sources of community capital. It can come from residents of the community, from local businesses and community organizations, or from government or other outside funders.

There are also several repositories of capital. Banks are an obvious example of a repository but banks are rarely tied to the communities in which they are located. There are, however, several capital repository institutions that are tied to their communities. For example, Community Development Corporations often receive foundation and government funding and may obtain capital from the results of successful business ventures in which they engage. There are also a range of community financial institutions that accumulate and utilize capital. These are known generically as Community Development Financial Institutions (CDFIs) and include such organizations as Community Credit Unions, Community Development Loan Funds, and Community Banks. In addition, the Community Reinvestment Act (CRA)⁶⁷ requires banks that have branches in low income neighborhoods to reinvest in those neighborhoods. There is an annual monitoring and reporting on the performance of banks subject to CRA and sanctions in the event there is inadequate compliance. CRA thus provides a potential source of additional capital to low income communities.

CDFIs can fulfill a variety of purposes in relation to CED.⁶⁸ They function as repositories of otherwise scattered assets. In this way, they may accumulate assets to the level of critical mass. Given that level of resources, typically orders of magnitude greater than any individual and most groups in the community could amass, they have an opportunity to turn those assets into power.

66 Organizations such as the Network for Teaching Entrepreneurship (NFTE) is a private program that works with young people from low income communities. Its goal is to get students from such communities to stay in school and to recognize and pursue opportunities for entrepreneurship and further education. See its website at <http://www.nfte.com> accessed 4 November 2012. There are also several charter schools around the nation devoted to business and entrepreneurship in low income communities. See, for example, the Austin Business and Entrepreneurship Academy in Chicago, <http://www.cps.edu/Schools/Pages/school.aspx?id=400018> Accessed 4 November 2012; Leadership and Entrepreneurship Public Charter School, in Portland, Oregon, <http://lephigh.org/site> accessed 4 November 2012.

67 12 U.S.C. §§ 2901-2908 (2006).

68 Diamond Reflections, (n. 3) 166.

Part of the power equation is the CDFI's ability to redistribute those assets in ways that enhance community wellbeing. By virtue of the assets they have accumulated, they are a focal point for interaction with both community residents and organizations and outside parties. And in those interactions, they participate as a partner, not as a supplicant. They can also play a mobilizing role by bringing together community residents and educating them about financial literacy and broader community issues.

d. Coordination and Planning

Given the wide range of goals and the inherent interrelationships that comprise CED, it is clear that for a CED program to be most effective there must be coordination among its participants and their activities. This can be accomplished by the creation of a supervening community agency or by a council of the existing participants in the CED process. Of course, creating such an organization is a very difficult process. The same political considerations facing any attempt at collectivization and cooperation will be faced by low income communities that attempt to do so. There may be racial, ethnic, or religious divides. There surely will be disagreements about the best way to proceed or even whether to proceed. There will be organizational loyalties and "turf" entitlements to contend with as well as personal aspirations, egos, and relationships. Nevertheless, such organizations have been created and have succeeded.

There are, for example, a group of organizations known generically as Comprehensive Community Initiatives (CCIs). While CCIs take a variety of forms, they typically involve an umbrella community group that takes on planning and coordinating functions and that undertakes alliances with outside entities.⁶⁹ Among the most well-known of these is the Dudley Street Neighborhood Initiative (DSNI) in which a group of residents of the depressed Dudley Square section in Boston organized to undertake the planning and implementation of the re-development of the neighborhood. The results of the effort, which included a strong partnership between DSNI and the local government, have been remarkable. While there are still problems in the neighborhood, including vacant lots and high unemployment, there has been a significant rebirth that includes all elements of the local population with particular attention paid to its young people.⁷⁰ The Initiative has developed hundreds of units of affordable housing, created parks and play areas out of vacant lots, created a charter school for the neighborhood, and created a number of programs for the neighborhood youth. It has done all of this in collaborations with local residents and groups, outside funders, and the local government.⁷¹

69 "These projects show perhaps the most significant departure from their predecessors in the community building field in their commitment to community transformation. Rather than focusing on bricks and mortar projects or social service development - though both are usually addressed - CCIs work to strengthen a neighborhood's capacity to affect change by building leadership among local residents and organizations. Neighborhood governing bodies established for these initiatives do more than function as decision-makers; they also act as a kind of neighborhood "think tank," analyzing available resources and needs and determining how those needs could best be fulfilled using resources at hand." Winston Pitcoff, 'Comprehensive Community Initiatives: Redefining Community Development' *Shelterforce Online* (November/December 1997). See <http://www.shelterforce.org> accessed 4 November 2012.

70 For a detailed description and analysis of the process, see Peter Medoff and Holly Sklar, *Streets of Hope: The Fall and Rise of an Urban Neighborhood* (South End Press 1994). For current information on DSNI, see its website, <http://www.dsni.org>

71 For a comprehensive study of CCIs, see Bruce Gray, Angela Duran, & Ann Segal, *Revisiting the Critical Elements of Comprehensive Community Initiatives, A Study Conducted by Staff of The Office of the Assistant Secretary for Planning and Evaluation, United States Department of Health and Human Services, [1997].*

Another form of coordination involves what have come to be known as Community Benefit Agreements (CBAs). These agreements, normally entered into by community groups and outside entities seeking to undertake some project in a local community, are designed to provide some desired benefit to the community in exchange for the community's acceptance of the outsider's project.⁷² Of course, in order to secure such an agreement, the community group needs to have achieved some level of *potential* power.⁷³ This presents its own problems concerning the nature of power and the ever-present question of who legitimately can speak for a community. For a position to be a truly community-based there needs to be a strong consensus of residents and representative community organizations about the nature and bona fides of the umbrella group and of the positions it is promoting.

In addition, there are certain alliances that, from the position of a non-participant observer, make practical sense. For example, local labor unions, who are seeking members and labor concessions, would seem to have a natural connection with communities with surplus low wage labor. Similarly, environmental advocates would seem to have a political bond with community groups fighting environmental hazards such as dumps, toxic waste sites and air and water pollution. Actually making such connections would enhance the leverage of each participant vis-à-vis employers, developers, and local governments.⁷⁴

V. CED and the Theory of Community Power

I commented earlier about the need for a theory in building power for a community. To the extent that community economic development is a vehicle for building that power, advocates need a coherent view of how their CED efforts fit that theory. In this section, I will propose a model of CED activities that might fit a theory of community power.

As we have seen, community economic development serves a variety of purposes. It may improve the quality of life in poor communities and may improve life prospects for some community residents. The activities developed as a result of a CED strategy may create jobs, provide income, goods and services and, sometimes, allow for capital accumulation within poor communities. These activities can be undertaken for their own sake or for the sake of creating institutions that are able to acquire and wield power. In order to achieve ongoing power, however, advocates, practitioners and residents must have a conscious goal of creating such power. They must approach the CED effort with the idea of permanently changing the broader relationships between the community and its residents, on the one hand, and the world outside of the community, on the other.

We have also seen that the concept of power is indeterminate in meaning and is a fluctuating phenomenon. Thus, the creation and maintenance of power presents unique complexity. Moreover, if it is true that when one person gains power another loses power, any attempt to increase one's power, particularly by those who do not have very much, will be met with resistance. Thus, the party seeking power confronts two major obstacles. The first is identifying precisely what it is one seeks and the second is being able to overcome the resistance marshaled against the effort. To add a final consideration associated with the development of power, advocates must be mindful of the fact that power should not be thought of as an end but as a tool to be utilized in achieving other ends.

72 For a description of CBA's Julian Gross with Greg LeRoy, & Madeline Janis-Aparicio, 'Community Benefits Agreements: Making Development Projects Accountable' [2005] *Good Jobs First and the California Partnership for Working Families*.

73 Etzioni, (n 30) 322.

74 Katherine V. W. Stone & Scott L. Cummings, 'Labor Activism in Local Politics: From CBAs to "CBAS"' in Guy Davidov and Brian Langille (eds), *The Idea of Labour Law* (Oxford University Press 2011).

From a power perspective, those ends are intellectually troubling. While it is important to improve the lives of those who have been systematically excluded from mainstream political, social and economic life, doing so within the existing structure can be seen as re-enforcing that structure and its pre-existing power relationships.⁷⁵ Alternatively, if the development of community power includes a change in the way that residents and the groups that represent them understand the psychological and structural elements of elite power, it might incrementally shift the existing allocation of power between the elites and the non-elites. There is a difference between, on the one hand, contestants battling with one coming out the winner in a particular event and, on the other, a class of elites and of non-elites with the latter securing only what the former permit them to have.

Even with the understanding that power implicates itself into the fabric of society, there is an opportunity through CED, among other strategies, to re-align the power distribution. Given that the re-alignment is in the more constrained arena of incremental change, some power can be wrested from the elites. This may be achieved simply by utilizing the ability to disrupt, a show of force that Simon and Cloward and Piven discussed.⁷⁶

Consider, for example how the power to disrupt can secure benefits in the context of the Community Reinvestment Act or in seeking Community Benefit Agreements from a developer. In the context of the Community Reinvestment Act, regulators will consider a bank's CRA compliance in reviewing the bank's request for expansion or reorganization. If the community organized to oppose the bank's action, the process of approval becomes more time consuming and expensive for the bank. It is possible that the bank will agree to certain lending practices that will benefit the community in order to avoid the community challenge.

Consider also how the power to disrupt can be used in dealing with developers seeking government approvals, financing for projects, or simply to move forward expeditiously with their projects located in low income communities. Organized opposition to such projects can threaten or delay their completion. Thus, developers often will agree to various community demands such as local hiring obligations, community space in the development or funds for community activities.

The power to disrupt, as with other elements of a CED activity, needs to be part of a coordinated strategy. It cannot be used effectively as a tool to build power when it is a spontaneous response to an immediate event. It must have a goal and be connected to other potential disruptions as well as to other strategic efforts to acquire power. From this fundamental exercise of force concessions might be obtained. Those concessions must be parlayed into activities that both serve chronic needs of communities and their residents and also build a base of power to maintain and increase the level of benefits that the community can command.

75 Recall the views of Gramsci, Foucault, Lukes and Bell discussed in Section II A.

76 See Section III.

Conclusion

The goal to be served by community economic development is the improvement of low income communities so that they are places where people choose to reside rather than being forced to live due to external structural and political constraints. To accomplish this goal requires activities that improve the lives of the residents and that improve the built environment of the neighborhood. Moreover, the activities leading to this end must be chosen and implemented by groups comprised of residents and that represent the residents. These groups can, and should, create real (rather than cosmetic) alliances with outside entities and should be cognizant of regional, national, and even transnational issues that affect them.

More fundamentally, there must be a sense of participation among residents. They must feel that they and their representatives have a right to participate in discussions about the life of the community residents. Such an expectation requires that there be an understanding of how the socio-economic structure (backed by its offspring, the legal structure) limits the opportunities of the poor. Further, it requires an understanding of how the poor can overcome the structural obstacles imposed by the system. The goal of community economic development goal should not merely be the creation of a set of isolated instances of poor people being able to get ahead through some form of employment or business activity.

Thus, advocates of CED must realize the need to change their own mindsets and those of community residents. They must organize and educate. They must assist the groups with which they work to plan and co-ordinate CED activities. Those activities must be designed not only to provide immediate assistance for the residents but also to create durable institutions that can acquire, maintain and utilize power for the good of communities they serve. As CED activity brings jobs, skills, income and capital to the community and its members, a different kind of power is possible; not merely the threat or use of force but the same economic power brought to bear by other economic enterprises and institutions.

Power, though, is ubiquitous and capillary. It is also addictive. Therefore, once community institutions are built they and the local residents must remain vigilant and responsive: vigilant to external encroachments as the elite attempt to regain what it lost; and responsive to community needs. There are also internal issues about which they must be concerned. Robert Michels has identified “the tendencies toward oligarchy and bureaucracy inherent in institutions.”⁷⁷ As Michels cautions us, ‘Gladstone declared that the love of the English people for their liberties was equaled only by their love for the nobility.’⁷⁸ To paraphrase Michels, since the apparatuses of power, ubiquitous and capillary, are constantly working, the poor must be sure that their love of power is not subsumed by their love of the powerful.

77 See Robert Michels *Political Parties: A Sociological Study of Oligarchical Tendencies of Modern Democracy* 331.

78 *ibid* 343.