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*Introduction:  
Economic Restructuring, Urban Change,  
and Neighborhoods in Crisis*

Every day drug trafficking, street violence, and inadequate city services threaten the quality of life in thousands of American residential neighborhoods, while ongoing ethnic conflict and land-use battles polarize them. That cities have problems is not news, but the current deterioration of life in urban communities has a new cause: economic restructuring. The increase in jobs in the service sector and high-tech industry in the 1970s and 1980s and the decrease in manufacturing jobs have wounded America's cities (Bluestone and Harrison 1982; Stanback and Noyelle 1982; Mollenkopf 1983): That the jobs now available are fewer in number and lower in pay has meant a reduced tax base and fewer services for city residents. During those same decades, federal and state government cut their contributions to public services and social spending and increased funds for private entrepreneurship by offering tax breaks and a range of concessions to businesses. Because cities were forced to compete among themselves for money and for jobs for their residents, their local political administrations often catered to the interests of business coalitions (Peterson 1981; Logan and Molotch 1987). But there is a cost associated with such decisions. The cities that chose to use local resources for economic development did so at the expense of preserving or enhancing the quality of urban life.

What can be done to protect neighborhoods from further deterioration?

In earlier times residents of urban communities survived economic hardships by banding together and taking care of one another. They formed ethnic and labor organizations to provide services and support for their members, or to demand concessions from businesses and government. Although some ethnic organizations continue to provide help and support for their compatriots, it is much more difficult for labor organizations to influence the decisions of large corporations because capital is more mobile and corporations can easily move to places that offer more profitable opportunities. Most business decisions are made not on the local or plant level, but at a distance, at corporate headquarters. In addition, plant closings often force residents to move out of their communities to seek jobs. Residential mobility and the widening dependence on government to provide life-supporting services have also weakened ethnic and labor organizations.

Settlement houses, community development organizations, and social service organizations make up another kind of local organization that has existed and operated in cities, often formed and supported by federal, state, and local governments. The goals of such groups were to provide a sense of community, support, and services to urban residents. But over time many of these social-service agencies have become weak or ineffectual because of lack of money, poor coordination, and a limited, crisis-management orientation. Others became tools for social change and empowerment for minority and poor neighborhoods and lost government funding when, in due course, they started to challenge the social order.

A third type of local organization, neighborhood associations, is my focus in this book. I define neighborhood associations as place-based collective organizations formed to address local interests that residents share. The least radical and most parochial of all community organizations, they are also the most enduring. The neighborhood may foster a sense of togetherness against more powerful external forces. Residents of a geographical area enjoy or suffer the same quality of municipal services and public facilities. They are affected by each other's actions and those of public authorities and have an interest in improving their neighborhood. By pooling resources and sharing costs through a neighborhood association, they seek to solve common problems and secure collective benefits (Rich 1980b; Davis 1991). These lobbying organizations, although not new in form, gained popularity in the 1970s and 1980s precisely because they emphasized place-related interests.

The importance of these organizations has grown, according to some theorists, because many of the new conflicts and popular demands are seen as

place related and stress the importance of territory and services (Ley and Mercer 1980; Castells 1983). Neighborhood associations' goals range from preserving and beautifying neighborhoods to securing better municipal services to keeping out "undesirable people"—often drug dealers, hustlers, and the homeless. Rarely do these organizations have extralocal goals. They seldom address major urban issues, such as the lack of affordable housing and employment opportunities. But, as organizations struggling to gain the power to define their place-based interests, they must be counted among the new social movements on which theorists of social change have focused in the past decade.

The central challenge in analyzing community-based organizations is that their record on social change is extremely varied. Neighborhood associations define their own boundaries, goals, and agendas, attempting to deal with larger political forces and partisan organizations while maintaining their independence. Groups are often divided by different economic interests, or by differences in how they perceive their homes and neighborhoods (see, for instance, Davis 1991). Some residents place the highest priority on protecting their economic investment in the neighborhood, usually the homes they own. Because the value of domestic property is determined by market forces, homes become commodities. Residents who want the houses they own to increase in value are often in conflict with residents who are more interested in being able to stay in the neighborhood, in neighborhood quality of life, or privacy—being able to make autonomous decisions about the use of personal living space. Because people can have different relationships with and within their place of residence, different group interests emerge.

People who join neighborhood associations, often aware that their power is limited, believe that together they can minimize problems and improve conditions in their neighborhoods. Members of "radical housing groups," by contrast, are often aware that marginal improvement of conditions in their communities cannot last without structural change and look toward developing new property relations and building alternatives to individual home ownership, such as community land cooperatives and tenant cooperatives.

Can alliances develop between residents who want to preserve their economic investment in the neighborhood and residents who want residential security and stability? Because these two groups have different class interests, one view holds out little hope for cooperation, a view that contradicts the notion that place-based movements offer opportunities for cross-class alliances, that residents of urban communities can be united by a shared interest in

improving collective consumption in the cities, in creating and maintaining the specific cultural identity of their cities, and in promoting political self-management. According to this view, a social movement that combines these three themes can bring about social change, but if local organizations separate these goals or define them narrowly, the organizations turn into interest groups and lose most of their identity and impact (Castells 1983).

Whether their members take a larger view or not, not all neighborhood associations can influence social and political events at the local level, even in the limited areas in which they try to operate. In this book, I emphasize that neighborhood associations are embedded in and limited by their environment. Even if they do everything right—choose a successful model of organizational structure, create and maintain social ties with other organizations in their environment, and have committed membership and able leadership—the strategies and outcomes of their action depend on the social, economic, and political characteristics of their cities. Cities' fiscal and budgetary problems, the ideology of privatization, tax-limitation policies, and suburban flight combine to make generating resources locally more difficult every year. These aspects of economic restructuring have had important effects on neighborhood activism.

### *The City Context: Local Development Models*

The debate about local development centers on two questions: What type of development is beneficial for cities? And who are the key players in decision making? To answer these questions, urban theorists analyze three forces that shape cities—economic development, political regimes, and neighborhood mobilization—often choosing one set of factors as predominant.

Pro-growth-oriented theorists argue that a city's future primarily depends on its economic development. In their view economic factors shape local politics (Peterson 1981). If a city wants to maintain its housing stock, have a low crime rate, and provide services, it has to address economic development first. But because the restructuring of the U.S. and world economies has profoundly harmed the economic life of most cities, they are finding this goal increasingly difficult. Multilocal corporations have been able to force cities to compete to attract business; for corporate managers, cities are interchangeable. Acceding to such pressure makes cities economically dependent on the decisions of corporate headquarters (Kantor 1987).

Contesting the primacy of economic factors, political economists maintain

that the political strategies of elected officials shape local development. Some believe that the politics of local development is based on agreement among a wide range of elite groups to heighten the exchange value of land. The issue of growth creates alliances among politicians, media, cultural institutions, utility companies, real-estate developers, local land and business owners, and organized labor. These actors—the growth elites—share a view of the city and its land as a market commodity and are able to reach consensus about growth, even when they do not agree on other issues. Competition between cities also can be explained as the competition between growth elites (Logan and Molotch 1987).

Other theorists argue that both the market and the state (defined as local, state, and federal government) influence development policy and that economic and political factors should be more broadly interpreted. "The market represents a substantial concentration of resources and economic activities in private hands, whereas the democratic state is based upon the principle of popular control through election" (Stone 1987:282; see also Elkin 1987). To generate economic growth and taxes, local officials must construct winning electoral coalitions while also forging alliances or "governing regimes" with market actors. Public officials have some autonomy in how they balance these imperatives. Based on the city's specific political economies, three types of political regime are: pro-growth coalitions, which concentrate on downtown development and intensifying land use; progressive or social-reform coalitions, which emphasize community development and more balanced growth; and caretaker coalitions, which stress fiscal conservatism and avoid development issues (Stone 1987).

Pierre Clavel and Nancy Kleniewski (1990) contrast progressive with pro-growth approaches in two economic contexts: manufacturing and service-sector cities. Progressive local elites or regimes in manufacturing cities promote a "build on the basics" approach that uses the city's infrastructure and skilled labor but reorganizes them to attract new investors, new markets, and new products. Pro-growth regimes in manufacturing cities, in contrast, adopt a "bidding down" approach that seeks to create a good business climate and to retain manufacturing production by cutting workers' wages, discouraging unionization, and giving businesses tax abatements, tax breaks, or free land. By cutting businesses' costs for land, labor, and taxes, these regimes expect their policies to persuade businesses to remain.

The response in service-sector cities is somewhat different. Pro-growth regimes promote corporate interests by using a "bail-out" strategy that further reduces investment in the manufacturing sector, increases investment in

office construction and inner-city gentrification, and develops local policies in conjunction with private-sector financial institutions and public-private partnerships. Cities run by pro-growth regimes hope to support the conversion of their economies from manufacturing based to business and financial-service based, as well as to sustain profits and investment in downtown real-estate development.

Progressive coalitions in service-sector cities have more choices than do their counterparts in declining industrial cities. They make a greater effort to include the interests of labor and community groups when negotiating with the corporate sector about economic development. The role of local government then is to encourage private-sector participation in the pursuit of social goals defined by the whole community. In the economic life of the city, alternative forms of production and investment emerge, such as public companies, cooperatives, and worker-managed enterprises. Instead of a public-private partnership that defines the city's role as facilitating private profits, cities can adopt policies that promote social goals and create public profit, for example, linkage programs that require that high-profit projects subsidize some of the costs of low-profit projects, such as low-income housing and day-care centers.

The characteristics of cities—the city context—influence which strategy a city will pursue. Different types of cities have different development outcomes and foster different forms of political and neighborhood mobilization. Cities that do well pay attention to local needs, opportunities, and vulnerabilities and coordinate efforts among different actors (Gittell 1992). Even declining industrial cities can overcome their economic constraints. But they need a new vision, an action plan, strong local leadership, and the organizational capacity to use inside and outside resources effectively.

### *Types of Neighborhood Activism*

I have found that the success of neighborhood associations depends more on the city in which the neighborhood is located than on the neighborhood itself. Neighborhood associations in healthy service-sector cities have more opportunities for improving and maintaining their neighborhoods than those in deindustrialized cities. Such cities can offer more resources for private and public investment, have more municipal resources, and have an easier time lobbying for federal or state programs. Deindustrialized cities lack the eco-

conomic means to increase jobs or to raise more revenues locally. Place-based interests in such cities represent a limited number of shared concerns. In deindustrialized cities, therefore, local organizations—including neighborhood associations—have to be more active in seeking solutions to their problems than do organizations in healthy service-sector cities.

Another consequence of urban restructuring is a deepening of the disparities between neighborhoods. Urban-studies literature already includes extensive discussions about rich versus poor neighborhoods. In this book, my comparison of neighborhood associations in gentrifying and low-income neighborhoods in different cities points up the importance of the city context—its economic, political, and social characteristics—for defining a neighborhood association's goals and strategies, allies and enemies, successes and failures.

Looking at four neighborhoods and their associations in two upstate New York cities can help us see in practice what mobilization and access to resources mean for urban communities. Albany, a healthy service-sector city, and Schenectady, a declining industrial city, differ in both their economic resources (such as private and public investment, municipal resources, and the use of federal or state programs) and their institutional environments (such as local political regimes and networks of political organizations). Based on my study of these two cities, I distinguish four types of neighborhood mobilization: (1) a gentrified neighborhood in a healthy service-sector city, (2) a gentrified neighborhood in a declining industrial city, (3) a low-income neighborhood in a healthy service-sector city, and (4) a low-income neighborhood in a declining industrial city (see Table 1). Although in each city important differences show up between gentrified and low-income neighborhoods, consistent with the literature on community inequality and social mobilization, my central thesis is that these differences are overshadowed by disparities between the cities in which they are located.

Several important social forces shape urban political struggles and play a part in how groups operate and how successful they are, among them the degree and type of government intervention, and race and class inequalities. For example, through the movement for neighborhood historic preservation, government intervention has made some inner-city neighborhoods desirable places to live. Good housing stock, close proximity to the city's amenities, and funds for restoring historic houses have attracted middle-class residents and investors. The neighborhoods' considerable physical improvement has led to higher tax assessments and rents. These changes have had a dual effect: First, low-income people were displaced from the neighborhoods because they

Table 1: *Models of Neighborhood Mobilization*

<i>Type of City/ Neighborhood</i>	<i>Service-Sector (Albany)</i>	<i>Declining Industrial (Schenectady)</i>
Gentrified	Center Square	The Stockade
Low-Income	Arbor Hill	Hamilton Hill

could not afford to pay higher rents; second, residential change improved a neighborhood's position in the city's stratification of neighborhoods. Through their neighborhood associations, better-educated and more well connected residents have become influential in city politics and consequently able to improve conditions in their neighborhoods even more.

Gentrified neighborhoods in both types of city that I studied also benefit from federal programs designed to assist historical preservation. However, the gentrified neighborhoods in healthy service-sector cities also benefit from middle-class jobs that constantly attract new residents, and from the city's solid fiscal base that provides resources for neighborhood improvement. Neighborhood associations in such a setting are able to mobilize financial and political resources, have an easier time organizing residents around place-based interests, and are more likely to succeed in collective efforts.

Residents of gentrified neighborhoods in declining industrial cities contend with deteriorating city services and often have to use their own resources to improve neighborhood conditions. In poor cities resources for neighborhood improvement are limited, so that neighborhood associations' lobbying strategies have little influence on city governments. This model of collective action fits what Norman Fainstein and Susan Fainstein (1986b) expected to find in capitalist cities: When city administrations respond to the needs of residents, they are more likely to protect the residential interests of middle-class residents (and their neighborhoods), because they are important constituents. Also, if conditions of cities deteriorate even further, such residents can move out of their neighborhoods. However, the lack of investment in such cities also means that neighborhood associations will have fewer battles with "undesirable projects."

Low-income neighborhoods in both types of cities face problems of poverty, crime, unemployment, and deteriorated housing. As we have learned, even in cities with healthy and growing economies, not everyone benefits from economic development (Osterman 1989). Residents facing long-term obstacles, such as disabling illness, overwhelming family responsibilities, or lack of



skills, or those hindered because of racial or gender discrimination often remain poor. Poor neighborhoods are also more likely to have "undesirable" private and public developments (incinerators, halfway houses, toxic-waste dumps) proposed or located in their territory.

Not only does economic development not help poor neighborhoods, it further isolates them by widening the social inequalities among city residents, polarizing them even more by income and race. New York City's Commission on the Year 2000 offers a good illustration of this process: "Today's poor live in neighborhoods segregated by class with few connections to jobs. . . . A city that was accustomed to viewing poverty as a phase in assimilation to the larger society now sees a seemingly rigid cycle of poverty and a permanent underclass divorced from the rest of society" (Mollenkopf and Castells 1991:4). Apparent in large U.S. cities, these trends can also be seen in medium-size cities such as Albany and Schenectady.

For poor residents, race and ethnicity are powerful divisive forces. Their neighborhood becomes a contested terrain not just between property owners and those without real-estate holdings, but also between one "propertyless" group and another. Low-income neighborhoods need organizations, coalitions, and alliances that simultaneously address multiple interests of residents across ethnic, racial, class, and gender divides. However, the success of these collective actions depends not only on residents' ability to organize and overcome fragmentation, but also on political opportunities made available by local and national governments.

Low-income neighborhoods in healthy service-sector cities have a greater potential to influence local decision making. They can use neighborhood associations to lobby local governments to redirect some of the city resources to improve conditions in their neighborhoods. But these place-based concerns are not the only problems that residents of low-income neighborhoods have, nor are they the most important. The policies of racial segregation and discrimination kept minority residents in the most deteriorated neighborhoods and the lowest paying jobs long before economic restructuring transformed cities (Massey 1990). Neighborhoods with a high proportion of minority residents are the most dependent on city bureaucracies, lack independent economic ventures, and need collective organizations the most, but, precisely because of these conditions, they are the least likely to create and sustain them (Logan and Molotch 1987:136). Because neighborhood associations do not represent the unemployed and working poor, these neighborhoods need other community, labor, and religious organizations to force local governments to address questions of affordable housing, unemployment, and poverty.

The problem for low-income neighborhoods is that, while they have to create organizations with more appropriate strategies, how to do it is not at all obvious. If urban residents and their neighborhoods are to address urban issues in a meaningful way, they need to work toward changing the social structure, either through "radical" organizations (Davis 1991) or through cross-class alliances formed around residents' common desire to make cities better places for everyone (Castells 1983). In Albany and Schenectady, both approaches were used, but neither was very successful. Although the "radical" organizations addressed important issues for all neighborhood residents, they were ethnically homogeneous and did not receive wide support. At the same time, black and white home owners were able to create joint neighborhood associations to protect their neighborhoods, but not across class lines—poor white and black residents were not active in these organizations.

Residents of low-income neighborhoods in declining cities are in the most desperate situation. They have lost their jobs and income and witnessed the deterioration of their neighborhoods and local services. The economic decline of the city and the increase in the neighborhood's racial and ethnic diversity have contributed to further social fragmentation. Lobbying strategies, which pit one group against the other, do not address their needs, and residents face problems not easily solved by municipal government, even if the city leadership is sympathetic. They need activities that build a sense of community and organizations capable of reaching beyond the city to demand services and resources from state and federal governments.

### *A Tale of Two Cities and Four Neighborhoods*

In Chapter 2, I place neighborhood associations in the context of the economic and political changes that cities in the United States underwent between the last decade of the nineteenth century and 1990. Since the issues faced by the four neighborhoods in the book are fairly typical, this is a story not just about Albany and Schenectady, but also about other cities and neighborhoods reacting to the same national economic stimulus of deindustrialization, with mixed and often conflicting results.

The history of neighborhood movements in the United States points up the differences between these organizations and other locally based collective actions. Neighborhood associations have traditionally addressed issues that people share as residents of one community. I argue that stressing issues of residential life (residential land use, services, beautification) is more beneficial

for residents who are home owners with a concomitant higher socioeconomic status than for non-home owners. I specifically examine the two issues that urban neighborhoods find the most urgent: land-use control and crime.

Neighborhood associations reflect the economic, political, and cultural characteristics of their environments, which in turn are changed and shaped by organizational activities. In Albany, the neighborhood movement developed in reaction to two forces: a political machine that shaped residents' political participation, and the state government that influenced the city's economic transformation. In Schenectady, neighborhood associations emerged because of a decline in the city's industrial base and the weakening of ethnic and labor organizations.

Some of the land-use characteristics of the four low-income and gentrified neighborhoods in Schenectady and Albany show that all share some common physical characteristics: old housing stock, a high density of buildings, a prevalence of attached multiunit structures, and (except the Stockade) a high percentage of rental units (see Table 2).

A comparison of gentrified and low-income neighborhoods shows that they differ markedly in the socio-economic characteristics of their residents. In Albany, for example, the gentrified neighborhood of Center Square in 1980 had twice as many high-income residents as Arbor Hill, a low-income neighborhood, had (see Table 3). Arbor Hill had nearly three times as many households receiving public assistance as did Center Square, whose residents were three times as likely to have college degrees and more than twice as likely to work in managerial or professional jobs than Arbor Hill's residents. The unemployment rate is three times higher in Arbor Hill. Center Square has more single households, and Arbor Hill has more households with children. A comparison between Schenectady's gentrified Stockade and low-income Hamilton Hill neighborhoods reveals similar differences.

By the same token, Center Square and Stockade have much in common. Most residents of these gentrified neighborhoods in different cities are affluent but not rich. They have professional jobs and are well educated and dedicated to urban life. Some residents have lived in these neighborhoods for years, are attached to neighborhood amenities, and participate in neighborhood social and political life. Other residents (perhaps the majority) are more transient and less likely to own homes in the neighborhood—and even if they do, this is not an obstacle to their residential mobility. They live in the neighborhood to be close to their workplaces, or because they like the diversity of urban life. Both neighborhoods have a percentage of low-income residents who are not very visible, often the elderly who lived in the neighborhood be-

Table 2. Land-Use Characteristics of Neighborhoods in Albany and Schenectady

<i>Housing</i>	<i>Center Square (%)</i>	<i>Arbor Hill (%)</i>	<i>The Stockade (%)</i>	<i>Hamilton Hill (%)</i>
Occupancy	77.9	69.2	83.8	82.3
Rental units	83.0	83.3	27.0	66.0
Multi-units	82.0	70.0	4.0	23.2
Built before 1950	99.0	70.1	98.0	99.4

Source: U.S. Bureau of the Census, Census of Population and Housing, 1981.

Table 3. Socioeconomic Characteristics of Neighborhoods in Albany and Schenectady

<i>Residents</i>	<i>Center Square (%)</i>	<i>Arbor Hill (%)</i>	<i>The Stockade (%)</i>	<i>Hamilton Hill (%)</i>
Black	11.2	72.9	2.0	26.1
Single	61.7	39.2	61.0	30.1
College degree	61.9	19.1	52.6	13.4
Work for government	38.9	38.7	25.3	22.7
High family income	15.3	8.0	19.2	6.2
Unemployed	4.4	12.1	5.6	15.6
On public assistance	11.6	32.4	19.5	33.4
Same house 5+ years	21.8	40.9	50.2	39.5

Source: U.S. Bureau of the Census, Census of Population and Housing, 1981.

fore it was gentrified. The fact that they are mostly home owners who rent out part of their homes explains how they can afford to live there. Also, some low-income people are clustered on the fringes of each neighborhood, which further contributes to their invisibility.

A close look at neighborhood organizations in the two cities helps us see the impact of city context on the effectiveness of locally based initiatives. In Albany (which I discuss in Chapter 3), "restructuring" has created a healthy service-sector city. Such a city provides a large number of well-paid professional jobs, has a sound fiscal policy, and is seen as a "good place for business." However, Albany also harbors deteriorated and crime-ridden neighborhoods.

This is the kind of setting where the concept of a local growth machine best applies, and where proponents of more intensive development are most clearly in conflict with neighborhood activists.

Chapter 4 offers a profile of a gentrified neighborhood in Albany, Center Square. Its neighborhood association, which represents primarily the interests of neighborhood home owners, mobilizes its resources and participates in cross-class alliances with organizations outside the neighborhood to fight common enemies, in this case city hall and real-estate developers, to preserve the historic value of the neighborhood and to oppose zoning changes that would intensify land use. At the same time, residents are anxious about safety, burglaries, and the drug trade.

In Chapter 5 I compare Center Square with a low-income neighborhood in the same city, Arbor Hill, whose neighborhood association seeks to stop neighborhood deterioration by attracting more home owners and by reducing the number of low-income residents. In this effort, developers are seen as allies, while low-income residents who want more low-income housing are viewed as enemies. In dealing with safety issues, residents rely on their own Neighborhood Watch and on helping each other. This group illustrates the "paradox of community organizations" (Logan and Molotch 1987:134-139)—those more in need can't organize effectively on their own behalf, and the organizations that do survive in their neighborhood will not represent them.

These Albany neighborhoods contrast in important ways with those I studied in Schenectady. The evolution of these two cities shows that uneven urban development exists not only along the Sunbelt-Frostbelt divide, but also among cities within the same region. In the last twenty years Schenectady has experienced a devastating economic transformation: Disinvestment of General Electric, the major employer in the city, drove residents out of the city and the region, depressed wages, raised unemployment rates, and reduced income for the residents who stayed. The city's response to its economic decline, urban poverty, and inner-city decay was to adopt corporate strategies to revitalize the local economy, a choice I evaluate in Chapter 6.

Chapter 7 presents the case of Stockade, a gentrified, historical neighborhood seen locally as the best thing that urban life in Schenectady can offer. Neighborhood-association members actively work to preserve the historical significance of the neighborhood and to improve the quality of residential life, with little pressure from developers. But the deterioration of the city exacerbates the problem of security, and the major issue for residents has become a search for a defensible and safe space.

In Chapter 8 I look at Hamilton Hill, synonymous for residents of Sche-

nectady with decay and deterioration. A neighborhood with the worst problems and the fewest financial and political resources to address them. Out of necessity the Hamilton Hill Neighborhood Association has begun to change its strategy from lobbying to forming alliances around community-development issues and crime prevention, building consensus around the issues that all residents care about.

What can be done to defend urban neighborhoods? In the concluding chapter I compare the four neighborhood associations to illustrate how the city context supports or inhibits collective action. By examining how these organizations operate, we can see what they can and cannot accomplish.