Understanding community development in a “theory of action” framework: Norms, markets, justice

Laura Wolf-Powers, University of Pennsylvania
Understanding community development in a “theory of action” framework: Norms, markets, justice

Laura Wolf-Powers

*Department of City and Regional Planning, University of Pennsylvania, Philadelphia, PA, USA

Published online: 20 May 2014.

To cite this article: Laura Wolf-Powers (2014) Understanding community development in a “theory of action” framework: Norms, markets, justice, Planning Theory & Practice, 15:2, 202-219, DOI: 10.1080/14649357.2014.905621

To link to this article: http://dx.doi.org/10.1080/14649357.2014.905621

PLEASE SCROLL DOWN FOR ARTICLE

Taylor & Francis makes every effort to ensure the accuracy of all the information (the “Content”) contained in the publications on our platform. However, Taylor & Francis, our agents, and our licensors make no representations or warranties whatsoever as to the accuracy, completeness, or suitability for any purpose of the Content. Any opinions and views expressed in this publication are the opinions and views of the authors, and are not the views of or endorsed by Taylor & Francis. The accuracy of the Content should not be relied upon and should be independently verified with primary sources of information. Taylor and Francis shall not be liable for any losses, actions, claims, proceedings, demands, costs, expenses, damages, and other liabilities whatsoever or howsoever caused arising directly or indirectly in connection with, in relation to or arising out of the use of the Content.

This article may be used for research, teaching, and private study purposes. Any substantial or systematic reproduction, redistribution, reselling, loan, sub-licensing, systematic supply, or distribution in any form to anyone is expressly forbidden. Terms & Conditions of access and use can be found at http://www.tandfonline.com/page/terms-and-conditions
Understanding community development in a “theory of action” framework: Norms, markets, justice

Laura Wolf-Powers

Department of City and Regional Planning, University of Pennsylvania, Philadelphia, PA, USA

(Received 12 April 2013; accepted 14 March 2014)

During the Great Recession, community development practitioners in the USA strove to prevent and mitigate mortgage foreclosures and to help people cope with their neighbourhood-level impacts. This paper proposes that three normative theories – theories of action – underlay this activity, as they underlie the practice of neighbourhood regeneration or “community development” planning in the USA in general. These theories of action are based, respectively, on planners’ perceived need for the reinstatement of civil norms, capital markets, and social justice in disinvested areas of cities and regions. Each theory links description with prescription, answering both the question “What’s going on in this neighbourhood? (and why?)” and the question “What ought to be done to change it?” While an outward détente prevails among the “norms”, “markets”, and “justice” approaches, conflicts among them go to the heart of the struggle to find effective, morally acceptable policy responses to environmental deterioration and human deprivation in urban neighbourhoods.

Keywords: community development; United States; theory of action; theory of change; housing bubble; housing policy

Introduction

Many theorists have observed that the relationship between knowledge about places and action in them defines the practice of city planning (see Campbell, 2012; Fainstein, 2012; Friedmann, 1987). Among most planning theorists, moreover, it is uncontroversial to assert that knowledge about places is socially constructed and context-dependent. Lake (2013) argues that planning “[constructs] the problems that provide its reason for being,” while Lake and Zitcer maintain that the representation of facts on the ground “constitutes the discourse through which the reality can be apprehended” (Lake and Zitcer, 2012, p. 390). The implication of these ideas is not, however, routinely integrated into planning practice and pedagogy.

Campbell (2012) argues that the act of synthesis leading from “is” to “ought,” from knowledge to action (in hopes of changing the world for the better) is what defines planning as a profession and as a social enterprise. The actualization of this synthesis, moreover, demands that a “link to normative concerns … be made from the start” (Campbell, 2012, p. 142). Because action in planning rests on and is delimited by knowledges and meanings that are socially created (see also Marris, 1987), reflective practice requires active examination of these knowledges, and of the spatial practices that emanate from them.

This paper proposes that three normative theories – theories of action – underlie the practice of neighbourhood regeneration or “community development” planning in the USA. They are based respectively on planners’ perceived need for the reinstatement of civil norms, capital markets, and social justice in disinvested areas of cities and regions. Each theory of action links description with prescription, answering both the questions “What’s going on in this neighbourhood? (and why?)”
and the questions “What to do/what ought to be done to change it?” (see Campbell, 2012, p. 138). I argue that while an outward détente prevails among the “norms,” “markets,” and “justice” approaches, there are conflicts among them which go to the heart of the struggle to find effective, morally acceptable policy responses to environmental deterioration and human deprivation in urban neighbourhoods. I further argue that these conflicts can be perceived in the reactions of planners in the USA to the mortgage meltdown in the second part of the last decade. In the context of a foreclosure crisis that devastated hundreds of thousands of household economies and that threatened to topple the global banking sector, the practical implications of the distinctions between the three approaches became clearly visible. The paper draws additional parallels between community development policy in the USA during this period and the recent implementation of neighbourhood renewal policy in the UK and Continental Europe, providing some reflections on how European planners and neighbourhood development professionals might usefully interrogate and learn from the state of the profession in the USA.

Community development as a field of inquiry and practice

Urban neighbourhoods are the creatures of individual residents and the informal social networks in which they are embedded; of land developers and entrepreneurs; of neighbourhood-based and larger-scale non-profit organizations; and of public sector agencies and authorities. Their built and social environments reflect choices and decisions made by, and on behalf of, these disparate actors over many decades. Naturally, political processes on larger scales have significant consequences for neighbourhoods: some are in growing cities and metropolitan regions, while others are components of cities and regions in economic decline. Yet even the wealthiest cities and regions contain deteriorated, disinvested places. In the USA especially, neighbourhoods and their municipalities belong to metropolitan agglomerations in which inter-jurisdictional competition and Balkanization frustrate and distort the provision of public and private goods, leaving neighbourhoods in tax-disadvantaged municipalities desperately poor.

Community development, practically defined, encompasses diverse efforts to correct these distortions, and to mitigate the consequences of historic patterns of uneven private and public investment. Community development planners typically work in neighbourhoods where the housing is substandard, where crime, property abandonment and low-quality retail and recreational options curtail day-to-day social and economic functions and interactions, where few people have meaningful or well-remunerated work, and where marginalization and lack of recognition limit people’s capability to flourish as political subjects. Community developers design and implement place-based interventions that range from top-down public space redesign to guerrilla interventions into public and semi-public realms; from market-rate housing development on vacant lots to the creation of community land trusts on those lots, from the development of indigenous leadership in non-profit organizations to the formation of business improvement districts. At the same time, their interventions are people-based: they help neighbourhood residents obtain housing, childcare and jobs, improve the built and natural environments in which they live, build wealth, get heard in the political sphere, and connect to jobs and housing opportunities. Finally, US-based community organizations help external institutional actors, including market actors, realize goals in neighbourhoods on the assumption that the activation of these institutions and markets will redound to the benefits of neighbourhood residents. A multi-level complex of government, private and non-profit entities supports community development practice and provides a point of reference for people who affiliate with it, such that it can be viewed sociologically as an organizational field (Ferguson & Stoutland, 1999).

Community development is an interdisciplinary arena of social science inquiry as well, combining history, sociology, economics, environmental design and organizational and political
theory. But academic planners’ perspectives on community development practice vary widely. In the USA, for example, Robert Sampson’s ecological approach (Sampson, 1999) and Robert Chaskin’s closely related community capacity-building approach (Chaskin, 2001) focus on neighbourhoods as arenas for “realizing common values” (Sampson, 1999, p. 242). These scholars proceed from the premise that it is within the medium of community life that individuals avail themselves of “important public goods, or what many have termed social capital” (Sampson, 1999, p. 242). Sampson and Chaskin are sociologists, but their approach is readily adopted by community planners, particularly those interested in practically applying the concepts of social capital and collective capacity (sometimes known as civic capacity). Neighbourhood efforts based on these ideas feature civic engagement processes designed to strengthen associational bonds among community members. They also feature attempts to inventory, improve and deploy communities’ assets (see Kretzmann & McKnight, 1993), and to revive dormant networks of neighbourliness and mutual aid.

Academic discussions of community capacity-building often dovetail with research on the characteristics and performance of community development corporations (CDCs) – organizations founded to fuse civic participation with professional expertise in the redevelopment of disinvested areas (see Gittell & Vidal, 1998; Glickman & Servon, 1998; Rohe, 2009). Such discussions also focus on the role of social networks in reinforcing individual behaviours deemed to be desirable, such as saving money, becoming employed, and valuing education. In this paradigm, a key tool for encouraging desirable individual behaviours is poverty deconcentration: namely, promoting the mobility of low-income households to neighbourhoods with lower poverty rates and/or changing the social character of predominantly poor neighbourhoods by introducing middle-class households. Much research has been undertaken to investigate whether the urban mixed-income neighbourhoods engineered through the HOPE VI housing programme, for example, have engendered the positive social mixing hypothesized to improve network ties between lower- and higher-income residents (Chaskin & Joseph, 2013).

Other academic planners in the USA are sceptical of this approach. To them, the Sampson/Chaskin definition of community development symptomatizes a decades-long shift away from activist models of community engagement and signals the ascendancy of a model in which neighbourhood residents exist as “entrepreneurial subjects” (Lemke, 2001) in a depoliticized environment. In this view, under-resourced neighbourhood organizations increasingly fill gaps in basic service provision left by a retreating state. “Public sector load-shedding” leaves community-based organizations little time to think about broader policy issues, and little political room to question or contest the macro and structural causes of neighbourhood decline (DeFilippis, Fisher, & Shragge, 2006). Particular criticism is levied against the notion that “social capital” (and, by extension, the poverty deconcentration and social mixing initiatives theorized to promote it) is of primary importance in actualizing the potential of poor neighbourhoods (DeFilippis, 2001). These critics hold that while an apolitical version of community development can help people adapt more functionally to the conditions that surround material and social deprivation, it does not provide a platform from which to question these conditions. Thus, “counter-movements” are needed to build institutions that affect the material, political and social circumstances of marginalized people as opposed to simply transforming marginal places and properties (see Marcuse et al., 2009; Fainstein, 2010). As an alternative to conflict-free versions of neighbourhood redevelopment planning, these academic critics urge community development practitioners to map and analyse power relationships, to develop leaders and strategists from within marginalized communities, to have people-oriented as well as place-oriented objectives, to create linkages with organizations and campaigns at scales beyond the local and (most of all) to be prepared for confrontation (see DeFilippis et al., 2006; Marcuse et al., 2009; Saegert, Warren, & Thompson, 2001).
scholars are frequently aligned with “right to the city” and “just city” movements in planning, which will be further discussed below.

A third academic account of community development in the USA proceeds from the premise that other paradigms, whether consensus- or conflict-oriented, have come up short in two ways: first by wrongly casting neighbourhoods as autonomous socio-economic entities (i.e. disconnected from their metropolitan regions), and second, by neglecting the private sector. In a 2004 paper about the “American approach” to neighbourhoods, addressed to colleagues in the UK, Bruce Katz of the Brookings Institution, an influential Washington DC-based think tank, articulates a framework he calls “neighbourhoods of choice and connection” (Katz, 2004) In the neighbourhoods that conform to Katz’s “choice and connection” ideal, community development actors have productively abandoned the inward-looking tendencies of the past and begun to “operate in and relate to the metropolitan geography – the true geography of housing markets, of labor markets, of educational opportunity” (p. 22). Additionally, forward-thinking community-based groups and neighbourhood advocates in those places are, in another departure from past practice, “[e]ngaging the private sector in neighbourhood transformation” (p. 23). In Katz’s vision, community-based organizations lead collaborations with the local state to actualize market-led regeneration opportunities while governmental actors, having both withdrawn from social service provision and repudiated the heavy-handed, statist methods of urban renewal, strategically sponsor and subsidize private development initiatives. The purpose of such projects is to address the “isolation and disconnection from mainstream economic activity” that is understood as the main problem afflicting struggling households (Weissbourd & Boudini, 2005, p. 23).1

Critics of the market view have objected that weak or non-existent governance mechanisms at the metropolitan level make it difficult for community groups to operate in metropolitan geography (Imbroscio, 2011) and that the portrayal of most neighbourhood-based groups as insular and anti-market is inaccurate. Critics have also charged that market enthusiasts’ equation of neighbourhood revitalization with property appreciation appears to disadvantage long-term neighbourhood residents, particularly renters (Logan & Molotch, 1987; Turok, 1992; Wolf-Powers, 2005).2 Nevertheless, the view that community development is neither metropolitan-focused enough nor market-driven enough is widely shared, particularly among scholars and researchers oriented directly toward policy (see Grogan & Proscio, 2000; Weissbourd & Boudini, 2005). The perspective has become, according to some, “the dominant understanding in community development work in the United States” (DeFilippis, Fisher, & Schragge, 2010, p. 69).

A wider analytical lens enables some parallels to be drawn between recent US community development experience and urban restructuring in Western Europe and the UK. For example, Uitermark (2003) and Kleinhans (2012) argue that under housing reform measures pursued in the Netherlands since 1997, practitioners have put in place initiatives to promote “social cohesion” and “social mixing”; Lees (2008) makes a similar point about the UK. Fallov (2010) notes the prominence of capacity-building concepts in England’s and Denmark’s efforts to regenerate neighbourhoods and fight social exclusion. These efforts link British and European social policy to US discourse on social capital and civic capacity as well as to US-based strategies of poverty deconcentration in conjunction with physical revitalization in core city neighbourhoods.

The prevalence of market logic is a second parallel. Housing Market Renewal (HMR), a programme promulgated by New Labour in the UK between 1997 and 2010, adhered strongly (as its name suggests) to a markets discourse and perhaps took a cue from Katz in characterizing past urban renewal efforts as inward-looking (Webb, 2010). As Ferrari notes, moreover, it conceived of a subregional housing market as a “new functional and governance territory” not coterminous with predefined administrative geography, within which administrators might strive for balance and distributional equity (Ferrari, 2012, p. 271). This theme of Housing Market Renewal resonated strongly with the popular US idea that policy-makers concerned with
neighbourhood well-being should operate at the regional geography of the housing market while facilitating and financing development on a project basis in neighbourhoods, using a combination of private, government and “third sector” resources to support market-led regeneration.3

A third area of commonality, particularly between the U.S. and the UK, is public sector load-shedding – i.e. the confluence of fiscal austerity measures with the enlistment of community-based organizations as providers of essential services. Policy-makers in both countries explain the decision to externalize or “contract out” social services functions by contrasting the local expertise and place-specific knowledge of community groups with the image of an inflexible welfare state. The casting of local CDC equivalents as conduits for human services (while reducing state funding for such services) began under the UK’s Housing Market Renewal Initiative and has accelerated under the “Big Society” and “new localism” initiatives sponsored by the Conservative Government formed in 2010 (Jacobs & Manzi, 2013).4 Continental European countries are also re-evaluating the role of neighbourhood-based organizations in an age of increased austerity.

Whether in the American or the European context, theoretical and conceptual discussions of neighbourhood regeneration are held more frequently in seminar rooms and scholarly journals than in the field. Among people engaged in the difficult practical work of planning and executing neighbourhood revitalization projects or advocating for local legislation, fine ideological distinctions are of primarily academic concern. This does not mean, however, that practitioners’ grounded knowledge, as embodied in their characterizations of neighbourhood assets and problems, is not rooted in theory. In his work, Howell Baum argues that professional planners create structures (both conceptual and procedural) that encourage individuals to identify with communities and enable them to competently undertake the extraordinary work involved in collective solution-seeking (Baum, 1997, 2005). In community development practice there are three interwoven yet ultimately distinct conceptual structures or “theories of action” that echo the academic orientations described above.

Three theories of action
As suggested above as well as in Campbell (2012), a theory of action joins a diagnosis or description (which responds to the question “What’s going on here?”) to an intervention (which responds to the question “What do we do to create change for the better?”). The theory of action which glues them together is inseparable from both. In the diagnostic phase, a theory of action provides a lens through which people perceive and interpret their surroundings. In a second phase, analysis, the theory helps build bridges between knowledge and action by focusing attention on specific sets of interventions that follow from the diagnostics. In a third phase, interventions are chosen and implemented. One might say that a theory of action delineates the possible, furnishing actors with a menu of interventions from which to choose; solution-seekers refract these options though their understanding of baseline conditions, i.e. the “is” identified in the diagnostic phase.

In spite of the lumping together of community development activities under the neutral banner of neighbourhood improvement, the potential for conflict underlies all three phases (diagnosis, analysis, intervention) outlined above. The intellectual origins of the normative structures on which community development rests are worthy of examination, as are their practical ramifications. In community development practice, the three dominant theories of action may be characterized in terms of restoration of norms, restoration of markets and restoration of justice (Table 1).

Restoration of norms
One theory of action in community development originates in a conviction that economic and social distress in city neighbourhoods results from the decline of trust, civility, associational ties

3

4
<table>
<thead>
<tr>
<th>Diagnostic interpretation of neighbourhood distress (“what’s going on here?”)</th>
<th>Theory of action (“what needs to happen here?”)</th>
<th>Tools</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disorganization; lack of social control (inability to control anti-social behaviour) – sometimes interpreted as an outgrowth of cultural deprivation and failure to adapt</td>
<td>Restoration of norms of civility, trust and safety – “the stuff of social capital” – securing of external resources to stabilize neighbourhoods; better coordination among services; comprehensivity</td>
<td>• Saturation of distressed neighbourhoods with services – comprehensive community initiatives</td>
</tr>
<tr>
<td>Lack of functional market institutions; Need for market and non-market institutions with the capacity to bring about physical rehabilitation, safer streets, better housing, healthy businesses, good schools and human capital development opportunities</td>
<td>Activation of markets; Activation of participation and ownership by residents Institutional development; coordination among institutions at many levels Intermediaries as key actors bridging government, neighbourhood-level groups and private actors</td>
<td>• Increasing focus on early childhood intervention</td>
</tr>
<tr>
<td>Lack of access to levers of power; Historic exclusion and exploitation and its current legacies Environmental injustice; labour injustice Demise of welfare state Inequity of resources within metropolitan regions</td>
<td>Greater community control and ownership of the agenda; redistribution of wealth and opportunity; economic policy geared toward employment fair share of services; environmental justice (relief from environmental degradation)</td>
<td>• Deconcentration of poverty</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Policy to encourage different choices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Real estate market-building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Commercial corridor revitalization Historic preservation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Organizational capacity-building</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Public participation in decision-making (espoused to greater and lesser degrees)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Protest</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Indigenous leadership development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Information/disclosure campaigns</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Campaigns to change policy</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Development of alternative institutions for property control (e.g. community development credit unions, community land trusts)</td>
</tr>
</tbody>
</table>
and (perhaps) individual responsibility and ambition. The “disease” identified during the diagnostic phase is individual and group maladaptation to the social requirements of contemporary city living. Its symptoms are disorder, social dysfunction, intergenerational poverty, and crime.

This theory is an intellectual heir of the ecological model of the Chicago School of Sociology. But while it echoes the Chicago School’s focus on adaptation and socialization (along with its preoccupation with crime and disorder), it does not explicitly situate the pathology of disorganization within individuals. As DeFilippis, Fisher and Shragge put it, “nomenclatures of social capital, community capacity, asset building, consensus organizing and so forth, seek to move right-wing discourse away from the deficits and failings of individuals and families to more collective ones at the community level” (DeFilippis, Fisher and Shragge, 2006, p. 675). Nevertheless, the social critique embedded in the “restoration of norms” theory is a critique not of government retrenchment, nor of structural factors underlying low wages, high unemployment, limited educational opportunities, and mass incarceration, but of a broken civil society and the decline of virtue. In this, it draws heavily on Robert Putnam and Amitai Etzioni, whose work in the 1990s popularized the application of the term “social capital” to community development efforts (Putnam, 1995; Etzioni, 1997).5

It is not far from the “diagnosis” of impaired norms and networks in neighbourhoods to “treatments” designed to restore conditions more conducive to individual and neighbourhood success. First among these are strategies to replace with more salutary residential experiences the documented negative “neighbourhood effects” associated with living in areas in which more than 40% of the population is low-income. In the US, the expansion of the Housing Choice Voucher programme, the replacement of distressed public housing with mixed-income housing in central city neighbourhoods, and the “Moving to Opportunity” experiment (which tracked public housing residents as they moved to less poor neighbourhoods) are examples of this. Interventions based in distressed neighbourhoods themselves include comprehensive service coordination and saturation (such as the “cradle to college to community” model of the Harlem Children’s Zone), financial and health education, and civic engagement processes aimed at building place-based trust and mutualism among neighbours. In spite of the rhetorical focus on communities, however, the interventions associated with the “norms restoration” theory of action reduce in many cases to the promotion of changes in individual behaviour. As discussed above, for example, poverty de-concentration proponents predicate their “treatment” partly on the conviction that low-income households will benefit from proximity to middle-class values and virtues as well as to valuable network ties (Chaskin & Joseph, 2013; Lees, 2008).

**Restoration of markets**

The diagnosis motivating the second theory of action is perhaps self-evident: distressed neighbourhoods lack functioning markets. Homes sell below their replacement value. Retail corridors are riddled with vacancies, and residents must travel long distances to purchase basic goods and services. Despite abundant vacant land and buildings, value propositions are too low to stimulate developer interest, so new housing is not built (or is built only with government subsidy). Labour market participation is low and unemployment high. The solution (the “ought” in Campbell’s terms) appears similarly axiomatic: financial and human capital are needed to reactivate dormant markets and create new wealth. Neighbourhood-based organizations serve as workforce intermediaries, supplement the efforts of local schools, and help high school students choose and access post-secondary pathways. They develop real estate, and direct financial capital and infrastructure investment to local businesses. Many are actively partnering with private developers to build and manage housing, under the federal HOPE VI and Choice Neighbourhoods programmes. They also help deliver financial services to “unbanked” residents and provide
counselling to would-be homeowners or, more recently, to people in danger of losing homes to foreclosure. The community development sector, in their view, must play an active role in priming disinvested neighbourhoods for crucial infusions of new private investment and in preparing residents for the opportunities that will result.

In adopting a “market restoration” concept of community development, some policymakers and thought leaders dismiss political organizing as a tool, casting protest as anachronistic and urging that it be mothballed as community developers get down to the more adult business of growing neighbourhood wealth (Lindsay, 2000). Others point out, however, that the financial capital attracted via such efforts often does not lead to wealth creation among incumbent neighbourhood residents:

> Change in the residential real estate market can lead to a stronger, healthier neighbourhood. At the same time, market change can take problematic forms, leading to undesirable outcomes. It can be driven by speculation, triggering little or no improvement in the community’s quality of life, or it can disrupt established communities, displacing long-time low- and moderate-income residents. Higher house prices without improvement to neighbourhood vitality and quality of life is neither positive nor sustainable, while change that leads to displacement of an area’s lower-income residents is not equitable (Mallach, 2008, p. 1)

Mallach implies that neighbourhood-level outcomes in the context of market-led revitalization depend crucially upon whether community development and housing policy acknowledge and attend to the multiple levels on which individuals and groups use and value neighbourhood space.

**Reversal of injustice**

Community development groups espousing the third theory of action are organized around the principle that the condition most troublingly absent from struggling neighbourhoods is a concern with equitable outcomes (as Fainstein puts it in her work on the just city, the question of “who gets what”) and a concern with exerting influence on the mechanisms of policy-making that affect these outcomes (Fainstein, 2010, p. 7). Groups like these, out of opportunism and necessity, undertake many projects that are similar to those of organizations in the “norms” and “markets” paradigms. Yet their desire that disadvantaged populations achieve political recognition and power as well as substantive material betterment leads them to situate their work within a broader socio-historical context, to understand it as political, and to be prepared to rely on protest and confrontation as tactics. Many such groups originated in local tenants’ rights, “urban homesteading”, or anti-redlining movements in the 1960s and 70s (Beitel, 2013; Castells, 1983; Goetz, 1996; Wolf-Powers, 2008). Squires shows, for example, that the Community Reinvestment Act, a prime element of today’s “market restoration” toolkit in the USA, would not have become law in the absence of sustained political activism (Squires, 2003). In addition to building homes, helping people claim public benefits, and assisting with job search, justice-oriented community development groups advocate for city and state policies that shape housing affordability programmes, undertake campaigns to curb exploitative financial services practices such as pay-day loans, and organize to achieve better wages and working conditions for vulnerable and contingent workers (see DeFilippis, Fisher and Schragge, 2010, Chapter 5). Immigrant-led community development organizations are particularly engaged in workers’ rights issues, building neighbourhood-level institutions to address the exploitation of day labourers, for example (Theodore & Martin, 2007; Doussard, 2013). To the extent that rent regulation in New York and San Francisco remains in place to preserve dwelling space for non-wealthy tenants, neighbourhood-based tenant advocacy organizations deserve much of the credit (Beitel, 2013; Lawson, 1986). Other such organizations, rather than engaging directly in politics, pursue activities – such as shared equity housing and co-operative enterprises – that embody heterodox approaches to
regeneration, approaches arguably more likely to result in the material betterment of historically disadvantaged households and to respond to their aspirations for inclusion and self-actualization (Davis, 2010; Zitcer, 2013).

In the literature that applies conceptualizations of justice to planning and spatial policies, proceduralist (or “deontological”) and consequentialist (or “redistributive”) approaches frequently rival one another (Fainstein, 2010; Ferrari, 2012; Purcell, 2008). In many respects, organizations applying a justice-oriented theory of action to community development are consequentialist (that is to say, more concerned with outcomes than with process). But there is also an awareness that the achievement of equity and inclusion for marginalized publics relies on the design and administration of differently configured urban and regional institutions, which in turn requires a negotiated process that involves participation, deliberation, organizing and persuasion. Groups identified with the third theory of action thus incorporate into their idea of justice the conviction that social mobilization is a central facet of community development.

Like any schematic, the theory of action approach to understanding neighbourhood revitalization comes with qualifiers. While I have presented the theories separately, most people practising in the field must, for organizational survival, pivot opportunistically among them. As a result, within many community development organizations, activities associated with all three paradigms overlap and coexist with one another. A further point is that any given intervention is plausibly motivated by more than one theory of action. Saegert (2006) points to convergence between the consensus-building approach to community capacity and a justice-focused organizing approach. In other contexts, the market paradigm’s emphasis on individual choice and behaviour in relationships of exchange relates to the norms paradigm’s emphasis on personal (albeit community-mediated) adaptation to the conditions of life as it exists. Most community development organizations identified with a “justice restoration” paradigm nevertheless work to revive private sector demand for land and to support capital access for small businesses, acknowledging that market activation must be a component of neighbourhood revitalization regardless of whether it reflects one’s basic theory of community change (see Mallach, 2008). Still, the political logics that support these three theories of action are distinct, and the successes of each in guiding both local strategies and extra-local policy-making have material implications in people’s lives.

How theories of action matter: the case of recent housing policy in the USA

To argue that muted conflict among theories of action produces community development’s organizational field and policy landscape, thereby limiting the range of options for significant institutional reform, I now link my proposed typology of local theories of action with the current state of housing policy and finance in the USA. Specifically, I trace the reactions of community development planners to the mortgage meltdown and foreclosure epidemic – phenomena that are the cause of ongoing crises for neighbourhoods and households in the USA and that have had significant repercussions in the global financial system.

While the focus here is to illustrate the way that theories of action have conditioned planners’ response to the foreclosure epidemic, some brief background is warranted about the housing policy milieu that prevailed prior to the crisis. From the early 1990s through the mid 2000s, the twin pillars of low-income housing policy in the USA were poverty de-concentration and asset accumulation through home ownership (Saegert, 2013). With respect to poverty de-concentration, a consensus that one key to improving social mobility lay with enabling poor households to exercise greater choice in the housing market – and to live in mixed-income neighbourhoods – led to the expansion of the Housing Choice Voucher programme, and more generally to a reliance on this market-based programme over supply-side programmes involving public construction and maintenance of dwellings. This same consensus supported the redevelopment of inner-city public housing through
the HOPE VI programme (Landis & McClure, 2010). Meanwhile, buoyed by research highlighting the individual and social benefits of home ownership (e.g. Rohe & Stegman, 1994), the promotion of ownership, facilitated by low interest rates, became a major focus of government policy. The encouragement of homeownership was in fact the only policy that linked fragmented and ill-coordinated federal housing agencies during the 1990s and 2000s (Levitin & Wachter, 2013).

In this environment, flexible credit standards and the opaque, loosely regulated nature of mortgage-backed securities and associated derivatives enabled lenders to make thousands of mortgages that would soon be unmasked as “toxic”. Households who borrowed in the subprime market often did not have the income or wealth to keep the homes they were purchasing, yet became swept up in the fervour around the possibility (and putative moral superiority) of home ownership. In other cases, they were defrauded by predatory lenders. In the 2007–2009 recession, the average American household lost 40% of its net worth, the vast majority of which was in the form of home equity (Levitin & Wachter, 2013, pp. 19–20). While the crisis was much more severe in some states than in others (Martin, 2011), and while its effects were experienced at least as profoundly in suburbs and exurbs as in city cores, a common geographic thread was that of race: long before the bubble burst, researchers presented troubling evidence that subprime and predatory lending activity was being deliberately targeted to neighbourhoods with large non-white, low-income populations, (Ashton & Doyle, 2008; Immergluck & Wiles, 1999; Newman & Wyly, 2004; Squires, 2003). Schafran (2013) further links the ex-urban foreclosure phenomenon with the record number of black, Latino and Asian households who had become homeowners in suburban and exurban municipalities in the previous two decades. Ashton (2011) argues convincingly that the mortgage finance industry, aided by regulators, “mapped high interest rates and onerous loan terms onto earlier forms of racial and class dispossession”.

The crisis that exploded in the national media in 2007 and 2008 (once it had begun affecting homeowners with conventional mortgages and destabilizing the nation’s banking system) had come to the attention of community development practitioners well ahead of that time. Now, however, the devastating effects of foreclosures on neighbourhoods (Immergluck, 2010; Schuetz, Been, & Ellen, 2008) became a subject of national discussion. During this time, fissures became more noticeable in the détente binding together disparate theories of action in community development.

**Restoration of norms**

Organizations and actors aligned with a “restoration of norms” theory of action had relied on the empirically supported view that increasing home ownership would revive civic culture, reduce crime and help enforce social norms. As the focus shifted to preventing foreclosure and keeping families in their homes, their work was often motivated by the cognate idea that mortgage delinquency originated with failures of information, financial literacy, and behaviour. Fields, Libman, and Saegert (2010) argue that just as the rapid expansion of homeownership between 1994 and 2005 had been carried forward by a “policy and community development consensus on asset-accumulation . . . education and counseling” for financially unsophisticated homebuyers (p. 650), many foreclosure prevention efforts also targeted individual behaviour as the root cause of mortgage-related distress. In relying exclusively or almost exclusively on one-to-one counselling and financial education, government and philanthropic actors implicitly rejected the idea that a broader political and economic context surrounded low-income homeowners’ delinquency and default. Further,

Nonprofit staff tended to characterize mortgage delinquency as being rooted in homeowners’ careless, excessive, and irresponsible spending on luxuries that were beyond their means. They argued that low-income homeowners encountered financial problems because “these people have Champagne tastes and they’re living on a beer budget.” Participants acknowledged the difficulty of spending wisely amidst
cultural norms that encourage consumption, but their financial difficulties were rarely a result of simply not prioritizing mortgage payments and other expenses. (Fields, Libman, and Saegert, 2010, p. 666)

The focus on changing individual and community norms and behaviours as the key to controlling the spiralling housing crisis distracted attention from two alternative possibilities. The first possibility was that upstream policy responses – for example, legal deterrents to irresponsibly lax credit standards and usurious lending practices, or efforts to limit the opacity of mortgage securitization – might have done more to prevent the magnitude of the crisis. The second possibility – still actionable today – was the idea that current policy might be more aggressive in its prospective efforts to curtail future abuses. Relatedly, it might expect more significant reparative measures from the corporate entities involved, and more affirmative efforts on the state’s part to relieve the pain of affected households. This dilemma is illustrated in the common rhetorical contrast between “investment” in the stability of the finance industry through instruments such as the Temporary Asset Relief Program (TARP) and “spending” on interventions aimed at struggling homeowners and hard-hit neighbourhoods.

**Restoration of markets**

The “markets” theory of action during the same time period converged at several points with the norms restoration approach. In the run-up to the crisis, academic studies and government white papers, extolling the benefits of expanded home ownership, had fused optimistic predictions about the place-stabilizing, example-setting potential of new homeowners in poor neighbourhoods with the promise of wealth accumulation by poor households. In the market-driven conceptualization of community development, home ownership had an almost mystical power, initiating a virtuous circle of property appreciation and social stability, gains in financial capital, and gains in social capital at the neighbourhood level. Community development institutions participated in the initiatives that emanated from this theory, funding or facilitating home ownership workshops and (among those engaged in building housing), placing a special emphasis on including units for ownership in the projects they developed.

As prices appreciated steeply in the early 2000s, there persisted a dominant belief that for poor households living in economically marginal or gradually changing neighbourhoods, the accumulation of financial capital and social capital would be mutually reinforcing. In this context, the model asset-accumulating homeowner could be hailed unproblematically as a contributor to neighbourhood well-being. The flaw in this logic, however, was (and remains) that

many of the homes that low-income households can afford to buy on the open market are located in neighbourhoods where real estate appreciation has been chronically low or nonexistent. When low-income households have managed to buy homes in neighbourhoods with a stronger record of appreciation … they have often done so using adjustable rate mortgages and other forms of creative financing. (Davis, 2010, p. 274)

As noted above, homeowners in low-income, weak-market neighbourhoods were more likely to be targeted for usurious loans than homeowners in other neighbourhoods. As a result, and given that these households were especially vulnerable to the sorts of economic disruptions that predicted delinquency, the grace period of social capital/financial capital fusion was often quite short in poor communities (Fields, Justa, Libman, & Saegert, 2007; Katz, 2009). Unstable low-income neighbourhoods, in Ashton’s words, were systematically exposed to “greater downside risk” (2008, p. 760).

Today, as much of the market activity in distressed neighbourhoods has come to consist in large-scale investor purchases of lender-owned properties (Immergluck, 2013a), a new chapter in the market-led path to neighbourhood revitalization is beginning. In spite of the modest achievements of the federal government’s Neighbourhood Stabilization Program, a federal
government initiative that channels resources to local governments to prevent foreclosures and deal
with their neighbourhood-level aftermath, many communities remain filled with vacant homes –
some of them owned by investors who have bought them in bulk and have left them vacant for the
time being, some of them owned by city governments or non-profits who have not yet been able to
dispose of them (Immergluck, 2013b). With the unifying and iconic concept of homeownership-ass-
solution-to-community-distress tainted by the crisis, there is no clear goal in federal housing policy,
nor is there a “clear policy about what to do with the broken housing finance system” (Levitin & Wachtter, 2013, p. 5). Mainstream proposals for housing finance reform (fiercely opposed by the
industry) primarily contain measures that would improve information about loans bundled for
securitization, monitor financial institutions more carefully in order to stem “agency” problems,
or work to improve financial literacy at the neighbourhood level. The exploitative practices that
dominated in low-income and majority-minority housing markets pre-collapse are widely seen as
inappropriate targets for prospective policy-making. Meanwhile, the labour market problems that
underlie poverty in areas with distressed housing markets remain as tenacious as ever. Wages are
stagnant, well-paying jobs for the non-college-educated are scarce, and municipalities, fiscally
impoveryed by the housing market meltdown, struggle to offer their residents access to
educational opportunities that might provide pathways out of poverty.

Reversal of injustice

Noting that many communities in which neighbourhood-based organizations helped to stabilize the
built and social environments in past decades are now filled with vacancies and foreclosed
properties, groups identified with the “restoration of justice” theory of action have been active in
the post-bubble era. They have spearheaded the creative use of federal Neighbourhood
Stabilization Program funding (encouraging the creation of land banks, for example) and continued
to advocate for individual households who risk losing their homes and housing wealth. They have
pressed for laws, such as California’s Homeowner Bill of Rights, aimed at giving distressed
borrowers – particularly those who were subject to predatory lending practices – meaningful
opportunities to modify their mortgages. Some questionable policies on the part of mortgage
servicers (such as “dual-tracking,” the practice of initiating or continuing foreclosure proceedings
while a borrower is being reviewed for a loan modification) have been curtailed in some states.
Diversion programmes in use in some places have helped to mitigate some of the worst
neighbourhood consequences of mass foreclosure (Goldstein, Weidig, & Boateng, 2013).

In addition to reacting to the distress wrought by the crisis, community developers have
affirmatively pursued practical interventions designed to better position low-income residents and
neighbourhoods for housing stability going forward. Prominent in this sphere is the shared equity
housing movement, which sponsors and advocates for non-market models that restrict the prices of
publicly assisted units across multiple resales in the interest of maintaining long-term affordability
(Axel-Lute, 2010; Davis, 2010; Saegert, 2013). Other scholars and practitioners have mobilized
around the protection and preservation of existing social housing assets, questioning the prevailing
consensus around the demolition of public rental housing and the replacement of project-based
subsidy with vouchers (Association of Neighborhood Housing Developers, 2009; DeFilippis &
Wyly, 2008; Goetz 2013). In debates about gentrification, voices have emerged that advocate
policies which would enable low-income renters and homeowners to remain in once-decaying
neighbourhoods that are now becoming places of choice (Mallach, 2008; Godsil, 2014).

To discuss these measures as responses to injustice (or, said differently, to refer to the problems
to which they are addressed as structural) tends, however, to marginalize practitioners with respect
to mainstream institutions. The argument is made eloquently by Wyly (2013), who casts
contemporary housing policy in terms of a struggle between use and exchange value in housing –
“a place to live rather than a hamster wheel of economic accumulation” (p. 30) – yet acknowledges that to do this is to forego “a chance of appearing on the required reading lists of policy professionals in New York and Washington” (p. 29). From the perspective of community development practitioners, an important consequence of political marginalization is a perpetual struggle to raise operating funds. Community development planners otherwise oriented toward critique and mobilization have, on the whole, been forced to cast their lot with norms- and market-restorers if they hope to sustain their organizations. The bounds of acceptable community development activity are differently drawn in different places; advocates of community land trusts and resale-restricted housing, for example, have gained political traction and implemented successful projects in some parts of the USA. Yet overall, the impulse to survive drives community development institutions toward largely palliative activities rather than actions aimed at political and institutional change (see Weir, 1999). And it is because of this that critical urbanists in the USA often characterize community development as a timid, reformist endeavour that lacks the capacity for muscular activism (see Stoecker, 2004).

Conclusion

The case described here lends concrete support to Campbell’s proposition (Campbell, 2012) that it is crucial in planning practice to consciously and critically connect actions back to the knowledge, interpretations and analyses that underlie and motivate them. During the Great Recession, community development practitioners in the USA strove to prevent and mitigate mortgage foreclosures and to help people cope with their neighbourhood-level impacts. In this, they moved from description and knowledge creation to action: from “is” to “ought”. My aim here has been to propose that the theories of action motivating neighbourhood regeneration policy in this milieu were in conflict, and that this conflict constrained practitioners and policy-makers from delivering a greater measure of relief to affected neighbourhoods and households. It is often simplest for practitioners – and for the funders and government agencies that support them – to rationalize away conflict between competing theories of action, preserving community development as a big tent capable of accommodating a variety of actors with distinct motives. In analysing this case, however, I have taken the normative position that the marginalization by government, media and many elements of the philanthropic sector of a theory of action that engaged directly with injustice – a theory, in the words of Iris Marion Young, that took “a moral perspective on structural processes” (Young, 2010, p. 65) – had damaging consequences.

While the neighbourhood-level impact of the mortgage crisis is primarily a US phenomenon, it is important not to overlook the commonalities between the theories of action dominating US community development policy and those that are prevalent in neighbourhood regeneration policy in Western Europe and the UK. The increasing prominence of marketization discourses and practices is evident across contexts, as is the power and persuasiveness of the “civil norms” paradigm, reflected in the emphasis on social cohesion and in the prevalent strategy of engineered “mixing” and deconcentration of ethnically and economically homogeneous groups. The tendency to look to local social sector organizations to respond to service needs created by public sector austerity measures is another parallel. We have seen, across national contexts, a broad marginalization of the position that neighbourhood planners might, firstly, understand place-based deprivation and disinvestment as the product of structural injustice, and secondly, respond by mobilizing around policies (particularly state policies) aimed at reversing that injustice. Planning practitioners in the USA, the UK, and Europe increasingly find themselves (ourselves) both managing and participating in arrangements of “governance-beyond-the-state” by which groups of stakeholders allow the public sector to divest itself of responsibility for vulnerable populations (Swyngedouw, 2005). The argument implied by this analysis – that a theory of action built around
the reversal of injustice is entitled to greater attention in neighbourhood regeneration practice – will perhaps help planners focus on building institutions and movements that make it so.

Notes
1. Katz of the Brookings Institution acknowledges the social-historical arrangements that segregate wealth and opportunity within in US metropolitan areas, asserting that “unbalanced growth patterns have been deeply influenced by the politics of racial and ethnic exclusion that are practiced by suburbs throughout the country.” His remedy, however, has little to do with political strategies to dismantle these (Katz, 2004, p. 4).
2. Well-known anti-capitalist critiques by David Harvey (1973) and Neil Smith (1986; 2002) go further, identifying neighbourhood regeneration projects with the destructiveness of property market cycles and accusing community development professionals in government and civic organizations of complicity.
4. One difference between the USA and its European counterparts is a protest and organizing idiom that is expressly neighbourhood-based. In the USA the dismay of some scholars and practitioners about the state of the community development field arises from a sense that a strategically important historical tradition, one specifically aligned with the neighbourhood scale, is being blunted or absorbed. Contrastingly, counter-hegemonic politics in the UK and Europe has not conventionally been neighbourhood-centred, and critiques of neo-liberalism in those places have focused more on the weakening of the national welfare state.
5. Putnam’s treatment of social capital has led to confusion and imprecision in the use of a concept originally framed as dynamic, individualistic, and interdependent with other forms of capital (Bourdieu, 1986; Coleman, 1988). Putnam and his adherents in the community development sector imply that social capital can accrue to groups and places as well as to individuals; that poor communities “lack” it; and that it is equatable with civic participation, trust and sociability. Many have argued that this represents a distortion of the original formulation (see Skocpol, 1996; DeFilippis, 2001).
6. A critique by Thomas Sugrue of Great American City, Robert Sampson’s book about Chicago (couched within a generally favourable review), embodies this stance. “In American cities, boundaries have been fundamentally constitutive of racial identities and socioeconomic status,” says Sugrue, “But for all his interest in place, Sampson is uninterested in place-making, namely the process by which boundaries are drawn, challenged, reinforced or undermined” (2012).
7. Predatory loans are defined as “high-cost, abusive, and often fraudulent transactions designed to trap homeowners and homebuyers into usurious obligations” (Wyly & Crump, 2008). Predatory lending cannot be conflated with subprime lending in general; nevertheless, many subprime borrowers, because of information asymmetries, fell victim to schemes that overcharged or defrauded them. For example, many borrowers who would have qualified for lower-cost prime loans were put into costly subprime mortgages on which they were likely to default – mortgages whose interest rate terms and fee structures were advantageous only to brokers and servicers.
8. A recent article in the online magazine Salon asserts that the indictment and imprisonment of Lorraine O. Brown (formerly the president of the company DocX), on charges of fraud and conspiracy demonstrates the successful targeting of low-level white-collar offenders while larger institutions who participated in mortgage fraud remain undeterred from future misconduct (Dayen, 2013).

Notes on contributor
Laura Wolf-Powers is assistant professor of City and Regional Planning in the School of Design at the University of Pennsylvania, USA. She would like to acknowledge the useful input of Robert Beauregard, Robert Lake, Susan Saegert, the PTP Editors, and three anonymous reviewers. Any inaccuracies are the author’s alone.

References
Dayen, D. (2013). The recession was her fault: Meet Wall Street’s scapegoat, the one person to get jail time for the most massive mortgage fraud in history. Salon. Retrieved from http://www.salon.com/2013/02/24/shes_paying_for_wall_streets_sins/


Kretzmann, J., & McKnight, J. (1993). *Building communities from the inside out: A path toward finding and mobilizing a community’s assets*. Evanston, IL: ABCD Institute.


