



Overcoming the “Scalar Stalemate” in Community Development

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When urban practitioners undertake local projects, they are often working not only to achieve material gains in economically distressed neighborhoods but also to promote democracy, cooperation, equity, justice, and mutualism. Yet the existence of this strong set of counterhegemonic principles uniting community land trusts, cooperative enterprises, and credit unions also creates tension around the question of how to scale them up and increase their impact. In this essay, Evan Casper-Futterman argues that community development organizations should redraw the current spatial-political boundaries separating sector-identified efforts in housing, finance, and workforce development—redefining their work around values.

Scale, silos, and stalemate

The theme of scale, both in the geographic and spatial sense and in the sense of magnitude, impact, and influence, is fundamental to just about every tactical and strategic decision in neighborhood and community politics and organizing. In 1976, Molotch captured a hierarchical view of the scale of urban politics in describing a “political economy of place” that nested local political, social, and economic relations in states, regions, nations, and the global economy. In the field of community development, such a view of scale implies that neighborhood- and municipal-level projects and efforts are not sustainable unless replicated and enlarged at “higher” levels of geography. In the United States, despite the political salience of “the urban,” the juridical-political scale of the city (i.e. municipality) is relatively politically weak, as a recent wave of conflicts over the preemption of municipal sovereignty by state-level power appears to confirm.¹ According to some scholars, the city was a “Hollow Prize” gained by advocates of civil rights, neighborhood control, and participatory planning in the 1960s (Friesema 1969). Indeed, a growing argument in the field suggests that in order to have genuine political impact², community development achievements must expand beyond individual neighborhoods or lonely “beachheads” of progressive projects. At the same time, others believe that efforts to scale up or replicate idiosyncratic, neighborhood- or city-specific ventures dilute the authenticity and effectiveness³ of those efforts. This debate occurs in several venues, such as Shelterforce, and Grassroots Economic Organizing. Disagreement among community development factions about the appropriate size and geographic scope of their operations results in a *scalar stalemate*.

In the field of community development, organizations like community land trusts, worker cooperatives, and credit unions tend to develop in siloed domains—housing, work, and financial services—with different philanthropic funding sources and within distinct public policy arenas. In such a situation, “getting to scale” means replicating these silos, even when this is undertaken by

¹ Among many other publications, *Governing* magazine has covered the issue of preemption—for example, here: www.governing.com/topics/politics/gov-states-cities-preemption-laws.html.

² See: http://shelterforce.org/article/scale_schmale_what_about_impact.

³ See: www.geo.coop/content/reflections-fagor.

nominally multipurpose organizations such as CDCs. Renouncing “scaling up” for the sake of ideological clarity and more “genuine” democratic engagement means restricting the benefits that these institutions and projects bring to a smaller number of participants. Yet, were we to breach the walls around each domain or sector of community development, we might consider this as more of a united front approach to political and economic strength and impact, redrawing boundaries and cohering around the values that unite these initiatives: democracy, cooperation, equity, justice, and mutualism. These are clarified further when juxtaposed against the dominant frameworks in housing, finance, and workforce development: commodification, profit, scarcity, competition, and individualism.

Getting to “scale”

In the current context of extreme racial and gender wealth inequality, particularly since the 2008 crash, the Occupy movement and the United Nations’ International Year of the Cooperative in 2012, community and cooperative development leaders in the United States have become more keenly and publicly aware of their problems with smallness and “scale.” In this sense, scale refers to the scale of operations, resources, lack of replicability and political economic influence, but this issue is never too distant from the spatial dimension of scale. Practitioners are still grappling every day with the strategic question of *how* to move or jump “up” the scalar ladder as they see it. Over the past decade, practice-oriented reports discuss Community Land Trusts’ “seek[ing] to scale up to meet neighborhood stabilization demands;” (Dubb 2008; see also Schneggenburger 2011) ask whether Community Development Credit Unions “are too small” (Wheelock and Wilson 2011); and discuss “pathways to scale” for Worker Cooperatives (Abell 2014). These particular institutional forms of community development organization have demonstrated across evaluations of their work their wealth-building capacities specifically for women and communities of color, and so their concern about “going to scale” or “scaling up” is especially pertinent in cities devastated by residential displacement, unemployment, and predatory debt.

Within each sector, we witness debates between those who favor “achieving scale” and “getting to scale” in the sense of hierarchy and centralization for economies of scale (think Ford factory assembly line), and those who valorize replication of a multitude of smaller and more neighborhood-based initiatives with more attention to direct democracy and networked formations associated with rhizomes (think social movement formations such as Occupy). Many of those in this latter camp may still believe in “scale” as altering the political economy through the force of example, extra-local social movement advocacy, federated networks, and policy transfer. Some in this camp as well also worry that the idea of “getting to scale” is driven by foundations with fundamentally incompatible interests, or, even that the *concept of scaling up itself* is a capitalist maneuver to inject the violence of hierarchy and authoritarianism into these movements, thereby corrupting or diminishing their anti-capitalist ideological content and egalitarian governance propositions.⁴ Moreover, alongside these debates lies a deeper problem: there is perhaps even less of a consensus around what “going to scale” might actually look like if achieved through either of the above scalar frameworks or imaginaries.

Some excellent new work around “ecosystems” for worker-ownership⁵ has begun to address the ways in which “growing to scale” in the arena of worker-owned businesses must address a series of primary, secondary, and tertiary needs that move from concrete business development skills to advocacy partners and larger issues of cultivating ideologically friendly hegemonic climates of good and equitable business practices. Another scale-oriented initiative is the Joint Ownership

⁴ This view is often characterized ideologically as eco-socialist but also traces some of its intellectual and movement roots to feminist economics, as well as the works of anarchist theorist Murray Bookchin, and E. F. Schumacher’s *Small is Beautiful*.

⁵ See: <http://dawi.electricembers.net/new-york-new-york>.

Entity of New York City,⁶ which seeks to harness the power of economies of scale by consolidating and streamlining operations and capital assets among CDCs providing affordable housing in the extremely competitive and capital-intensive markets of New York City. Both these efforts certainly improve and elaborate upon the many necessary components of “getting to scale” in the sense of increased resources, capacity, and influence in policy debates. Yet in both cases, this work remains in the realm of a single sector (worker-owned businesses in the first case, decommodified housing in the second), perpetuating the siloed dynamic of community development.

Scaling across silos: a new “ecosystem” for the social economy

One possible way of getting around this stalemate may involve bridging across these silos. Ira Katznelson argued as much in *City Trenches* about divisions between labor and community movements. Peter Marcuse and David Madden⁷ have recently made the same assertion, echoing Lefebvre, in relation to housing struggles. A visible example of an alternative politics of scale, which goes beyond ecosystems specific to the single sector of worker-cooperatives, is Montreal’s Chantier. Translating to workshop or work site, the Chantier is a 25-year-old organization that has taken an integrated approach to community development and urban political economy. Since the 1990s, the Chantier has coordinated public and private funds for loans, grants, patient equity, policy advocacy, and technical assistance for small cooperatives and collectively managed social enterprises and neighborhood projects in Quebec. Functioning in a manner akin to an urban economic development corporation or council, it also engages in research and development for the various sectors, liaising with government, business, philanthropy, the larger cooperative and social economy movement, and research and educational institutions. In the greater urban metro region, this has led to millions of dollars in investment and tens of thousands of jobs by both their own (Neamtan 2002) and outside⁸ estimations. This alternative formulation is worth considering in the United States as a way of building governing capacity for more just, equitable, and democratic urban and metropolitan political economies.

Here is how Nancy Neamtan, the chief executive of the Montreal Chantier, explains the concept of the social economy, economic development, and the Chantier’s role within it:

The social economy refers to all initiatives that are not a part of the public economy, nor the traditional capitalist private sector. In essence, it is characterized by enterprises and organizations which are autonomous and private in nature, but where capital and the means of production are collective. Today, the social economy in Quebec refers to an ensemble of cooperatives, mutual benefit societies and associations, ranging from the Desjardins credit union movement, to other, diverse community organizations. ... A great deal of effort was spent to convince the diverse networks within the social economy—the network of cooperatives, community groups, local development organizations, private-sector businesses involved in local development, and sector-based organizations—*of the necessity to work together ... to achieve visible gains that corresponded with shared objectives* (Neamtan 2002; emphasis added).

The fact that the Chantier exists is itself a somewhat miraculous instance of cross-sectoral collaboration among organizations not known for playing well together in many cases: community development corporations, trade and labor unions, social movements, cooperative enterprises, and non-profit service agencies. The years-long process of convening these actors around a vision of shared purpose, above and beyond trade or sectoral affiliations, is an important example of progressive or transformational scalar politics.⁹ The Chantier’s structure and purpose, governing

⁶ Website: www.joenyc.org.

⁷ See: www.jacobinmag.com/2016/10/housing-crisis-rent-landlords-homeless-affordability.

⁸ See: www.oecd.org/cfe/leed/130228_Job%20Creation%20through%20the%20Social%20Economy%20and%20Social%20Entrepreneurship_RC_FINALBIS.pdf.

⁹ It is important to note here that, like Mondragón in Spain’s Basque region, part of the key ideological and place-based “glue” holding the project together is the backdrop of Quebecois nationalism. The immediate question this

from a broad-base of social and political institutions and interests, and its management of millions of dollars in loan and grant programs, present at least the beginnings of a progressive urban economic development entity. This approximates the demand and need for what Susan Fainstein once called a public-private partnership for the left (Fainstein 1990), or what Michael Menser, a philosophy professor and chair of the board of the Participatory Budgeting Project, has called a “social-public” partnership¹⁰).

Two new organizations, one in Philadelphia called the Philadelphia Area Cooperative Alliance¹¹ (PACA), and one in New York called the Cooperative Economics Alliance of New York City¹² (CEANYC),¹³ are both inspired by or modeled on the experience and analysis of the Chantier. Both were founded after several years of research, listening and needs assessments, including learning excursions and exchanges among practitioners in New York City, Philadelphia¹⁴ and Montreal.¹⁵ Both of the US based start-ups aim to unite worker cooperatives and housing cooperatives and their sectoral networks with food cooperatives and other consumer and financial cooperatives such as local cooperative investment funds, community development credit unions and community-based organizations working on issues of labor, immigrant, racial, and economic (in)justice.¹⁶ These organizations, like the Chantier, function both as cooperative business councils (i.e. local Chambers of Commerce), and as advocacy organizations pursuing economic, social, and racial justice per internationally recognized cooperative principles.¹⁷ CEANYC, for its part, was founded on the idea that “No solidarity economy has ever grown to substantial scale or strength without an effective umbrella organization” and although many of the groups “have their own sectoral networks and trade associations, [t]hey were generally unaware of organizations and activities in sectors outside their own,” impeding their ability to “tap into cooperative economy work across sectors, connect with one another, and place their work within a broader vision and context” (Ludwig *et al.* 2014).

Reconfiguring scale around values

In the scalar stalemate outlined above, scale is understood to be a set of mostly vertically nested, hierarchical, *a priori* relationships that are mostly given and unalterable. However, the project of redrawing spatial-political boundaries around *values* rather than *sector* remains an endeavor that practitioners of urban politics and community development would do well to pursue. There is much work to be done to build a coherent vision for urban economic democracy that unites these various and weak sectors together towards a collective vision for political influence. The promise of coalitions and umbrella organizations like the Chantier, PACA, and CEANYC is that the work of many—even hundreds—of groups in these sectors becomes visible and important, enabling a more holistic and integrated understanding of “going to scale” and a political-economic reconstruction that transcends the stalemate in which we have found ourselves for too long.

poses is how to form such a glue in a context where nationalist cohesion may not exist, or would not be wise to cultivate.

¹⁰ See: www.psc-cuny.org/print/clarion/february-2014/participatory-budgeting-governing-grassroots.

¹¹ Website: <http://philadelphia.coop>.

¹² Website: <http://gocoopnyc.com/home>.

¹³ Full disclosure: I am on the board of CEANYC, but these views do not represent the organization.

¹⁴ See: www.geo.coop/story/solidarity-cities-philadelphia.

¹⁵ See: www.geo.coop/story/solidaritycities-montr%C3%A9al.

¹⁶ What the relationship with organized labor becomes in both cities still remains to be seen, but is mostly being mediated through an ongoing discussion on worker cooperatives in both cities.

¹⁷ See: <http://ica.coop/en/whats-co-op/co-operative-identity-values-principles>.

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To cite this article:

Evan Casper-Futterman, “Overcoming the ‘Scalar Stalemate’ in Community Development”, *Metropolitiques*, 14 October 2016. URL: <http://www.metropolitiques.eu/Overcoming-the-Scalar-Stalemate-in.html>.