

Race and Place: Green Collar Jobs and the Movement for  
Economic Democracy in Los Angeles and Cleveland

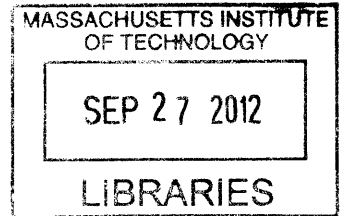
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## **Abstract**

Faced with the problem of growing economic inequality in America and the threat posed to democracy, a number of planning scholars have put forth the idea of building progressive civil society capacity in the economic sphere to broaden stakeholder control and accountability of capitalist markets. Yet actual empirical accounts of community and civic organizations spearheading the task of framing and carrying out prescriptive economic programs, complete with alternative modes of production and exchange, have sparsely materialized. Moreover, the dominant planning perspective on the topic of building civil society to strengthen economic democracy views race as a secondary issue that may have cultural and political significance but is essentially a divisive mechanism that stymies the more important economic programs of class-based movements.

In contrast, the theoretical framework underlying this study incorporates W.E.B. DuBois' notion of double consciousness along with Mikhail Bakhtin's formulations on dialogic exchange to explore how centralizing the perspectives and experiences of "racial others" might enhance critical reflection and dialogic exchange in civil society-led economic planning projects as to fortify progressive coalitions and direct their policy visions towards the deepest problems hindering democratic society. Focusing on the emerging energy efficiency sector and the green economy more generally within the context of the contemporary American city, I use two critical and emblematic cases—the Evergreen Cooperative Initiative in Cleveland and the Los Angeles Green Retrofit and Workforce Program—to build theory at the intersection of race, place, and economic democracy. Each case study is grounded in historical analysis that explores to what extent, in what ways, and how race played a role in managing the tensions and contradictions between capitalism and democracy at the local level. In turn, the case studies investigate the process by which progressive coalitions incorporated the experiences and perspectives of low-income inner city communities of color into their respective green economic and workforce development programs.

At the substantive and normative level, my findings indicate that creating inclusive, transparent, but also flexible spaces for critical reflection and dialogic exchange are essential to building strong coalitions and forging policy visions that get at some of the core problems arising from privatistic urban policy and local economic development and form the stuff of economic democracy. Whether the initiation of such processes and ensuing economic projects occurs in a manner that is "top down" or "bottom up" might be less important to their transformative potential than the depth of critical analysis, reflective thinking, and mutual engagement in policy design and planning discourse. Where economic democracy is a perpetual process of becoming, it entails actors balancing the use of external resources with principles of self-determination and the achievement of project deliverables with leadership development and movement building goals. At the descriptive level, the cases demonstrate the limits of neoclassical economic theory along with its premises of rational choice theory and methodological individualism in explaining observed modes of economic action and local economic development. I incorporate insights from recent multidisciplinary studies on cooperative human behavior along with pragmatist action theory in posing an alternative analytical framework for explaining economic action.

“How selfish so ever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it, except the pleasure of seeing it.”

—Adam Smith, *The Theory of Moral Sentiments*, 1759



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“The world is so empty if one thinks only of mountains, rivers and cities; but to know someone who thinks and feels with us, and who, though distant, is close to us in spirit, this makes the earth for us an inhabited garden.”

—Johann Wolfgang von Goethe, *Wilhelm Meister's Apprenticeship*, 1795

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## CHAPTER 1: American economic democracy unrealized

### **1.1 Introduction**

Observers of resurging privatist ideology and growing economic inequality in the United States over the last forty years may be surprised to learn that by some measures, American capitalism has become increasingly socialistic over time (Drucker, 1976). In *The Communist Manifesto*, Karl Marx and Friedrich Engels distinguished between the bourgeoisie, or “the class of modern capitalists, owners of the means of social production and employers of wage labor,” and “proletariat, the class of modern wage laborers who, having no means of production of their own, are reduced to selling their labor power in order to live” (Marx & Engels, 2006, p. 79). It so happened that around the time of Marx’s death in the 1880s, railroad, banking, and public-utility firms in the United States began to issue employee pension plans as a form of deferred compensation paid to long-term employees upon retirement. As industrial corporations reached unprecedented size and complexity in the first decades of the 20<sup>th</sup> century, federal policy makers and courts responded to popular pressures for business regulation. Among the results, the New Deal institutionalized social security, complete with minimum retirement benefits for qualified workers, while corporate tax policy incentivized the provision of supplemental retirement benefits by offering tax deductions for employer contributions to qualified pension plans. The birth of the first modern pension fund shortly came in the 1950s, when General Motors’ (GM’s) CEO Charles Wilson proposed to the United Auto Workers (UAW) that pension funds get invested in a diverse portfolio of common stocks beyond GM and government securities for greater margins (Drucker, 1976). Over half a century after the UAW agreement, workers’ pension fund savings represent the single largest source of capital in the world, accounting for about half of corporate shares traded on the New York Stock Exchange (Blackburn, 2002; Fung, Hebb, & Rogers, 2001).

As radical as it may sound, the idea of “pension fund socialism” remains “an exercise in political rhetoric rather than reality,” as put concisely by economic geographer Gordon Clark (Clark, 2000, p. 43). Proponents of “pension fund socialism” in the 1970s and “investor capitalism” in the 1990s expressed hopeful optimism that public employee and union controlled pension funds, by building bridges with mutual funds and other

institutional investors, could play a significant role in shaping corporate decision-making to become more publicly accountable. Not only did such an outcome fail to materialize, private equity firms managed to gain control over public pension funds and put them to use towards the enrichment of a minority of private financiers and their high profile clientele. According to William Domhoff, between 1980 and 2007, pension fund investments by private equity firms grew a thousand fold from \$200 million to \$200 billion (Domhoff, 2009). During this time, “many of the public pension funds themselves became money pots for the biggest risk takers on Wall Street, who carried out hostile corporate takeovers and corporate buyouts in the 1980s with their help, then bundled mortgages—including subprime mortgages—into new kinds of ‘securities’ in the late 1990s and early 2000s, which they sold to naïve pension fund managers caught up in the excitement of the housing bubble” (Ibid.). Where private financiers received more than \$17 billion from the nation’s ten largest pension funds between 2000 and 2009 (based on a 2 percent management fee plus 20 percent of profits) (Anderson, 2010), paying off public officials, pension fund managers and political operatives, and committing securities fraud appeared a small price to pay for supernormal profits (Domhoff, 2009). As for the workers who paid into the pension funds and thus absorbed the bulk of losses, many postponed retirement and took up second jobs, while the less fortunate swelled the ranks of the unemployed.

How might we understand and resolve the gap between the democratic, transformative potential inherent in worker control of corporations through pension fund investment and the reality whereby American workers see the dissolution of their hard earned retirement savings at the hands of pension fund managers and private financiers? Perhaps we can cull lessons from the ongoing project of political democracy in America. American political theorists have argued that the creation of the U. S. Constitution in 1789 served as a foundational piece for American democracy but by no means guaranteed civil liberties to the vast majority of the public (Alexander, 2008; Morone, 1998; Smith, 1999). Universal white male suffrage only came about during the first half of the 19<sup>th</sup> century through contestations of property qualifications for voting by the Jacksonian movement. Likewise, neither the U.S. Constitution nor the passage of the 14<sup>th</sup> and 15<sup>th</sup> amendments guaranteed African American civil and political rights. Rather, the transformation of racial politics in America followed sustained efforts to build an independent Black civil society,

which encompassed the establishment of African American religious institutions by slaves and free blacks, abolitionist movements in Western Europe and the Americas, the launch of the Niagara Movement by W.E.B. DuBois and William M. Trotter as a challenge to Booker T. Washington's ideals of accommodation, the subsequent founding of independent African American organizations such as the National Association for the Advancement of Colored People (NAACP), National Urban League, and Universal Negro Improvement Association (UNIA), and 20<sup>th</sup> century movements for global anticolonialism, civil rights, and Black power. In turn, the abolitionist movement inspired the early movement for Women's Suffrage, while the civil rights movement spun off a series of modern movements for equal rights and recognition, ranging from the feminist and gay liberation movements of the late 1960s to the present day immigrant youth movement. In other words, iterative attempts at grassroots organizing, mass mobilization, and public discourse and debate—or continual social practice—led to an alternative political formation. Likewise, active intervention on the part of knowledgeable, organized, and politically efficacious civil society actors might prove the essential ingredient to achieving democratic control and accountability of capitalist markets.

This dissertation explores the practical challenges and opportunities presented by race in activating civil society in the service of economic democracy by which I mean a “recipe for collective problem solving” in the economic sphere as opposed to a contest for influence on matters of economic policy or a deliberative, participatory process in and of itself (Briggs, 2008; Dewey, [1927]1954).<sup>1</sup> Focusing on the emerging energy efficiency sector and the green economy more generally within the context of the contemporary American city, I use two critical and emblematic cases to investigate the process by which civil society, as a “third sector” or realm of voluntary association distinct from the state and the market, might launch alternative modes of economic action and local economic development that challenge the hegemonic neoclassical paradigm. In particular, I am interested in the variable of race, along with its relation to space, as it manages the tensions and contradictions internal to market democracy at the local level but also carries the

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<sup>1</sup> So it's about drilling down to the deep dilemmas at the intersection of markets and democratic society and working from there so that we not only raise the bottom but regenerate the entire system, in part by approaching it with different sets of eyes and combining collective resources and capacities.



potential to serve as a diagnostic, dialogic, and democratic power building mechanism in doing so. Hence the dissertation examines how the progressive coalitions at the center of my cases studies are incorporating the perspectives of inner city communities of color with other available resources in planning their respective community-based green economic development initiatives along with some of the dilemmas that surface in the process of implementation. At the descriptive level, my cases demonstrate the limits of neoclassical economic theory along with its premises of rational choice theory and methodological individualism in explaining observed modes of economic action and local economic development. I incorporate insights from recent multidisciplinary studies on cooperative human behavior along with pragmatist action theory in posing an alternative analytical framework for explaining economic action. At the substantive and normative level, my findings indicate that creating inclusive, transparent, but also flexible spaces for critical reflection and dialogic exchange are essential to building strong coalitions and forging policy visions that get at the core of urban economic problems and form the stuff of economic democracy. Where economic democracy is a perpetual process of becoming, it entails actors balancing the use of external resources with principles of self-determination and the achievement of project deliverables with leadership development and movement building goals.

This chapter presents the theoretical framework for the dissertation beginning with a discussion of the relationship between civil society and democracy and the growing attention among planning scholars to the idea of building progressive civil society capacity at the local level to further economic democracy. In part situating this position vis-a-vis previous thinking on economic democracy, the next section discusses the rise and fall of the “postcapitalist vision,” which previously dominated social liberal thought on the evolving nature of economic and social organization and reformist policy for over five decades during the 20<sup>th</sup> century. I attend to the former’s extrication of “the social” from the economic sphere and neglect of the political economic as well as cultural-ideological dimensions of race, which in turn sowed its susceptibility to changing economic and political fortunes in the late 1960s. Following, I trace the rising influence of neoclassical economic theory in planning along with political economic critiques. In contemplating the shortage of planning accounts in which civil society actors drive prescriptive economic

policies and programs, I overview broader economic trends along with the trajectory of urban policy and local economic development programs since the 1970s. I also discuss the rise of urban social movements culminating in the passage of the Stimulus Act of 2009 and the emergence of the green economy. In considering how civil society actors might use energy efficiency or green economic and workforce development more generally to develop a clearer and deeper understanding of the nature of the modern economy and their implication in it along with an alternative vision and impulse for transformative action, I next discuss the role of cities and the issue of race. Moving on to critique majoritarian and universalistic planning approaches to the problem of race in relation to the project of economic democracy, I borrow from DuBois' notion of double consciousness and Bakhtin's formulations on dialogic exchange to propose an alternative theory of local economic development. The final section presents an overview of the remaining chapters.

## **1.2 Theoretical framework**

### *1.2.1 An economic conception of civil society*

Originating with Hegel but only entering mainstream American political discourse from the late 1980s with the rise of democratic movements in Central and Eastern Europe, the concept of civil society has given rise to varying definitions and forms at the employ of both the American right and the left. Right of center thinkers and libertarians interpret civil society as “a mandate to deconstruct many of the powers of the State and replace them with intermediary institutions based on social voluntarism,” while social liberals tend to see civil society, at times mobilized as social movements, as playing a reformist or complementary role with respect to the state (Seligman, 2001, p. 13). Regardless of the political ends, American political philosopher Michael Walzer associates civil society with innovative tendencies, given “the associational world is a kind of ‘home’ for oppositional tendencies and a guarantee that there will always be alternatives to any political establishment” (Walzer, 2001, p. 39). Specifically reflecting on the democratizing effects of associational life, he writes, “No significant move toward greater equality has ever been made without state action, but states do not act in egalitarian ways unless they are pressed to do so by mobilizations that can take place only in civil society—and that already represent a move toward greater equality” (Ibid.: 43). Elsewhere, a long line of social

commentators and scholars extending from Alexis de Tocqueville to Robert Putnam have discussed the different ways in which associational life can further democracy (Cohen and Rogers, 1995; Putnam, 2001; Rosenblum, 2000; Skocpol, 1997; Warren, 2000). At the individual level, associational life may enhance one's sense of political agency or efficacy and access to information as well as instill political skills, capacities for deliberative judgment, and civic virtues. With respect to the public sphere, associations may provide the social infrastructure of public communication and deliberation as well as provide voice to minorities and underscore common humanity and shared human risks among otherwise disparate groups. Finally, associations may contribute to the democratic functioning of institutions of governance by providing broader representation, organizing political processes, facilitating cooperation, enabling pressure and resistance, and serving as alternative venues for governance.

Reflecting on the problem of growing economic inequality in America and the threat posed to democracy (Hacker & Pierson, 2011), a number of planning scholars have put forth the idea of building progressive civil society capacity in the economic sphere to broaden stakeholder control and accountability of capitalist markets (Alperovitz, 2011a, 2011b; Alperovitz & Daly, 2009; Fainstein, 2000; Fainstein, 2011; Gendron & Domhoff, 2008; Imbroscio, 2010; Sayer & Walker, 1992; Williamson, Imbroscio, & Alperovitz, 2003). Political economist and activist Gar Alperovitz argues that policy innovations like social security and worker pension funds are necessary but insufficient conditions for greater economic democracy (Alperovitz, 2011a, 2011b; Alperovitz & Daly, 2009; Williamson et al., 2003). Boldly asserting, "one thing is certain: traditional liberalism dependent on expensive federal policies and strong labor unions is moribund," he advocates a "non statist, community building, institution changing, democratizing strategy" (Alperovitz, 2011a, pp. 63–64). While contemplating future directions for progressive coalitions of civic groups, businesses, and other stakeholders in *The Leftmost City*, urban growth coalition theorists Richard Gendron and William Domhoff speculate, "It may be that markets could be reconstructed by a progressive coalition to make it possible to plan for a more cooperative and egalitarian economic future" (Gendron & Domhoff, 2008, p. 211). Susan Fainstein also problematizes the privatist or neoliberal local economic development model while identifying the market as an arena for progressive civil society actors and their allies

to build out alternatives. Exclaiming, “the left must find ways of tapping into their economic power rather than dismissing them on moral grounds,” she identifies employee-owned firms, new kinds of credit institutions, and innovative public-private partnerships as potential vehicles (Fainstein, 1996, pp. 119–120).<sup>2</sup> Meanwhile actual empirical accounts of progressive coalitions spearheading the task of framing and carrying out prescriptive economic programs, complete with alternative modes of production and exchange, have sparsely materialized.

### *1.2.2 The rise and fall of the postcapitalist vision*

The novelty and significance of this position becomes clearer when placed in juxtaposition to what historian Howard Brick refers to as “the postcapitalist vision,” which dominated social liberal thinking on the evolving nature of economic and social organization as well as reformist policy from the 1910s through the early 1970s (Brick, 2006). Writing in a time of growing corporate consolidation, bureaucratic administration, and technological change as well as government intervention in the economy ranging from wartime production to Keynesian growth policy, many of the postcapitalist visionaries rejected the salience of capitalism as a conceptual category characterizing contemporary Western societies and their logic of development (Dahl & Lindblom, 1953; Parsons, 1949, 1951; Riesman, 1952, 1963). Where they offered policy prescriptions for economic reform, whether to promote balance and continuity (Collins, 1981; Keynes, 1937; Samuelson, 1955) or facilitate democratic transformation (Arrow, 1950), the actual results frequently entailed higher-level state action such as infrastructure investment, social welfare spending, income redistribution, and regulation of oligopolies. As for the question of building the scope and capacity of civil society, the postcapitalist vision tended to separate out and deemphasize the economy as a sphere for action relative to social and cultural arenas of modern life (Brick, 2006, p. 154). Buoyed by the sense of postwar material abundance and economic prosperity, Talcott Parsons and his colleagues at Harvard advocated a “shift away from economics” in favor of new social sciences including social

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<sup>2</sup> In addition, she highlights the need for “progressive local forces” to attend to the national context, including ideological, institutional, and fiscal factors in driving institutional transformation at the local level (Fainstein, 1996, pp. 119–120).

psychology and cultural anthropology attending to issues of social roles, deviance, and control (Parsons et al., 1951). At the University of Chicago, sociologist David Riesman explored topics at the nexus of personality and culture, advocating recreational resources and leisure to relinquish vanity and conformity in an age of mass production and automation (Riesman, 1952, 1963).

Contemporaneously, Black radical thinkers such as C.L.R. James and W.E.B. DuBois embraced an alternative approach to economic and social transformation that departed from the majoritarian, universalist, and reformist perspectives of the postcapitalist visionaries in combining race, class, and nation-based analyses (DuBois, [1935]1999; James, [1938]2001; Kelley, 1996a; Robinson, 2000). For midcentury scholars such as Talcott Parsons viewing the capitalist political economy from a majoritarian perspective, statism and managerial authority rather than civil society engagement in economic matters might have appeared an ideal recourse for stabilizing and governing the economy, particularly in light of unparalleled economic growth and rates of scientific and technological progress from the 1940s. On the other hand, Black experiences of capitalism were more likely to embody the more coercive and contradictory dimensions, including the state's implication in systems of slavery and peonage and other violent suppressions of labor as well as capital's global tendency and predilection for entrenched postcolonial orders (Jones, 1998; Marable, 2000). Accordingly, Black civil society became the primary vehicle for economic betterment and racial uplift, with efforts to ameliorate economic oppression surpassing the bounds of the workplace to additionally permeate issues of health care, social security, housing markets, and access to capital and education. Hence the postcapitalist visions of C.L.R. James and W.E.B. DuBois centered on students, intellectuals, trade unionists, and political activists from Africa, the Caribbean, Europe, and the United States building a global movement against racial capitalism and worker exploitation (Eschen, 1997). While placing Black experiences, spanning multiple continents and variants of capitalist production alongside intra-class enmities on the part of white workers

at the center of labor and economic history, they saw class conscious, multiracial alliances as key to challenging capitalist domination and fending off regressive political forces.<sup>3</sup>

Where many of the postcapitalist visionaries arrived in the United States during the 1930s and 1940s to escape Nazism and other perilous outcomes of mass mobilization in Germany and Russia, they failed to embrace movements for racial equality and justice beyond a moralistic basis (Brick, 2006). Thus for all the optimism of the postcapitalist vision, the ensuing policy of corporate liberalism that came to dominate American economic life into the 1960s unfolded along racially stratified foundations, ultimately to the benefit of conservative reactionaries and oligopolistic interests. While maintaining a majority status for all but four years between 1933 and 1969, the Democratic Party succumbed to political wrangling by Southern congressmen to disproportionately exclude African Americans from accessing New Deal and Fair Deal benefits (Farhang & Katznelson, 2005; Katznelson, 2005).<sup>4</sup> Shortly thereafter, capital migrated from traditional American industrial centers in the Northeast and Midwest to the South, enticed by the low wages and lack of worker protections. As the civil rights movement made national headway from the late 1950s, leaders like Martin Luther King Jr. directly appealed to the AFL-CIO to forge a unified movement for economic justice; in response, AFL-CIO president George Meany committed to a series of token policies and programs while continuing to prioritize bread and butter issues (Frymer, 2008; Jackson & King, 2007). At the same time, the consolidation of black voting strength through mass migration out of the South and civil rights organizing helped secure the passage of civil rights legislation along with Great Society social reforms. Where encroaching deindustrialization and economic stagnation

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<sup>3</sup> Offering *Black Reconstruction in America* (1935) as a cautionary tale, DuBois wrote about a revolutionary period in the history of world capitalism in which the black proletariat fought for their freedom as well as social rights for the broader American working class to encounter resistance from white reactionary forces (Ferrucio, 1983). Applying Marxian analysis on critical and independent terms that incorporated an international, postcolonial perspective (Robinson, 2000), he connected the exploitation of “that dark and vast sea of human labor in China and India, the South Seas, and all Africa [and] in the West Indies and Central America and in the United States” with that of white workers, whose limited conceptions of “the social” alienated them from their colored counterparts as to enhance their vulnerability to capitalists (DuBois, 1935: 15).

<sup>4</sup> The Democratic Party struck a deal with its Southern congressmen whereby agricultural workers and maids—occupational categories in which African Americans were disproportionately represented—were excluded from New Deal social legislation; in the postwar years, Fair Deal social welfare provisions such as veterans’ benefits and cash assistance to the poor became administered through state and local channels as to uphold racial mores (Farhang & Katznelson, 2005; Katznelson, 2005).

threatened the ever-fragile privileges of the white working class, the gains of the civil rights movement bred resentment and violent resistance. Translating the racial biases of the white majority into ammunition, the burgeoning conservative movement won back Congress and used racial politics to manufacture a “welfare crisis” that contested the government’s role in remedial social provision (Cowie, 2011; McGirr, 2001; Phillips-Fein, 2009; Stein, 2010). As successive waves of recession simultaneously brought soaring unemployment and inflation in the early 1970s to test the limits of Keynesian macroeconomic policy, conservative free market forces seized the opportunity to displace the managed economy with a tightened monetary supply and dismantled New Deal institutions and norms (Frymer, 2008; Levy & Temin, 2007). In sum, mid century social liberalism missed the great opportunity of building a multi-racial movement for economic democracy.

### *1.2.3. Neoclassical economic theory and planning*

Four decades later, conventional economic thinking remains captive to a neoclassical consensus that limits state intervention in the area of constructive social and economic policy as well as considerations of how to build civil society capacity in the economic realm to further democracy (Beckert, 2002; Foley, 2008; Harvey, 2007). Writing at the turn of the century when classical political economy, concerned with issues of power, change, and evolution, retained a hegemonic status with respect to economic thinking, Thorstein Veblen coined the term “neoclassical economics” to refer to efforts by “marginalists” like Alfred Marshall to use mathematics and deductive reasoning “to remove the question of morality altogether from economic life, [the latter represented] as governed by objective laws which we have no choice but to follow exactly in our ‘freedom of choice’” (Foley, 2008, p. 158). Over a century later, neoclassical doctrine dominates both the economic discipline and policy thinking. Among its core elements, rational choice theory asserts that actors choose courses of action that best allow them to maximize utility or profits (Beckert, 2002); in other words, *homo economicus* is a self interested, outcome-driven individual with set preferences that he himself is aware of. In turn, the accompanying notion of the invisible hand postulates that unencumbered competition or exchange among self-interested individuals leads to socially optimal outcomes. In short, the

private sector is the primary actor in the economic sphere, while the role of government is to facilitate private capital accumulation by property owners and entrepreneurs. Finally, the axiom of methodological individualism posits, “all social phenomena—their structure and their change—are in principle explicable in ways that only involve individuals—their properties, goals, beliefs, and actions” (Elster, 1985, p. 5). Accordingly, society—civil or otherwise—is but a nominal aggregate of individuals.

According to urban historian Sam Bass Warner, the salience of liberal capitalism as an American cultural ideology is nothing new; while by no means the only cultural tradition in the country, distinctly American, or internally consistent when translated into practice, laissez faire has persistently influenced the mode of city building and living in the United States since the Revolutionary era (Warner, 1987). Warner coined the term “privatism” in the economic boom years of the 1960s as a sort of warning signal about the unstated cultural consensus increasingly governing urban constructions and remaking in the United States. Despite continuing shifts in content (e.g. accommodation of greater state intervention in social and economic policy during the New Deal and postwar eras), the essence of privatism:

*lay in its concentration upon the individual and the individual’s search for wealth. Psychologically, privatism meant that the individual should seek happiness in personal independence and in the search for wealth; socially, privatism meant that the individual should see his first loyalty as his immediate family, and that a community should be a union of such moneymaking, accumulating families; politically, privatism meant that the community should keep the peace among individual money-makers and, if possible, help to create an open and thriving setting where each citizen would have some substantial opportunity to prosper* (Warner, 1987, pp. 3–4).

The re-labeling of liberal capitalism as such served to draw a distinction between “the totality of an urban society” and the market, the author problematizing the encroachment of economistic thinking upon the former while taking capitalistic markets as a point of departure. Where as Warner focused on historical developments before the Great Depression and New Deal, a new generation of planning scholars writing amidst the rising tide of conservatism in American culture and electoral politics in the 1980s found increasing salience of the privatism concept (Barnekov, Boyle, & Rich, 1989; Eisinger, 1988; Frug, 2001; Levine, 1987, 1989; Squires, 1996). The prevalence of inter-local competition and public-private partnerships amidst economic restructuring and deepening federal



retrenchment from urban affairs further imbued the notion of privatism with fresh meaning and significance.

Amidst the resurgence of privatistic urban policy and local economic development, Paul Peterson extended the premises of neoclassical economics into the realm of public management to advance public choice theory in his 1981 book, *City Limits*, which quickly became a modern day classic. In Peterson's view, the circumstances of capital mobility and inter-spatial competition confronting cities limit local political choice to the single option of pursuing developmental policy. Given cities need to maintain an economic base in order to deliver municipal services, keep up municipal infrastructure, and meet the needs of citizens, the interest of the city are best promoted through the pursuit of growth policy (Peterson, 1981, p. 147). Where developmental policies are assumed to attract residents and capital investment, redistributive ones presumably raise the costs of doing business through progressive tax policies. In other words, local competition over capital investment is akin to an unfettered market where actors try to maximize their benefits and minimize their costs, thus locating businesses based on the best tax-to-services ratio. Besides denying the significance of local politics in shaping urban policy, Peterson also narrows the conception of local economic development to place ultimate value on real estate investments as a means to generate property and income tax dollars and multiplier effects, given his definition of the public interest in terms of aggregate wealth figures. Further, he upholds a clear division of labor where the private sector is the primary actor, the city courts and responds to the demands of capital, and residents consume services and commodities including real estate.<sup>5</sup>

Inserting a political economy perspective, Marxian urbanists, growth coalition theorists, and urban regime theorists have contested public choice theory's conflict-free story of local economic development, primarily by highlighting collective struggles over urban land use. In extending the capital-labor conflict dichotomy into urban contexts, Marxist urban scholars have typically focused on the clash growing out of capitalist interests to promote the exchange value of real estate and working class dependence on

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<sup>5</sup> Perhaps more significantly, in focusing singularly on the status quo and propelling an economic determinist argument, he fails to consider whether what cities actually do in the name of development policy actually work as well as the possibility that alternative economic development policies may generate economic vitality in cities (Elkin, 1987; Imbroscio, 2010; Sanders & Stone, 1987).

the same places to satisfy the essential needs of life (Castells, 1979a, 1979b; Harvey, 1973, 1985, 2012; Lefebvre, 1992). On the other hand, growth coalition theorists tend to draw urban battle lines between pro-growth interests including the real estate industry, building trade unions, local business owners, and utility companies (as opposed to a monolithic capitalist class) and neighborhood-based used value coalitions, also cutting across class (Clavel, 2010; Friedland, 1983; Gendron & Domhoff, 2008; Logan & Molotch, 2007; Mollenkopf, 1983). Whereas the latter avoids the economic determinism of the former, both theories still subscribe to the rational actor model in attributing fixed preferences to various stakeholders. In contrast, regime theorists define actors less by their willingness to do battle over the distribution of costs and benefits of urban redevelopment and more in terms of the practical concerns that bring them to create and maintain cooperative arrangements with others (Elkin, 1987; Stone, 1989; Stone & Clarence, 1987, 1993). While this leaves room for civil society actors to comprise the private side of the public-private partnership (Stone, 1993; Thompson, 2011), the literature “remains deeply grounded in philosophical liberalism,” as to treat “the market (or economic) side of the division *as a given*” (Imbroscio, 2010, p. 35). Nevertheless, the above perspectives highlight the role of cities in struggles against global capitalism and the role of planning in bringing civil society groups into the process of city making on the basis of shared territorial or spatial commitments.

#### *1.2.4. From privatist urban policy and local economic development to the green economy*

Perhaps the relative shortage of planning accounts in which civil society actors drive prescriptive economic policies and programs results from a shortage of opportunities facing civic and community organizations over the past several decades. In the aftermath of Keynesianism and the postwar economic boom, urban policy and local economic development in American cities took a turn that appeared inhospitable to their engagement. As the intensified global flow of capital, goods, and services exacerbated the mass relocation of manufacturing production from historic American industrial centers to more peripheral areas from the late 1960s, state and local governments struggled to maintain an integral position in the evolving global economy (Porter, 1998; Sassen, 2001; Scott, 1997). By the 1990s, a growing trend among both existing and aspiring “global cities”

was to undertake processes of spatial reorganization to promote transition towards corporate command and control services, high tech industries, and cultural and creative activities. In the so-called new era of “hypermobile capital,” the process of urban remaking, as it unfolded in the United States, entailed inter-jurisdictional competition and place marketing (Bennett & Spirou, 2006; Brenner et al., 2010; Eisinger, 1988; Hackworth & Moriah, 2006; Markusen, 2007). To enhance their respective competitive advantages in attracting private sector investment, local governments commonly turned to tax abatements, public subsidies, and other incentives (Barnekov et al., 1989; Squires, 1996).

Discussing the evolving capacities of civil society in American urban areas, Robert Putnam’s *Bowling Alone* (2000) laments the “civic malaise” that has overcome Americans at the end of the 20th century in the face of growing diversity. On the other hand, critics such as Barbara Arneil have put forth an alternative story of progressive social change on the part of women and racial minorities marginalized by America’s civic past (Arneil, 2006). Earlier, I touched on how New Deal and Postwar policies facilitated racially differential access to home ownership, good jobs, and college education (Katznelson, 2005; Oliver & Shapiro, 1995). In addition, federally subsidized urban renewal, highway and road construction, and suburbanization of housing, commerce, and industry exacerbated racial segregation and inequality. While the white working class made a mass transition into postwar suburban living, complete with Putnam’s venerated bowling leagues, the inner city became home to a disproportionate number of low-income communities of color and other historically marginalized populations (Jackson, 1985). At the same time, the civil rights and black power movements helped confer upon urban minority communities some degree of electoral and political power, democratic consciousness, and organizing repertoires. Moreover, the civil rights movement touched off immigration reform, which brought the arrival of new immigrant groups, including from Latin America, often with organizing and political experience from their countries of departure. It further inspired the birth of modern environmentalism complete with urban movements for sustainability and environmental justice (Gelobter et al. 2005). While sustainability became institutionalized within public policies and bureaucratic structures in the first decade of the 21<sup>st</sup> century, the environmental justice movement seeded the emergence of a green collar jobs movement around 2005, which inserted a racial justice frame into the proliferating public discourse

on “green jobs” (Jones, 1998; Pinderhughes, 2004, 2006). Referring to workforce opportunities arising from preserving or restoring environmental quality, green jobs had previously fallen under the domain of labor-environmental coalitions.

Amidst the deepening economic recession, President Barack Obama signed the \$787 billion American Recovery and Reinvestment Act of 2009 into law, complete with funding for energy efficiency programs, renewable energy technology, public transportation projects, and green workforce training. The Stimulus Act offered local governments grants, loans, and other financial incentive programs to explore more place-based, sustainable economic development strategies. It additionally included provisions that expanded opportunities for civic and community organizations to engage in the planning and implementation of local policies and programs (Fine, 2011), a direct result of organizing and lobbying by community-labor-environmental coalitions. Such provisions helped promote social inclusion and public accountability in addition to addressing challenges specific to emerging sectors in the green economy. For instance, in the case of building energy efficiency retrofits, less than 1 percent of utility customers adopt efficiency measures (Michaels et al., 2010), partly due to high transaction costs, information barriers, financing challenges, and split incentives (Jay et al., 2009). The barriers only compound at the aggregate level as to require significant planning and coordination for executing building energy efficiency retrofits at neighborhood or city scale.<sup>6</sup> Beyond uneven public awareness about energy efficiency programs and uncertainty about the exact savings flowing from energy efficiency measures, hiring and training a local workforce that can skillfully carry out the work of energy efficiency can prove an extra challenge, as can coordinating materials supply chains (Fitzgerald, 2010). Moreover, energy efficiency programs, particularly those receiving federal funding, need to find ways to be sustained beyond the life of the Stimulus. Hence civil society groups with expertise in social marketing, community mobilization, workforce development, community development, innovative financing models, and other such areas offer tremendous value.

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<sup>6</sup> Industrial relations scholar David Weil has observed that the building energy efficiency production process “does not lend itself easily to a cookie cutter approach,” which in turn “makes gaining economies of scale more difficult” (Weil, David, 2010, p. 10). In accordance, the private sector, acting on its own, has largely failed to transcend the building-by-building approach even as market incentives have soared over the past few years.

### 1.2.5 *The green economy and the question of economic democracy*

With the help of Stimulus funding and state-level energy legislation, a growing number of civic and community groups across the country have begun to confront the overlapping economic, social, and environmental crises facing their communities through energy efficiency planning. As observed by Daniel Villao and his colleagues at the California Construction Careers Academy et al., (2012), in the process, “practitioners have also begun to realize that there are many shades of green. Initiatives have largely focused on basic weatherization. Yet these efforts have tended to generate short-term, temporary jobs without making significant long-term environmental and economic impacts” (Villao et al., 2012, p.2). According to urban planner Joan Fitzgerald, the transition to a clean energy economy could create numerous well-paying jobs in areas such as building design and construction, energy production and use, water supply and management, waste management, land-use, transportation, and sustainable food systems, particularly in dense urban areas (Fitzgerald, 2010). But to be clear, there is nothing inherent about the green economy that lends itself to spinning off good jobs or regenerating ailing urban economies. It falls upon progressive coalitions to strategically deploy collective assets and leverage the Stimulus and other policy and funding opportunities, influence key decision makers, and set up specific policy structures that reallocate resources and decision-making power (Fine, 2011). In short, if the aim is to additionally generate some degree of transformative thinking and practical action that breaks with the prevailing mode of economic production and exchange, the question is not simply *whether* civil society is engaging in energy efficiency; in fact, it appears that more often than not, civic and community groups defer to utility companies, energy auditors, contractors, and public agencies. The more significant question is *how* they are connecting the planning and coordination of building energy efficiency programs to broader efforts to transform capitalistic markets beginning with privatistic urban policy and local economic development.

Referring back to the pervasiveness of the neoclassical economic worldview and the dominance of privatism as an American urban tradition, the barriers confronting civil society groups in undertaking community-based green economic development programs might not only be structural or institutional but also cultural and ideological in the form of

prevailing beliefs, expectations, and habits around the economy. Marx first used the term “reification” to refer to instances where things or phenomena resulting from human action are stripped of their relation to human action or political content to become reduced into objects that are seemingly natural and inevitable (Marx, [1867]1992). The Hungarian philosopher Georg Lukacs further refined the concept to define reification as arising where “a relation between people takes on the character of a thing and thus acquires a ‘phantom objectivity,’ an autonomy that seems so strictly rational and all-embracing as to conceal every trace of its fundamental nature: the relation between people” (Gottlieb, 2005, p. 64). A Marxist humanist, he also suggested the potential for human activity to alter objects or circumstances appearing as external reality where actors had knowledge of their direct implication and were willing to act on it. What of rectifying the modern day reification of the economy among civic and community groups? How might civil society actors use energy efficiency or green economic development more generally to develop a clearer and deeper understanding of the nature of the modern economy and their implication in it along with an alternative vision and impulse for transformative action? What role might cities play in such a process? Further, how might the issue of race relate to the task of building a green economy and furthering economic democracy?

### *1.2.6 The role of cities*

The traditional environmentalist focus on preserving or conserving wilderness conditions and biodiversity translated into a bias against cities and urban living, casting urbanization and the natural environment in a zero sum game. For instance, Sierra Club founder John Muir “distinguished between the urban ‘lowland’ and the wilderness high ground, which provided a kind of spiritual replenishment for daily life” (Gottlieb, 2005, p. 64). Founding figures of modern planning such as Lewis Mumford, Jane Addams, and Patrick Geddes also eschewed the environmental hazards associated with the “industrial city,” including contaminated water supplies, waste dumping, and air pollution. Once westward expansion and capitalist urbanization completely transfigured the American landscape and suburban sprawl became the standard pattern of urban growth, planning thought on the ecological implications of cities began to carry more positive overtones. In his 2011 bestseller *Triumph of the City*, economist Edward Glaeser declares,

*If the environmental footprint of the average suburban home is a size 15 hiking boot, the environmental footprint of a New York apartment is a stiletto heel size 6 Jimmy Choo. Traditional cities have fewer carbon emissions because they don't require vast amounts of driving... New York State's per capita energy consumption is next to last in the country, which largely reflects public transit use in New York City (Glaeser, 2011, p. 14).*

In the realm of practice, the “green cities movement” has most recently harnessed and activated such sustainable urban tendencies, with “thousands of urban areas around the world all striving to lessen their environmental impacts by reducing waste, expanding recycling, lowering emissions, increasing housing density while expanding open space, and encouraging the development of sustainable local businesses” (Earthtalk, 2009).

Cities have likewise become central to workforce organizing strategies amidst economic globalization, technological change, decentralization of production, and the rise of flexible manufacturing (Fine, 2003). The classic “home-work divide” thesis that governs thinking among American political scientists on the historic separation between politics of work and community in the United States largely confines economic and labor market organizing to the workplace (Katznelson, 1982). In *City Trenches* (1982), Ira Katznelson provides the example of blue-collar workers in South Chicago who might have been militant laborites within the walls of the steel plants where they worked but then came home to subordinate their class identity to the politics of ethnicity, Democratic Party patronage, and services. Of course, for workers of color who were disproportionately excluded from unions along with New Deal and postwar housing, welfare, education, and other “social” policy carrying deeply economic implications, experiences of economic oppression transcended the home-work divide as did their oppositional struggles. Katznelson’s account also leaves out the ways in which white supremacy, a political construct, cut across the home and the workplace—for whites as well as blacks. Focusing on more recent decades, Janice Fine argues that the proliferation of community unions beginning in the 1980s bridged the traditional work/home divide in organizing workers around class and ethnicity both at their workplaces and in their communities (Fine, 2003). The tendency among low wage service sectors (e.g. janitorial work) to scatter work sites throughout the city and incorporate layers of absentee owners, subcontractors, and

managers have rendered more conventional shop floor organizing approaches targeted at single employers less effective. Hence community unions are “more inclined to rely upon local community organizing and coalition building with organizational allies to pressure employers as well as upon passing local living wage and other pieces of legislation that compel employers to make improvements” (Fine, 2003, p. 25). Successful demonstrations of the approach include the movement for living wages, which has enacted policies to raise low wages in over 100 localities in the United States (Freeman, 2005), along with the SEIU Justice for Janitor campaign, which has grown to encompass 225,000 janitors in almost 30 cities in the United States and four cities in Canada (Erickson et al., 2002).

Lying at the nexus of the green cities movement and community unionism-type approaches to local economic reform and development, the green collar jobs movement has placed cities at the center of an alternative economic development paradigm. As in the case of community unionism, it responds to broader economic changes by broadening its focus from the level of the firm to territorial or spatial units of economic production such as neighborhoods, localities, and regions. Moreover, the spatially dispersed nature of economic production in urban space elicits the involvement of a broader base of stakeholders including civil society actors and local government; it also translates into opportunities for community organizing and coalition building as well as policy and planning processes to shape markets and employment arrangements, particularly in the nascent stage of development with respect to clean energy sectors. Therefore, where community unionism is reactive in its aim to ameliorate negative economic conditions such as low wages and poor working conditions, the green collar jobs movement is more prescriptive in framing and carrying out alternative economic programs. Cities again play a critical role in that process by facilitating an empirically-based understanding and critique of the prevailing mode of capitalist economic development. For example, the pervasive phenomenon of “throwaway” cities, complete with sunk private and public investments in infrastructure, housing, commercial buildings, education, utilities, and other public goods along with increased poverty, unemployment, and related social problems (Williamson et al., 2003), stands testament to the negative repercussions of global capitalism on



communities. At the same time, the pressing nature of urban problems generates an impulse to find creative solutions.<sup>7</sup>

### *1.2.7 The variable of race*

To the extent the development of the green economy (as well as sustainability policy more generally) is based in cities, it will inevitably unfold in a racialized metropolitan landscape and labor market, meaning one where actors are differentiated on the basis of racial categories or groupings. Historically, racial divisions fueled suburbanization and urban disinvestment, not only through New Deal and Fair Deal policies, but also in the form of “white flight” from growing minority presence and deteriorating public infrastructures in cities. More recently, urban revitalization projects and changing lifestyle preferences have brought white professionals and other members of the middle class back into downtown areas, but often at the cost of gentrification and displacement. Despite some trends of suburbanization, African Americans and Latinos remain largely segregated in impoverished, declining inner cities and inner ring suburbs, where career paths too frequently begin with failing schools and lead to low paying, dead end jobs (Dreier et al., 2004; Fishman, 2000; Goldsmith et al., 2010; Squires, 2002; Thompson, 2008). Such spatial patterns of racial stratification raise troubling questions for green economic development efforts aimed at promoting environmental, economic, and social sustainability (Thompson, 2011). In the energy efficiency sector, the standard approach of offering consumer rebates for efficiency measures disadvantages low-income minority households, which lack the necessary upfront capital and live in older, substandard housing requiring basic improvements even before energy retrofits. Moreover, the engagement of the building and construction trades on the employment and workforce development side of energy efficiency touches off uneasy feelings on the part of minority communities in light of their historical experiences of exclusion and continuing challenges in meeting union pre-apprenticeship standards given the poor quality of urban public schools.

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<sup>7</sup> Hence some municipalities and civic coalitions have adopted strategies for urban regeneration and job creation that harness a fuller spectrum of talent, capital, and other assets at their disposal to create dense, interlocking networks of industries and firms at the local or regional level as once envisioned by the likes of E.F. Schumacher and Jane Jacob (Jacobs, 1970, 1985; Schumacher, [1973]2010).

Thus, the variable of race allows us to see that the expansion of the energy efficiency sector, if proceeding as is, might actually undermine social and economic sustainability, as the uneven distribution of cost savings and green jobs combines with rising energy costs to exacerbate existing conditions of “intra-generational inequity.” It further suggests the difficulty of achieving environmental sustainability so long as communities of color find no reason to join the cause of carbon reduction and fighting climate change. Beyond the contribution that minority communities can make through implementing energy efficiency measures, changing their consumptive behavior, and joining the green workforce, political support is essential to enacting environmental legislation and ensuring their enforcement, especially given demographic trends (according to the US Census, minority babies are now the majority in the US and non Hispanic whites will be outnumbered by 2042). As an illustration, the Tea Party movement and other conservative groups, in continuing to mobilize against government taxes, spending, and regulation, blocked passage of the 2010 Homestar Energy Retrofit Act, which would have created a nationwide energy efficiency rebate program had it won the senate vote (one can imagine how the Homestar program might have formed the backbone for a more comprehensive approach to energy efficiency). In sum, we discussed earlier how the implication of cities in green economic development as envisioned by the green collar jobs movement allows us to imagine more participatory modes of planning and governance and generates a practical impulse to find new strategies for urban regeneration and job creation. In turn, the condition of racial stratification at the heart of contemporary urban formations in the United States provides a glimpse into the sticky challenges that confront planners and others aiming to connect the planning and coordination of building energy efficiency programs to broader social and economic transformation.

To clarify, when we refer to racial problems or racism, we are not speaking of the old fashioned variety based in the Jim Crow social order and characterized by overt bigotry, demands for strict segregation, advocacy of government mandated discrimination, and adherence to the belief that blacks are the categorical intellectual inferiors of whites (Bobo et al., 1997). Simply focusing on the prejudicial attitudes and intentional, overtly discriminatory behavior on the part of white individuals or persistence of formal segregation and discrimination in schools, housing, and other aspects of modern life might

reveal racism to be in decline in the United States (Schuman et al. 1985; Sears 1988). My contradictory assessment is based on a structural interpretation of racism that attends to the “dynamics of economic and social institutions through which racialized groups become systematically marginalized or excluded” (Stavenhagen, 1999, p. 9). For all the gains of the civil rights and black power movements, the combined effect of economic globalization, economic and political restructuring, exclusionary practices by the real estate sector, failing inner city schools, mass incarceration, and other contextual factors have perpetuated a unique and fundamental position of cumulative Black disadvantage, complete with enormous employment differentials, earnings inequalities, wealth disparities, and hyper-segregation (Bobo et al., 1997; Mullings, 2005). Simultaneously, a new free market or “laissez faire racism” has heightened “persistent negative stereotyping of African Americans, a tendency to blame blacks themselves for the black-white gap in socioeconomic standing, and resistance to meaningful policy efforts to ameliorate America's racist social conditions and institutions” (Bobo et al., 1997). In responding to a prevailing rhetoric of “color-blindness,” which claims the end of racism and perverts civil rights discourse to thwart affirmative action and the like, I take seriously structural, historical, and ideational dimensions of contemporary racism in accounting for forces and processes underlying its reproduction and eradication.

### *1.2.8 Planning theories on race and economic democracy*

This brings us to the question of how planners might approach the problem of race in relation to the project of economic democracy. As far as the dominant planning perspective on the more general topic of building civil society to strengthen economic democracy, it tends to downplay the significance of race in assuming a majoritarian approach (Dahl, 1986; Fainstein, 2011; Putnam, 2001; Skocpol, 2003). For instance, the pluralist planner Robert Dahl conceptualizes economic democracy as “a system of economic enterprises collectively owned and democratically governed by all the people who work in them,” his premise being that ownership and control of economic enterprises is “the most egregious source of political inequality” (Dahl, 1986, p. 91). Dahl notes that race may have been the greatest source of political inequality among Americans in the century following the Civil War but assures that what had once appeared to be an

“unchangeable system of political, social, and economic inequality was transformed through public policies” (Ibid., p. 54). In terms of the disparities that remain, he largely attributes them to broader economic inequalities and prescribes worker-owned and worker-controlled enterprise as the key mechanism for redress. Likewise, Susan Fainstein designates coalitions based on “distribution” and “broadly appealing benefits” as ideal vehicles for social and economic justice in *The Just City* (2011). In her view, race is a “political formula [that] gives rise to demands for language autonomy and acknowledgment of particular customs such as holiday celebrations or styles of communication” (Fainstein, 2011, p. 42). Depicted this way—which is to say, stripped of its economic content—race is a secondary issue that may have cultural and political significance but is essentially a divisive mechanism that stymies the more important economic programs of class-based movements. In short, Dahl and Fainstein start with the lowest common denominator of material conditions while trying to downplay racial differences as a legacy of the past and a secondary factor in the movement toward economic democracy.

On the other hand, planning scholars like J. Phillip Thompson have questioned the possibility of engaging civic and community groups to promote economic democracy without directly confronting the problem of race in American cities. In “The Politics of Implementation” (2011), he argues firstly that for African Americans, economic oppression has been as much about race as it has been about class, whether in terms of slavery and Jim Crow; unequal access to social welfare programs, public education, worker protections, housing, and business loans; the systematic destruction of vibrant black neighborhoods and commercial districts through urban renewal; or discriminatory policies by employers and unions (Marable, 2000). Therefore, “defining race as mainly about cultural status is a category mistake that has political consequences” in dismissing the diversity and complexity of experiences (Thompson, 2011, p. 14). Secondly, Thompson raises the impossible challenge of identifying programs or institutions concerned with distributional issues that do not grapple with rivalries or identity politics, given that group identities are an essential part of humans as social beings. Rather than “put a veil over politics” (Ibid., p. 15), he suggests planners more carefully attend to race (along with its spatial manifestations) in order to understand its role in managing the balance between capitalism and democracy. In his words,

*No modern economic system can function without government. No government can survive for long without 'the people.' The tension between degrading people in the economy and uplifting people in democratic discourse is a profound challenge to governance. It is in this realm that race has proved invaluable, and also that cities have proved invaluable. Race allows for degradation of minorities, without provoking a larger legitimacy crisis of democracy. Cities allow for the spatial concentration and containment of degraded minorities (Thompson, 2008, p. 201).*

Hence the above argument, harkening back to DuBois' point in *Black Reconstruction in America* (1935), assigns low-income inner city communities of color a unique and integral role in absorbing the tensions and contradictions internal to a market democracy as well as facilitating the latter's potential unraveling and regeneration.

To further unpack this revelatory and transformative conception of race and understand how planners might operationalize such a potential in the service of economic democracy, we momentarily turn to the opening chapter of DuBois' *The Souls of Black Folk* (1903). Here he introduces the notion of "double consciousness," a condition akin to being confined in...

*a world which yields [the bearer] no true self-consciousness, but only lets him see himself through the revelation of the other world. It is a peculiar sensation, this double-consciousness, this sense of always looking at one's self through the eyes of others, of measuring one's soul by the tape of a world that looks on in amused contempt and pity. One ever feels his two-ness— an American, a Negro; two warring souls, two thoughts, two un-reconciled strivings; two warring ideals in one dark body, whose dogged strength alone keeps it from being torn asunder (DuBois, [1903] 2012, p. 3).*

On one hand, DuBois sees double consciousness as a sort of affliction that causes low self-esteem, disappointment in others, and a "mocking distrust of everything white"; yet he also associates the burden of "always looking at one's self through the eyes of others" with a "second sight" into greater facets of the social world (Ibid., p. 2). Invoking the metaphor of the veil, he differentiates between the view of African Americans and those of the white majority, the latter being less self reflective or contextual by virtue of their power and practical impertinence of taking the powerless into account. As interpreted by Manning Marable: "for DuBois, the centrality of racism was not just a burden for nonwhites, but had to be openly and unconditionally recognized by white progressives. It was only through the development of an antiracist politics that the real material needs of all oppressed people could be addressed. The fight for Black liberation is 'the realizing of democracy for all'"

(Marable, 2000, p. 11). Therefore, in contrast to Dahl and Fainstein, DuBois treats race and racism as a deeply “social” condition, meaning one that not only afflicts racially subordinated groups but also inhibits the capacity of whites to fully comprehend their social world and develop their various potentialities within it (by opposing a naturalistic understanding of society as epitomized not only in racist conceptions of human nature but also in reductionist accounts of human motivation central to neo-classical economics). In addition, he delineates the outlines of an approach whereby the double consciousness of “racial others” might enable critical reflection and dialogic exchange in multiracial contexts as to help fortify progressive coalitions and direct their policy visions to address the deepest problems hindering democratic society.

In *The Miner’s Canary*, Lani Guinier and Gerald Torres operationalize DuBois’ notion of double consciousness within the context of democratic practice. Comparing those who are racially marginalized to a miner’s canary whose “distress is the first sign of a danger that threatens us all,” they recommend the practice of “political race” to “build a movement for social change informed by the canary’s critique” (Guinier & Torres, 2003, pp. 11–12). To Guinier and Torres, the perspective of racially marginalized groups is a diagnostic device that reveals system-wide structures of power and inequality and thereby acts as a potential catalyst for systemic change. In *Double Trouble* (2005), J. Phillip Thompson advances a deep pluralist approach to renewing democratic politics that similarly begins with the most marginalized groups in society. However he adds an extra layer in recognizing the existence of strong differences and internal hierarchies within marginalized and oppressed communities. Therefore he advocates going “deep” and working from the “inside out” in forming interracial and interclass coalitions. In the contemporary American metropolitan context, this might mean beginning with “unveiling painful internal oppressions and exclusions within black politics for the purpose of increasing the black community’s power to compel similar unveiling in broader interracial politics” (Thompson, 2005, p. ix). Another key point is that deep pluralism is a craft to be honed through repeated practice in a variety of issue areas. While the account in *Double Trouble* mainly focuses on the arena of electoral organizing and politics as related to black political candidates, Thompson’s framework applies more broadly to various civic initiatives that deal with substantive issues affecting low-income families and communities.

### 1.2.9 An alternative theory on race, civil society, and economic democracy

Extending DuBois' ideas about double consciousness into the economic arena, how might we pose an alternative framework for theorizing civil society efforts towards economic democracy? Again using Susan Fainstein's *The Just City* as a foil, we might characterize her approach as universalistic in the sense that she devotes much of the volume to distilling a set of abstract principles that can move cities closer to justice, namely equity, diversity, and democracy. In part, she situates her work in contradistinction to the procedural emphasis in planning theory (e.g. John Forester's deliberative planning model and Paul Davidoff's advocacy planning model), which pays insufficient attention to the reality of structural inequality and hierarchies of power as to provide a diversion from the substance of policy. More generally, Fainstein imposes a dualism between process and outcome and reacts to what she sees as planning's counterproductive emphasis on the former at the cost of the latter. While DuBois also values process, he does so not as an end in and of itself but more so for the purpose of facilitating the kind of systemic understanding and base building that he sees as essential to achieving a vibrant multiracial democracy. In transcending the process-outcome dualism as well as attending to prospects for economic democracy grounded in multi-racial movement building by various civil society actors, DuBois share certain overlaps with the Russian philosopher and literary critic Mikhail Bakhtin. Going back to the notion of reification, Bakhtin emphasized the role of dialogic exchange, or "discussion which does not resolve itself by finding common ground" (Sennett, 2012, p. 19; Bakhtin, 1982), as a means to break through false meta-narratives. For Bakhtin, a plurality of voices, styles of discourse, and points of view were critical to uncovering the multiple facets of a system including its limits and constraints. Only through their simultaneous expression, complete with mutual engagement, contradiction, contention, and debate, could actors see the limits of their own views, expand their understanding of one another, and more fully grasp their social world. Hence, without drawing a distinction between process and outcomes, Bakhtin focuses on a learning process by which various actors might overcome their respective conceptual limitations, weave together different issue areas, approaches, and resources, and thereby enhance democratic governance and accountability in an iterative, ongoing basis. Such an

analytical approach avoids defining an ideal planning outcome by the universalist measures of the theorist's own making, whether boiling down to a formation centering on worker owned and controlled enterprise or principles of equity, diversity, or democracy. Rather, it remains attuned to the transient, complex, and historically contingent nature of societal conditions, complete with their inherent tensions and contradictions, along with the locally specific, multimodal nature of efficacious policy and planning responses. Therefore, DuBois and Bakhtin, in combination, help account for the factors of structural inequality, power hierarchies, and policy content and outcomes missing from procedure-centric models of planning as well as the issues of human agency and local specificity neglected by universalistic approaches to economic democracy.

In turn, I borrow from DuBois' notion of double consciousness and Bakhtin's formulations on dialogic exchange to build theory at the intersection of race, place, and economic democracy. Where "Double consciousness" accentuates the position of the "worst off" in illuminating systemic problems, "dialogic exchange" compels us to not simply stop there but additionally attend to the achieved synergies with other groups working in alliance. In other words, it rejects "top down" vs. "bottom up" dualisms to instead protect against potential idealizations of any particular section of society by highlighting the importance of coalition building and multiple bases of knowledge and expertise operating in concert. Focusing on the emerging energy efficiency sector and the green economy more generally within the context of the contemporary American city, the dissertation applies the DuBoisian-Bakhtinian framework to two critical and emblematic cases—the Evergreen Cooperative Initiative in Cleveland and the Los Angeles Green Retrofit and Workforce Program. The Evergreen Cooperative Initiative comprises a network of multi-stakeholder cooperatives whose worker owners come from six of Cleveland's most distressed, inner city neighborhoods, which grew out of a partnership between the Cleveland Foundation, a series of anchor institutions, two university-based policy research centers, and the City of Cleveland. In the case of the Los Angeles Green Retrofit and Workforce Program, it emerged from a partnership between community, labor, and environmental organizations mobilized under the banner of the Los Angeles Apollo Alliance and the City of Los Angeles. The resultant municipal building retrofit program incorporates unionized public sector jobs with career paths targeted at "hard to employ" workers from "disadvantaged"



neighborhoods. Both initiatives deviate from the privatist economic development approach of enticing major employers to locate in cities by using tax incentives, lax environmental regulations, and other public subsidies. Instead, they leverage opportunities availed by the Stimulus Act and state policy and build on existing collective assets to create jobs more directly. Further, by anchoring the green economic and workforce development initiatives in progressive economic institutions, namely worker cooperatives and labor unions, they seek to create meaningful employment opportunities, broaden wealth ownership in society, stabilize urban communities, and build a social movement for economic democracy. Where worker cooperatives and labor unions have traditionally failed to play such roles, they are altering the structures and practices of these institutions to better suit their purposes.

At the substantive level, my cases challenge the neoclassical hegemony in economic practice by lifting up the stories of green economic and workforce programs driven by community and civic organizations and various allied groups. In doing so, my target audience not only comprises free market enthusiasts, it more importantly includes progressive planners and others aligned with the political left. Among the assumptions and patterns of thought that this dissertation challenges are those related to the segmentation of community organizing and democratic power building from economic programs (as spheres of engagement for civil society actors), private sector primacy in the economic sphere, and “bottom up essentialism” or “grassroots glorification” that limits community and civic groups from broadening their approaches to coalition building and urban problem solving to encompass different bases of knowledge and expertise. Hence I not only problematize the reification of the economy on the part of civil society actors but also the reification of organizing and movement building repertoires, whether through institutional inertia or narrow ideological views and boundaries (e.g. exclusive focus on collective bargaining by labor organizations at the cost of more comprehensive market recovery strategies that might increase the percentage of work undertaken by contractors operating under a union agreement).

At the descriptive and analytical level, my cases also expose the shortcomings of rational choice theory and methodological individualism in explaining observed modes of economic action and local economic development, complete with much cooperation,

uncertainty, and innovation and learning (Beckert, 2002). Therefore I derive an alternative analytical framework for explaining the economic behavior of actors. Among the conceptual components, there is the question of human motivation; more specifically, what might cause people to participate in the said green economic and workforce development initiatives if not for self-interest? How do actors come to be involved in the programs and what maintains their involvement? Samuel Bowles and Herbert Gintis have drawn upon experimental and evolutionary theories from the behavioral sciences to develop a model of *homo reciprocans* that disputes the assumption of the self-regarding, outcome-oriented actor (Bowles & Gintis, 2002, 2011; Henrich et al., 2001). Using evidence from an impressive body of anthropological studies and contemporary experiments, they argue that people are not purely selfish but rather predisposed to cooperating and sharing with others beyond the immediate family and other in-groups. They are even willing to punish those who violate cooperative and other social norms at substantial costs to themselves.<sup>8</sup> Whether people are motivated to be selfish, reciprocal, altruistic, or spiteful appears to depend on the encountered situation or person, which in turn undermines the assumption by rational choice theory that actors have set preferences that they themselves are aware of. In a similar vein, the sociologist and philosopher Richard Sennett devotes part of his recent volume, *Togetherness* (2012), to discussing the natural capacity for cooperation rooted in the earliest stages of human development as well as detrimental effects posed by current institutional conditions such as impatient capital, vertical disintegration, and contingent employment.

Secondly, how might we think about preference and goal formation on the part of the respective progressive coalitions apart from the notion that *homo economicus* is an outcome-driven individual with set preferences that he himself is aware of? According to

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<sup>8</sup> To illustrate, Bowles and Gintis present the example of white Americans opposing social welfare programs, largely to their own detriment, in order to deny African Americans and others whom they stereotype as being uncommitted to the work ethic from accessing such benefits. Revisiting the case of the resurgence of the American conservative movement with this new perspective, we might understand the populist backlash against the Democratic party and gains of the civil rights movement, not simply as a matter of competitive behavior on the part of working class whites but rather as resulting from a perverted sense of fairness stemming from their investment in the American body politic and belief in the notion of American individualism and equal opportunity. In turn, this suggests a mode of recourse that goes beyond efforts to subsume race and other “divisive” categories and issues under the banner of class solidarity to more thoughtfully address taken for granted ideas and beliefs about race and the ways in which they substantiate and perpetuate profound social inequities.

John Dewey, process and outcomes or ends and means are in some ways inextricable, and preferences often form in the field of action. The fact that human activity is continuous implies "the end is the last act thought of; the means are the acts to be performed prior to it in time" (Dewey, [1922]1997, p. 31). In other words, what was before an end soon becomes a means for another "end-in-view" and so on. Further, "the goals of actions are usually relatively undefined, and only become more specific as a consequence of the decision to use particular means... only when we recognize that certain means are available to us do we discover goals which had not occurred to us before. This means not only specific goals, but they also expand the scope for possible goal setting" (Joas, 1997, p. 154). In turn, desires or preferences emerge from the problematic situation at hand, depending on what sorts of ends appear attainable, rather than being fixed within the actor. Hence the Deweyan formulation speaks to the importance of attending to the varieties of resources at the disposal of actors, including economic, cultural, social, and symbolic capital (Bourdieu, 2008; Bourdieu & Wacquant, 1992), along with potential synergies and coordination between varying forms of capital. We might also choose to pay close attention to problematic situations encountered by actors, whether at the personal, organizational, or field level, along with reflective thinking processes spurred by breakages in routines. Further, we might find that what actors consider program or policy outputs at one point become inputs within subsequent initiatives.

In contrast to the Deweyan formulation, which render human action as largely constituted by the situation, neo-pragmatist Hans Joas introduces the elements of biographical and sociological context in his theory of the creativity of action (Joas, 1997; Joas & Knöbl, 2009). According to Joas, historical circumstances have located the actor in various field positions, which have in turn incorporated a series of perceptions, actions, attitudes, tastes, and practices. Consequently, the actor as a bodily entity carries around certain aspirations and tendencies, along with value commitments, also shaped by self-formative and transcendental past experiences. These tend to operate in a pre-reflective, habitual fashion until situations arise where routines no longer suffice as to require reflection, creativity, and adaptation. At this point, the actor selectively recasts and projects preexisting aspirations in ways that are relevant to the situation at hand while invoking preexisting values and ideas as standards. Drawing on such insights, we might explore the

biographical and social trajectories that incorporated particular aspirations and tendencies as well as values and ideas in actors, which then led them to the community-based green economic development initiative at hand. According to Bruno Frere, “the more an individual is exposed to non-homogenous, complex and diverse social contexts, the more likely he or she is to possess a variegated legacy of adapted dispositions, habits or abilities that are non-homogenous and not unified” (Frere, 2011, p. 254). We might tease out to what extent such inconsistent dispositions, habits, and abilities enable insights into systemic contradictions and tensions. We may also consider the transformative potential inherent in cities to bring together actors reflecting considerable racial, ethnic, class, and cultural diversity.

Finally, with respect to the nature of the economy, if the profit motive is not what is holding various utility-maximizing individuals together, what might be the purpose of economic exchange? Where Aristotle thought of the city as “a coming together of people from diverse family tribes—each *oikos* having its own history, allegiances, property, family gods” (Sennett, 2012, p. 4), he viewed commercial exchange as a mechanism for holding people together across social differences (Henaff, 2010). Where people had varying occupations and needs, money could facilitate reciprocal exchanges that forged webs of interdependence and complementarity, in turn promoting political society (Aristotle, 1996, p. 45). In the words of philosopher and anthropologist Marcel Henaff,

*Human recognition of the other, whether person or group, always takes place through the gesture by which one holds out a mediating object to the other, presenting the other with something that one is giving as a part of oneself and venturing into alliance space. This gesture states the following: first, we recognize you as fellow humans; second, we accept you as possible partners; finally—once relationships have been established—we wish to remain bonded with you in the future (Henaff, 2010, p. 132).*

In other words, money can impart a sense of recognition, express mutual need, instill dignity, and forge bonds across kinship and ethnic lines as to play a “functional” and “ethical” role in the function of a city (Ibid., p. 316). Consequently, Aristotle eschewed the idea of money serving as an instrument of power or end in and of itself, anticipating the result would be “perverse and perverting” with respect to the aim of building civic community (Ibid., p. 329). Such a conception of commercial exchange elucidates the fundamentally cooperative roots of the economy and frames social optimality in terms of

how well different people live together rather than the profit motive. In doing so, it helps us disrupt economic thinking to envision a modern economic democracy rooted in the American city and identify the seeds of such possibilities within my two case studies.

### **1.3 Theoretical approach**

The aim of this study is not causal analysis— understanding why things happened the way they did or explaining how the presence or absence of a certain independent variable explains or accounts for variation in the outcome or dependent variable— but rather illuminating the process by which community and civic organizations might use race as a diagnostic and dialogic tool in spearheading the task of framing and carrying out green economic and workforce development programs, complete with modes of production and exchange alternative to prevailing privatist models. As noted by planning scholar Xavier Briggs,

*[Causal analysis], a foundation of hypothesis testing in both the natural and behavioral sciences, is appropriate where achieving a specific outcome is the target of study, whether that outcome is a social condition or a policy decision. Causal analysis is feasible and appropriate where the analyst can confidently control on a reasonable number of confounding factors, beyond the factor to be tested, that might be associated with the outcome of interest (Briggs, 2008, p. 22).*

On the other hand, my two cases exhibit a great deal of historical and institutional variation so that while I am generally interested in efforts to build civil society capacity in the economic sphere, which incorporates deep racial analysis, critique, and mediation, at this stage of research, I would hesitate to call that an explanatory variable for predicting “better” urban policies and local economic development outcomes. My view is that little can be said for such components and processes or their economic, social, political, and cultural-ideological effects beyond the forms they assume and effects they produce in their specific contexts. Therefore, rather than try to hold variables constant across cases, I instead adopt Richard Locke and Kathleen Thelen’s contextualized comparison approach to studying comparative politics (1993, 1995), which places comparative cases “side by side in order to highlight the distinctive features of particular systems” (Locke and Thelen, 1995, p. 20). Where conventional accounts compare “similar” changes across cases without considering different starting points or varying degrees of valence different issues pose in different

contexts, Locke and Thelan place “differences rather than similarities at the center of [their] analysis” to bring into relief how actors in “various contexts are engaged in struggles that while different in appearance, are nonetheless similar in substance” (Locke and Thelen, 1993, p. 19). In the co-authors’ case, they employ the approach to study how common international pressures (towards flexibility and decentralization) have provoked organized labor in different national contexts to reconsider their longstanding political, economic, and organizational strategies in analytically analogous ways. In turn, I consider how common pressures stemming from the tensions and contradictions of privatist urban policy and local economic development practices came to bear around different “sticking points” in Cleveland Los Angeles given their historical and institutional contingencies. In other words, I undertake historical and institutional analysis to tease out the originating factors and conditions for the distinctive features—including the pathways and accomplishments— of each of the cases. The dissertation research is built around two case studies that were partly chosen based on the presence of intense racial stratification and spatial segregation (both falling within the top ten most segregated cities in the United States by US Census measures) along with the variation in the forms of green workforce and economic development at the heart of the initiatives, or “sticking points” of the respective struggles (centering on worker cooperatives and anchor procurement in the case of Cleveland and unions and the City as an employer and owner/manager of immense building stock in the case of LA). The fact that the initiatives differ in appearance but are similar in substance may render them revelatory as a sample.

My unit of analysis includes the respective green economic and workforce development initiative as well as participating organizations and individuals. Put a different way, the study consists of an embedded case study design, which attends to enabling conditions of agency at the field, organizational, and individual levels. To better understand the process by which community and civic organizations in the case studies use race as a diagnostic and dialogic tool in spearheading the task of framing and carrying out green economic and workforce development programs, the dissertation relies on various forms of data. These include primary data from 89 unique semi-structured in-depth interviews with representatives of community and civic organizations (including community, environmental, and labor organizations, workforce intermediaries, and

foundations), university-based policy research centers, and local government and other public agencies as well as consultants and other participants in Evergreen and the LA Green Retrofit Program. I also draw upon notes from direct observations of meetings, deliberative processes, work sites, and organizational settings conducted between November 2010 and May 2012. I also draw upon secondary data in the form of program proposals, reports, and records produced by the various organizations involved in the respective initiatives as well as issues of sustainability, green/green collar jobs, and green economic and workforce development more broadly; legislative and regulatory documents; planning documents; notes of correspondence; newspaper articles and editorials; and meeting minutes. Further, I anchor each of the case studies in historical analyses exploring the role of race in managing the tensions and contradictions between capitalism and democracy at the local level. More generally, I examined secondary sources of historical data to better understand the local contexts surrounding each of the cases with respect to their political economy, power structures, systems of government and civic governance, civil society landscape and capacities, and local demographics and culture as well as major urban policy and planning initiatives. To cull from the research data evidence expanding on and testing the earlier propositions, I combined line-by-line coding with conceptual coding, applying the first approach to a smaller sample to draw out key concepts, which was subsequently applied on the larger data set. Overlapping data analysis with data collection allowed a head start in analysis as well as enabled flexibility in data collection and depth in analysis by allowing adjustments that further probed emergent themes and took advantage of emergent opportunities. Hence I applied pre-determined criteria for case selection but also incorporated a grounded theory approach when it came to teasing out the process by which community and civic organizations might use race as a diagnostic and dialogic tool in spearheading the task of framing and carrying out green economic and workforce development programs (Strauss 1967; Strauss and Corbin 1998).

As this dissertation focuses on the collaborative efforts and dynamics among community and civic organizations driving the Evergreen Cooperative Initiative and the LA Green Retrofit and Workforce Program, it overlooks a number of important details that are less central to the purpose of the study. For example, the perspectives of the workers are largely absent from the accounts, particularly with respect to the LA case study given the

minimal involvement of the Green Retrofit trainees in planning and implementing the career academy and other aspects of the program. A direction for future research might be to conduct a longitudinal study that traces the experiences and outcomes of the participants in the initiatives in terms of income, assets, civic participation, and cognitive or behavioral shifts, among others. As stated earlier, the aim of this study is not to identify the precise reasons why these cases rather than others saw the results of the outcome variables but rather to suggest that this kind of change is possible and illuminate how such processes may unfold. However, as another area of future research, causal analysis studies might help isolate and clarify the effects of certain program components. For instance, one might incorporate a number of control cases as benchmarks of what a more “standard” green economic and workforce development initiative without a community or civic organization advocating the interests of inner city communities of color looks like in order to derive more definitive and meaningful conclusions about the function of race as a diagnostic, dialogic, and power building mechanism in progressive civil society-led economic planning. One of the controls might be a private sector led initiative that incorporates the perspectives of inner city communities of color, while another initiative might exclusively involve community and civic organizations but lack the component of race analysis/consciousness. Another study might systematically compare the Cleveland case with other worker or multi-stakeholder cooperatives and the LA case with other community-environmental-labor initiatives to illuminate the extent of their respective institutional innovations as well as the causal factors. Further, as various green sectors and economic development initiatives continue to emerge within each of the cities, future research might focus on several initiatives within the same city in order to control for local contingencies.

#### **1.4 Structure of the dissertation**

The remaining chapters are divided into three parts, each organized around a central question.

Part one addresses the question: *To what extent, in what ways, and how has race played a role in managing the tensions and contradictions between capitalism and democracy at the local level?* Here I explore the question within the contexts of Los Angeles and



Cleveland (in chapters two and three respectively); I also compare and contrast the two cases. Ultimately, I am interested in drawing links between historical events and the examined cases; firstly, to understand how the latter might enable actors to address some of the core problems arising from privatistic urban policy and local economic development. Secondly, I want to trace how the initiatives build on oppositional traditions that might have emerged over time, as actors “made” history by adjusting to changing economic and social circumstances while also challenging the status quo.

Part two of the dissertation presents the case studies at the center of the dissertation. In chapter four, I focus on the Evergreen Cooperative Initiative in Cleveland, while chapter five tells the story of the Los Angeles Green Retrofit and Workforce Program. Each chapter explores the question: *To what extent, in what ways, and how have community and civic organizations incorporated the experiences and perspectives of low-income inner city communities of color into their respective green economic and workforce development programs?* Here I highlight the role of situational imperatives (including various field and organizational level conditions, manifested as problematic situations), biographical factors stemming from pivotal, formative past experiences at the individual level, and resources available to coalition members (including historical contingencies) as enabling and shaping collective agency.

Part three is the concluding chapter of the dissertation and discusses the implications of the two cases for the project of economic democracy. Recently, management scholars like Michael Porter and Mark Kramer have proposed “the big idea” of reinventing capitalism to create “economic value in a way that also creates value for society by addressing its needs and challenges” (Porter and Kramer, 2011). I list elements of their conceptual framework as a point of reference before offering a critique based on the empirical evidence from my case studies. Following, I build on DuBois’ notion of double consciousness and Bakhtin’s formulations on dialogic exchange as well as draw from the case studies to lay out a theoretical formula for shared value creation that focalizes the perspectives and experiences of inner city communities of color and considers terms of shared governance and collective problem solving, various program impacts, and issues of program longevity and scale. I further discuss the role of planning theory with respect to the project of building civil society in the service of economic democracy.

## **PART I: HISTORICAL ANALYSIS**

In what follows, I present two sets of historical analyses that examine to what extent, in what ways, and how race has played a role in managing the tensions and contradictions between capitalism and democracy at the local level. This section presents my conceptual approach before presenting the historical case of Cleveland. Chapter two presents the historical case of Los Angeles along with a summary of findings and comparison of the two cases. In each case, I focus on three separate periods: capitalist urbanization, economic regionalization, and urban economic restructuring amidst federal retrenchment from urban programs from the late 1970s. In each historical period, I study how capitalist urbanization and local economic development led to the emergence and perpetuation of racialized labor markets and neighborhoods. Given local contingencies, the three periods of urban and economic development vary in form and sequence across the two cases, with urbanization preceding industrialization in Los Angeles, while occurring more or less simultaneously in Cleveland.

Among the overarching themes of the historical analysis is the stabilizing function of race at the intersection of local markets and democracy, particularly during times of economic restructuring. By disproportionately absorbing the burdens of structural change, marginalized groups spare entrenched systems of economic and political governance legitimation crises. In part, I dispute neoclassical accounts of urban policy and local economic development that depict city making and living as neutral or inevitable by exposing the myriad human activities and relations that feed and negotiate historical outcomes at various junctures. I simultaneously seek to avoid functionalist explanation that account for a particular set of behaviors, in this case, racialized labor markets and neighborhoods along with racially differentiated social and economic outcomes for groups of urban dwellers, simply by pointing to the fact that it has beneficial consequences for certain groups of actors. Instead, I try to account for underlying mechanisms and frictions inherent in social phenomena (Elster, 1985, pp. 27–28). Therefore I illuminate the involvement of not only capitalists but also the white working class in maintaining systems of racial discrimination and subordination. I also attend to oppositional movements that emerged as actors grappled with experiences of marginality and adjusted to challenging circumstances.

As modern historians have sought to make sense of the past by searching for patterns, they have embraced different schools of thought or modes of interpretation, each with their own biases and shortcomings. A central topic in historical analysis being that of agency, “Great Man Theory” premises that “the history of the world is but the biography of great men,” as stated by its mid 19<sup>th</sup> century proponent, Thomas Carlyle. In other words, heroic individuals shape history through their personal attributes and decisive actions. Critics such as Herbert Spencer have argued that great men are the products of their environments and simply act upon preexisting social conditions. In the case of social historians, they see history as resulting from the cumulative efforts of the multitude or the “every man.” Those embodying the “master subject” approach present history from the perspective of a particular group. For instance, Karl Marx centered his analysis on the proletariat as a sort of “chosen people” who would beget a revolutionary overthrow of capitalism. In doing so, he overlooked the realities of division and internal conflict within the group, an analytical shortcoming later underscored by radical Black scholars incorporating critical racial analysis into the Marxist tradition (Robinson, 2000). Similarly, the “systems approach” tends toward metanarratives in telling history through the use of various “isms” while featuring anonymous actors as to fit well with the “master subject” approach. As for my “social struggle-centered approach” to understanding history, I view mutual engagement, complete with contention, conflict, and collaboration both across and within groups, as determining the nature and function of societal institutions, which in turn, bear sustained normative and practical impacts on individual and group outcomes. In short, I present a “social history” that incorporates the intersecting experiences of multiple historical subjects—whether they be capitalists, white workers, or racial minorities and other historically marginalized groups— to interrogate the process by which capital- “ism,” race- “ism,” and privatist urbanization and local economic development unfolded over time within particular locations.

My analytical approach brings together the literature on privatism, which combines insights from political economy and urban history, with urban political theory on race. In challenging the neoclassical dominance of planning thought on urban policy and local economic development, the former uses historical analyses to highlight, contradict, and contest the assumptions underlying privatist city building practices. The unstated

principles governing privatism as identified by the literature can be summarized as follows (Warner, 1987; Eisinger, 1988; Barnekov and Rich 1989; Levine, 1989; Frug, 1999):

- (1) One's freedom to pursue material wealth is more important than commitments to the community.
- (2) The nuclear family is the ideal social unit.
- (3) Healthy communities are best promoted by ensuring individual liberty and equal opportunity to further individual wealth accumulation by means of unfettered "neutral" markets; on the other hand, equal conditions incentivize freeriding and hamper productivity and innovation.
- (4) The private sector is the principal agent of urban change; in turn, the "free" market is the most dynamic, productive, and dependable allocator of resources.
- (5) The role of government is to facilitate private capital accumulation by property owners and entrepreneurs; state planning should be minimized to the extent it hinders market efficiency.
- (6) The ultimate standard by which to judge any action, public or private, is market efficiency.

By illuminating the immense social coordination, contestation, and struggle that feed into privatist urban policy and economic development, the literature on privatism helps dispel notions of naturalness and inevitability pervading neoclassical accounts of urban construction and remaking. Where the notion of the invisible hand projects a sense of "phantom objectivity," it exposes the negotiations and power plays that go into the making of urban policy and local economic development at various historical junctures. Studies of privatism also expose discontinuities between economic planning practices at the local level and anticipated effects as to undermine premises of market efficiency. In highlighting the role of individual actors as potential perpetuators and challengers, the literature not only reveals the ways in which the hegemonic is constituted but further underscores the potential for intervention and resistance.

In coining the term "privatism," Sam Bass Warner cast the pervasive urban phenomenon of black exclusion as a legacy of the "private city." As white citizens drew tight boundaries around the individual, family, and homogeneous community, the "successful city," in the words of Warner, became defined by "the cohesion of its congregations and its neighborhoods" rather than "the manner in which it treats strangers" (Warner, 1987: xxiv). My view is that the links between race and privatism are tighter and more intentional than mere happenstance. While avoiding blaming and demonizing historical actors, DuBois'

*Black Reconstruction in America* (1935) and more recent works by scholars like David Roediger and Noel Ignatiev demonstrate that “white labor does not just receive and resist racist ideas but embraces, adopts, and at times, murderously acts upon those ideas” (Roediger, 2007, p. 12; Ignatiev, 2008). Likewise, my historical analysis uncovers greater agency on the part of white working class residents of Cleveland and Los Angeles than might be acknowledged by conventional Marxist accounts and allied schools of thought. As I will show shortly, racial divisions certainly benefit the capitalist class in Cleveland and Los Angeles. However, “racism [came] from both above and below” (Roediger, 2007, p.10), as white workers battled conditions of alienation and economic insecurity, they more often upheld the racial separatism at the ideological core of capitalism than forging class solidarity across race on the basis of shared material conditions. Where overcoming group differences and forming interracial coalitions required extensive effort, the simpler alternative of elevating one’s own status and privileges at the cost of “racial others” provided the necessary uplift to remain invested in the body politic (Smith, 1999).

## CHAPTER 2: RACE, CAPITALISM, AND DEMOCRACY IN CLEVELAND

### **2.1 Capitalist urbanization and industrialization, late 18<sup>th</sup> to early 20<sup>th</sup> century**

Cleveland, like many American cities, originated primarily as an economic entity but expanded in large part through the financial graces of the state, the latter aggressively harnessed by the town's entrepreneurial fathers. Settled in 1796 by land speculators intent on turning quick profits, the town of Cleveland was quickly surveyed, haphazardly divided into two-acre tracts, and sold to private buyers through a land lottery. Cleveland's period of municipal mercantilism began in the 1830s when the state of Ohio selected the town as the northern terminus of the Ohio and Erie Canal, in large thanks to lobbying efforts by the Ohio state legislator and state canal commissioner Alfred Kelley, who also hailed from a local merchant and shipping family. Because canal construction brought a steady flow of Eastern investment capital and migrant workers, the city was a major transshipment hub for agricultural products from the interior and manufactured goods from the East by 1845. Enticed by the potential for even greater profits, local merchants shortly embraced the railroad cause to formulate public subsidy schemes and sponsor local newspaper editorials that framed the issue in terms of the unitary public interest. By the eve of the Civil War, Cleveland had the highest density of rail access in the Great Lakes region. The war was a further boon for local economy, as Cleveland's metal manufacturers responded to the national demand for metal and metal products. By its end, Cleveland was home to thirty oil refineries as well as numerous factories producing industrial machinery and supplies in addition to consumer durables.

Capitalist urbanization and industrialization brought enormous sums of wealth along with periodic economic crises. The upper and middle classes largely consisted of native-born white Protestant transplants from New England, the wealthiest of whom made their homes in the stately mansions of Euclid and Franklin Avenue. As for the "middle portion of Cleveland society—laborers, craftsmen, and small business owners," they settled in areas adjacent to work or wherever housing was affordable (Miller & Wheeler, 1995, p. 33). The mass arrival of German, Irish, English, and Czech immigrants from the 1840s gave

rise to ethnic clustering and residential segregation.<sup>9</sup> In contrast to white immigrants, Black settlers, many of them freed slaves from the upper South arriving as early as 1809, lived throughout the city (Perry, 1995). The poorest Clevelanders crowded into the dilapidated neighborhoods adjacent to the industrial districts on the city's west side, where they suffered exposure to noxious urban and industrial discharges along with occasional epidemic outbreaks. Despite setting up ethnic businesses, religious institutions, and fraternal organizations, Cleveland's immigrant communities commonly experienced cyclical economic downturns and degradation by industrial work. In the aftermath of the Panic of 1837, Cleveland workers began to form unions to demand improved wages and work conditions. When union activity accelerated during the recession of the 1850s, employers responded by hiring foreign strikebreakers from out of town. As the recession of 1877 (following the Panic of 1873) triggered a series of business failures, layoffs, and wage cuts, growing industrial and urban tensions culminated in a series of worker strikes at the railway yards, Standard Oil, and steel mills. Despite employer hostility and resistance, labor unrest continued through the Panic of 1893 and into the turn of the century, with local unions numbering 100 by 1900.

The fact that Cleveland's Protestant elite largely attributed poverty to personal failings translated into benevolence programs that served as a means for social control as much as poor relief; however in the face of growing labor unrest and popular concern over social inequality, community action in matters of social reproduction appeared inevitable. Increasingly conscious and critical of the inequities of unrestricted capitalism, workers turned to collective action in the form of union organizing, workplace and citywide strikes, and public discussions to raise demands about worker rights and employer obligations (Miller & Wheeler, 2009, p. 88). While the middle class tended to embrace capitalism over worker organizations, they were more favorably disposed toward the progressive

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<sup>9</sup> The first group arrived between the 1840s and the 1880s, and largely consisted of Germans, Irish, English, and Czechs. Towards the end of the 19<sup>th</sup> century, Cleveland saw the mass migration of Slavic nationalities, Hungarians, Russian Jews, and Italians. Based on cultural background, time of arrival, and occupational skills, immigrant groups occupied different status positions but generally incorporated into mainstream society within a couple generations, typically advancing from menial jobs to positions of higher skill and compensation along the way. Where public schools, churches, families, and homes left off, the US military further stepped in as an agent of assimilation and "democratization," the First World War conscripting five million men, almost 20 percent of whom were foreign born, into the ranks of "Yanks and 'first-class fightin' men" from which African Americans were excluded (Gerstle, 2002, p. 84).

movement and settlement house movement, which arrived in the 1880s and 1890s respectively, to reshape popular discourse on poverty as resulting from social inequality and make demands for “good government.” Consequently, the last two decades of the 19<sup>th</sup> century brought the arrival of separate departments for police, fire, accounts, public works, charities and correction along with sewage, tunnel, park, and school systems, extensive street paving, and an electric streetcar line. Civic projects and reforms continued during Cleveland’s progressive era (1900-1914) under the mayoralty of Mayor Tom L. Johnson, a former streetcar magnate influenced by the single tax theories of Henry George who worked closely with the progressive populist movement at the local level. His efforts to establish the nation’s first public electric utility and break the streetcar monopoly elicited retaliation by private interests behind the private utility company and the streetcar railways unwilling to forgo profits in the emerging sector of urban infrastructure provision. The protracted struggle eventually led to Johnson’s electoral defeat and the street railway lines along with railway fares going back to corporate control. Only the municipal electric utility withstood the conservative backlash.

Where 19<sup>th</sup> century capitalist industrialization entailed a great deal of economic volatility and class antagonisms, racialized labor markets further mitigated crises, typically at lower cost to the white majority relative to public infrastructure and social welfare spending. For all the woes of working a low wage, unskilled job, a white worker could earn promotion to a semi-skilled job over time to eventually climb the internal ladder of mobility within the factory or company. On the other hand, for a Black worker, menial work was often a lifelong position rather than a stepping-stone to a career. Where the two races worked adjacent to each other performing identical work, Blacks were paid a fraction of what whites received. In cases of job variation, “wherever the work was heavy, hot, dirty, and low paying, Black men could usually be found” (Trotter, 2006, p. 60). No matter how educated or skilled, African Americans typically supervised only those of their own race, as racial mores precluded their occupying positions of superiority to any white person (Jones, 1998). While many of the European immigrant groups worked and lived alongside African Americans, few resisted the temptation of becoming “white” and escaping a certain set of injustices and indignities that regularly befell African Americans in the labor market. In fact, walk-outs and hate strikes by white workers in response to the hiring of Black



workers was not uncommon, and some employers resisted hiring Black employees in light of the expenses attached to redesigning separate dressing rooms and restrooms. More commonly, Black Clevelanders found incorporation into labor relation strategies as a reserve army of cheap labor to drive down wages and discipline white workers.<sup>10</sup>

Hence African Americans were the only migrant group in Cleveland to experience downward economic mobility in the post-Civil War era. Consisting of a total of 800 at the eve of the Civil War, Cleveland's Black population steadily grew by about a hundred persons per year during the half century after the Civil War, before quadrupling from 8,448 to 34,451 between 1910 and 1920 with the start of the Great Migration. Like their immigrant counterparts, these new Clevelanders arrived in response to a number of push and pull factors,<sup>11</sup> including escape from Jim Crow, disenfranchisement, and racial violence as well as access to industrial work opportunities in a city known to be one of the most "liberal" cities on the issue of race. In fact, antebellum Black Clevelanders enjoyed higher levels of income, occupation, and quality of life compared to most urban Blacks in the North. From thereon, racial discrimination intensified, with segregation of neighborhoods and public accommodations complete by the start of World War I. Where as 32 percent of male Black Clevelanders worked in the skilled trades in 1870, the percentage had dropped down to 11 percent by 1910. As Cleveland's industrial base exploded between 1870 and

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<sup>10</sup>As noted by Jacqueline Jones, new immigrant groups repeatedly served this function throughout America's industrial history, but "out of all these groups, it was Black people alone who came to symbolize the scab" (Jones, 1998, p. 311). For instance, Cleveland employers imported Polish and Czech workers as well as men from Buffalo and St. Louis to temper labor militancy following the recession of 1877.

<sup>11</sup> Between 1863 and 1877, Reconstruction delivered significant gains to African Americans (and poor whites) in the South with respect to property ownership, educational attainment, and political power (DuBois, [1935]1999; Foner, 2002). However, the acquisition of independent farms by rural Southern Blacks and poor whites coincided with a precipitous drop in the price of cotton between 1881 and 1900, which increased the indebtedness of many cotton growers under the crop lien system and heightened competition for limited resources (Soule, 1992). Further, the growth of the manufacturing sector in Southern cities between 1870 and 1910 propelled rural Blacks, many skilled in carpentry, masonry, and the mechanical trades, to seek opportunities in manufacturing as manual wage labor, in turn posing a threat to industrial workers (Wilson 1978). The 1880s and 1890s additionally saw the emergence of a populist movement, complete with a Populist party platform, which united smaller farmers and oppressed workers— both white and Black— to advocate for cooperative enterprise and public regulation of exchange, and thereby challenge powerful merchants, corporations, and the South's system of one party rule (Hahn, 1985). Consequently, southern states passed constitutional amendments between 1890 and 1905, to keep African Americans and many poor whites from voting, along with Jim Crow laws legally segregating public facilities. Amidst heightened economic competition and political polarization, white citizens and vigilante groups such as the Ku Klux Klan (founded in 1866) committed acts of ritualistic violence (averaging two lynchings per week throughout the 1890s) targeting Black men, women, and children as well as white nonconformists and dissenters.

1915, jobs went first to immigrants arriving from Europe rather than native-born African Americans regardless of educational background or skill level. Conversely, the percentage of Black men in service occupations jumped from 15 percent in 1870 to 30 percent in 1910. Another 30 percent worked as casual laborers on seasonal building and construction projects (Trotter, 2006: 69). During this time, rates of property ownership in Cleveland's African American community declined from 28 percent to 11 percent, with Black women twice as likely as immigrant white women to work to support their families (Kusmer, 1995).

Black Clevelanders tried a variety of approaches to eradicate racial discrimination and subordination. According to Kenneth Kusmer, "equal access to most public accommodations and the modest size of the city's Black population in the nineteenth century retarded the development of separate Black institutions in Cleveland" (Kusmer, 1995, p. 267). However, as the local African American population grew from 800 before the Civil War to almost 35,000 in 1920, the increase in numbers not only spurred white hostility and ghettoization but also community organization.<sup>12</sup> The dominant modes of Black thought on racial relations in late 19<sup>th</sup> to early 20<sup>th</sup> century Cleveland reflected national patterns in ideologically dividing along the lines of accommodationism and integrationism. Prominent integrationists like Ohio state senator John P. Green, together with the local NAACP, advocated for Blacks to pursue career opportunities and exercise full civil and political rights within the mainstream of society, all the while pursuing a cautious and unobtrusive program on race issues (Wye, 1995). On the other hand, Black entrepreneurs like funeral parlor owner J. Walter Wills and publisher Nahum D. Brascher emphasized self help, hard work, and discipline within the African American community along with more gradualist approaches to civil and political rights. Amidst hardening segregation in the first two decades of the 20<sup>th</sup> century, self-help philosophies and separatist ideologies appeared to win out as indicated by the flourishing Black press, commercial and professional sector, and network of churches, self help organizations, and

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<sup>12</sup> Where as immigrant whites in urban areas generally consolidated power through ward-based electoral organizing and machine politics within the purview of the Democratic party, African Americans won political office initially by building on factional divisions within the Republican party; however, following the introduction of the direct primary in 1907, they began to rely more on solidifying the Black vote to counteract the power of white voter prejudice (Wye, 1995).

fraternal orders, which despite class divisions and rivalries, facilitated mutual support and provided a robust Black civil sphere.

## **2.2 Capitalist economic regionalization, early 20<sup>th</sup> century to the 21<sup>st</sup> century**

Where capitalist urbanization and industrialization transformed Cleveland into one of the country's most prominent industrial cities by the early 20<sup>th</sup> century,<sup>13</sup> the next phase of urban economic development assumed a decentralized pattern, with Cleveland losing much of its industry and commerce to suburban areas to instead focus on retail, corporate services, real estate, and government administration. Again, highly resourced and organized private sector actors found ways to enlist state intervention and harness public subsidies to make sizeable profit. Beginning in the 1910s, the newly created Cleveland Real Estate Board (CREB) established committees to study zoning, taxation, city planning, legislation, highways, and other relevant issues in order to shape industry policy and practices at the regional scale. Focusing on the central business district and urban fringes, its members infiltrated local law firms, banks, and planning agencies along with the seats of suburban mayoralities and city councils to transform the metropolitan real estate industry to "a much-larger-scale, operationally integrated, twentieth century business" (Weiner, 2005, p. 153). New Deal institutions such as the Federal Housing Authority played a critical role in securitizing mortgages and redlining bank lending in urban neighborhoods with a noticeable minority presence, as did the Veteran's Administration, which offered no interest loans to veterans. As car-bound Clevelanders migrated in mass to newly formed suburban tracts in Lakewood, Cleveland Heights, Garfield Heights, and Parma, the availability of funding for highway construction through the Federal Highway Act from the mid 1950s additionally aided the expansion of the suburban real estate sector in the postwar era.

The subsequent erosion of the center city's economic base threatened business institutions requiring location in the city core for services, distribution, and markets as to compel their promotion of redevelopment of "blighted" areas (Barnekov et al., 1989, p. 38).

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<sup>13</sup> As Cleveland reached its industrial peak in the "roaring twenties," its population hit 900, 429 in 1930 while its industrial landscape boasted a myriad of auto plants, iron and steel mills, foundries, machine shops, meatpacking plants, and clothing and paint factories.

With the exception of a brief return to full scale industrial production during World War II,<sup>14</sup> manufacturing, retail activity, and middle income families continued to drift out of Cleveland. Amidst worsening neighborhood conditions and crime, Cleveland's public officials and corporate leaders (representing Eaton Corporation, Republic Steel Company, and Cleveland Illuminating Company, among others) turned to urban renewal as a solution.<sup>15</sup> Armed with the federal resources and local discretionary powers enabled by the 1949 the Housing Act and Federal Highway Act of 1956, they spun off the Cleveland Development Foundation (CDF) in 1954 and the University Circle Development Foundation (later University Circle, Inc.) in 1957 to act as the de facto "city planning and urban renewal department for the city, subject to no public scrutiny" (Bartimole,1995, p. 163). Within a decade from its first ground breaking in 1955, the urban renewal program in Cleveland would grow to become the largest in the country, encompassing over 6,000 acres and seven inner-city areas, all on the disproportionately African American East Side. Where urban renewal built upon the city's precedent of constructing public housing to fight blight, redevelopment projects like Erievue provided new government offices, high-rise apartment buildings, and retail spaces rather than affordable housing,

The process of urban and economic restructuring brought both financial windfalls and overwhelming burdens, neither of which fell evenly upon Clevelanders and other residents of Cuyahoga County. The expansion of the regional real estate industry created unprecedented opportunities for many of Cleveland's white ethnics not only in home ownership but also business and employment related to real estate brokering, sales, and construction. In addition to higher quality schools and better neighborhood amenities, suburbanites also found broad work opportunities in newly burgeoning industrial and commercial districts outside the city. Simultaneously, racial covenants, discriminatory real estate and construction industry practices, limited public transportation, and citizen vigilantism and mob violence promoted the racial exclusivity of suburbs.<sup>16</sup> As World War II

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<sup>14</sup> The city leveraged its diverse industrial base, trained workers, easy access to raw materials and energy, and efficient transportation connections to plug into wartime production.

<sup>15</sup> These federal measures enabled cities to invoke powers of eminent domain to purchase property in areas designated as blighted, clear them for reuse, and sell them to private developers below market value, with the federal government covering two thirds of the net project cost.

<sup>16</sup> While a significant number of African Americans entered the middle class by 1920s, those who sought improved living conditions beyond the limits of the racial ghetto repeatedly met white mob violence. One case

brought full employment, African Americans entered Cleveland's steel and iron industries, where for the first time they discovered opportunities to move into skilled positions. However, such gains were relatively short lived in a broader context of economic restructuring and outward movement.<sup>17</sup> Nevertheless, Cleveland continued as the second most popular receiving point for the Great Migration, and the housing shortage in the city's African American neighborhoods only grew worse along with building code and sanitary violations, crime, redlining, and blockbusting (Wye, 1995). Urban renewal only exacerbated existing problems, as tens of thousands of residents got displaced in the process of neighborhood demolition, which failed to generate redevelopment of new units or facilities beyond low-income housing.

Where turn of the century Black thought on the question of racial discrimination and segregation, whether accommodationist or integrationist, tended to take capitalism as the point of departure, the Great Depression gave way to more radical and militant ideological currents (Wye, 1995). Amidst hardening segregation in the 1910s and 1920s, organizations like the United Negro Improvement Association (UNIA) claimed hundreds of thousands of members across the country under their self help, separatist program, which also incorporated community organizing and cooperative ownership given their critique of global capitalism. As the Great Depression brought soaring unemployment with rates as high as 90 percent in some of Cleveland's majority Black neighborhoods, the Communist Party began to attract African American members, with its commitment to overturning capitalism along with racial equality. Another strand of radical Black thought, embodied by the National Negro Congress (NNC), emphasized unionizing Black workers and forming an alliance with the mainstream labor movement to exert pressure on the white power structure and thereby address the economic problems of all workers. The third approach, employed by the local Future Outlook League (FOL), drew on boycotts and picket lines

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involving the Arthur Hill family, who in 1924 was forced to move back to Cleveland's Central area ghetto by a mob of 200 angry whites who surrounded their new home in suburban Garfield Heights. Similarly, in 1925, when Dr. Charles Garvin, a prominent Black physician in Cleveland attempted to build a home for his family on Wade Park Avenue close to the suburban border, whites harassed the workmen building the home and upon its completion, exploded two dynamites in addition to making threats on the lives of the residents.

<sup>17</sup> Cleveland lost 130,000 jobs in the period between 1958 and 1977, while the suburbs of Cuyahoga County gained almost 210,000. The commercial sector also suffered, with the number of occupied store units dropping from 15,768 in 1958 to 12,269 in 1972, while the respective figures for the rest of Cuyahoga County expanded (Miller & Wheeler, 2009).

against white owned businesses to demand inclusive hiring practices. Their targets included grocery stores, pharmacies, theater chains, and even the Ohio Bell Telephone Company. Where these new organizations drew their membership from younger, working class African Americans and were more assertive and sharply focused on economic matters, centrist organizations such as the NAACP and Urban League incorporated some of their thinking while maintaining their institutional dominance.

The start of the Second World War and ensuing Cold War “opened up domestic policies to a global audience critical of American segregation and racial inequality” as to compel greater ameliorative efforts on the part of the government agencies (Biondi, 2006, p. 164). In Cleveland, the municipal government formed a series of committees and advisory bodies beginning in 1943 to examine racial and economic conditions in predominantly Black parts of the Cleveland and address racial intolerance and discrimination in employment, housing, and public accommodations.

By 1950, the city was at its peak population of 914,808, with African Americans comprising over 27 percent (251,000) of the total. While the 50s and 60s brought unprecedented Black gains in civil rights and electoral politics, Black Clevelanders also faced deteriorating economic, housing, and public school conditions. Where protest and civil disobedience comprised the prevailing mode of response to racial injustice into the early 60s, the more militant strategies and rhetoric of the Black Power and community control movements gained greater traction after 1963 (Goldberg & Griffey, 2010). Urban renewal counted among the major sources of Black grievance in decimating predominantly African American neighborhoods mainly to the benefit of white suburbanites while failing to hire local residents on construction jobs. As the 1960s brought the Kennedy administration’s New Frontier programs along with Johnson’s Great Society, containing provisions of “maximum feasible participation,” to the inner city, local chapters of the Congress of Racial Equality (CORE) and NAACP initiated a series of nationwide protests and construction shut downs through 1963 to demand Black inclusion in government subsidized construction projects. In Cleveland, 25,000 people marched to protest building trades discrimination and demand jobs in inner city construction (Sugrue, 2004). The ensuing six year national movement for affirmative action was distinct in being blending Black radical and nationalist community organizing with labor politics to call for self

determination and independent unionism rather than integration (Goldberg and Griffey, 2010).

Still, with progress on racial equality slow to materialize, mounting frustration over ghetto conditions, including problems of poverty, poor housing, education, employment, and police misconduct turned Black Clevelanders towards more aggressive directions. In the summer of 1966, a barroom brawl between a white bartender and Black customer in Hough escalated into four days of civil unrest, resulting in four deaths and millions of dollars in property loss. In the aftermath of the Hough uprising, the business community supported African American state representative Carl Stokes' successful run for mayor, in part by funding CORE and other Black civic organizations to conduct voter registration drives.<sup>18</sup> Where Blacks made up 39 percent of Cleveland's population in 1967, Stokes unified the city's Black councilmen under a single all Black nonpartisan political civic organization and used the resulting power base to attain material improvements for Black constituents (i.e. much needed public housing for poor communities, public sector jobs for African Americans, who had been hitherto underrepresented in city hall).<sup>19</sup> More fundamentally, he set a precedent for African Americans to use local politics and civic affairs to "[redistribute] power in ways that would allow Blacks to control their own destinies and share equally in the rewards of city government" (Nelson, Jr., 1995, p. 286). However, where Stokes created a vertical structure of political organization based on loyalty and tight personal control (Thompson, 2005), he unwittingly paved the way for city council president George Forbes' style of Black politics, [which "focused] on individual benefits and the concentration of powers in the hands of a small political elite" (Nelson, Jr., 1995: 289).<sup>20</sup> Among the casualties of the Forbes machine (1973-1989) was an

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<sup>18</sup> The alliance between Stokes and Cleveland's corporate leadership came to an end when Stokes failed to prevent a violent outbreak between Cleveland police and Black militants in Glenville in 1969. Soon after, the media exposed links between the latter group and one of Stokes' community programs, which the business leaders had funded. Stokes further disappointed the business establishment by reneging on his initial agreement to sell the municipally owned utility, Munny Light, to its competitor, the Cleveland Electric Illuminating Company (CEI).

<sup>19</sup> In a city that only constructed 6,700 units in the 30 years prior, he built 5,496 units of public housing over a four-year span (Thompson, 2005: p.106).

<sup>20</sup> According to J. Phillip Thompson (2005), the centralized structure of Black civic political organization originated from the second term of Mayor Stokes, who unified the city's Black ward committee men and councilman along with the Black vote in city, county, and congressional elections under the single banner of the 21<sup>st</sup> District Caucus, a nonpartisan membership-based organization tightly held together by the

overwhelming decline in Black political leadership and organization as it doled out patronage benefits to coopt emergent leaders and contending organizations as well as discouraged voter mobilization except to push establishment candidates.

### **2.3 Capitalist urban economic restructuring in an age of federal retrenchment**

Where urban redevelopment from the 1930s through the 1960s depended heavily on federal allocations for economic and social policy at the local level, federal retrenchment from local economic and social affairs beginning in the 1970s imbued public-private partnerships with newfound significance. Previously forming to eliminate blight through urban renewal, public-private partnerships now undertook processes of spatial reorganization to promote transition towards corporate command and control services, high tech industries, and cultural and creative activities. As urban scholars and policymakers identified unemployment as the most critical problem facing distressed urban areas and offered local economic development as a politically viable solution, it fell upon local governments to offer tax abatements, subsidies, and other incentives to influence private investment and locational choices. As mayors came and went through the 70s and 80s, George Forbes dominated the city council by carefully controlling the distribution of Community Development Block Grant dollars and cultivating political ties with downtown business interests. While delivering significant incentives and benefits to his business supporters,<sup>21</sup> he toted an image of Black activism, using the power of his office to write affirmative action requirements into city legislation and speaking out against discrimination in law enforcement and housing (Nelson Jr., 1995). While Michael White's election as mayor in 1989 signaled a shift in local Black politics from leadership by a 'civil rights' old guard to a "new breed" of technocratic Black candidates who forged coalitions

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personality of Carl Stokes. While the Caucus failed to survive Stokes' exit with the end of his mayoral term, the vertical structure of political organization based on loyalty and tight personal control remained.

<sup>21</sup> These included major tax abatements to National City Bank and Standard Oil of Ohio for downtown building construction in 1977, \$250 million in tax abatements for construction of the AmeriTrust Center and Society Center in Public Square, introduction of tax increment financing (TIF) as a mechanism to divert 75 percent of property taxes resulting from particular projects to finance other private and nonprofit ventures, and redirection of \$52 million in property taxes from the public school system to subsidize construction of the Rock and Roll Hall of Fame (Bartimole, 1995).



with disaffected Black and white voters (Thompson, 2005),<sup>22</sup> corporate influence in matters of urban policy and economic development in Cleveland remained largely unperturbed.<sup>23</sup>

Again the dominance of privatist urban policy and local economic development as vehicles for downtown redevelopment since the 1970s disproportionately shifted the burdens of economic growth onto the most marginalized segments of Cleveland society. George Forbes commented in a 1989 interview with *Fortune* magazine on the virtues of subsidized downtown redevelopment, “It means young people can be hotel managers and desk clerks and cooks and waiters. They won’t be making \$20 an hour, but they damn sure can make \$10” (Magnet, 1995). Such failure to discriminate between economic restructuring and employment growth delivering widespread economic security vs. that resulting in a proliferation of low wage, dead end jobs carried dire consequences. In the 1980s, poverty in Cleveland increased by a third, and in 1990, the city had the highest Black unemployment rate among American big cities (Keating et al., 1995). As tax abatements and TIFs depleted tax revenues that otherwise would support Cleveland’s public schools, the resultant decline in education quality served as another impetus for mass exodus out of the city, averaging 16 whites and four Blacks per day during the 1980s (Miggins 1995: 197). Where as in 1964, Black Clevelanders united around a yearlong protest of racial discrimination and segregation in Cleveland’s public schools,<sup>24</sup> increasing black electoral

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<sup>22</sup>A vocal critic of the Forbes machine and its mode of political patronage, White captured 80 percent of the white vote while winning only 30 percent of the Black vote in an election with 53 percent voter turnout. In contrast, Carl Stokes, the only other Black mayor in Cleveland’s history, had won the vast majority of the Black vote and a small percentage of votes from white liberals and downtown interests in the 1967 general election, which had a 79 percent total voter turnout (Thompson, 2005).

<sup>23</sup> Despite Mayor White’s rhetoric about balancing downtown revitalization with neighborhood priorities and commitment to addressing homelessness in the city, he continued many of the same policies from the Voinovich-Forbes era during his three four-year terms (1990-2001). While maintaining strong support for the construction of the heavily subsidized Rock and Roll Hall of Fame, the White administration critically focused on obtaining public subsidies for the \$344 million Gateway Project, a redevelopment program including a new baseball stadium, basketball arena, and improvement of adjacent sites. To raise money for the Gateway Project, Mayor White proposed a “sin tax” on cigarettes, beer, wine, and liquor, which passed in a countywide vote despite two to one opposition from Cleveland voters. Promising 16,000 permanent jobs and tax revenues from the new sports entertainment complex along with direct benefit to Cleveland schools through \$15.6 million in additional taxes, White went to state representatives the following year requesting tax abatements in perpetuity for the stadium and arena (Bartimole, 1995).

<sup>24</sup> From the 1920s, the school district had selectively transferred black children to a handful of overcrowded, inferior schools where the curricula often deemphasized liberal arts in favor of more practical skills (Kusmer

power during the 70s and 80s coupled with the disintegration of independent, grassroots civic and community organizations in Cleveland's majority African American neighborhoods as the Forbes machine eschewed grassroots organizing and democratic power building given potential threats to its narrow base of leadership and system of political patronage.

Hence there was no longer a democratic base for framing alternatives to the social or economic status quo let alone ensuring the enforcement of affirmative action provisions on publicly subsidized construction projects to benefit a broad spectrum of minority contractors and desegregate the building trades unions. Like in many other American cities, Cleveland's building and construction trades assumed a disparate trajectory from other organized labor contingents in the postwar era. Early on, the diversity of the city's industrial base and extreme economic inequality, along with the influx of European immigrants, many of them predisposed to radical politics and well versed in organizing repertoires from their homelands, helped ensure the vibrancy of Cleveland's labor movement into the early 20<sup>th</sup> century (Miller & Wheeler, 2009). Following the rise of craft unionism from the latter half of the 19<sup>th</sup> century, workers in the city's mass production industries initiated a series of militant strikes in the 1930s, which resulted in significant gains for the city's industrial unions. Consequently, the United Autoworkers (UAW) and United Steel Workers (USW) maintained a strong presence in Cleveland until the 1970s, when economic restructuring and deindustrialization decimated their ranks. As for the building trades, they allied with real estate developers and other urban growth interests to benefit from suburbanization and economic regionalization as well as urban renewal and downtown redevelopment projects (Friedland, 1983; Goldberg & Griffey, 2010; Logan & Molotch, 2007; Palladino, 2007). As the federal government responded to nationwide Black protests calling for the integration of the construction industry with affirmative action in the form of the Philadelphia Plan in the late 1960s, white building trades members responded by holding rallies, walking off the job, hazing new black apprentices and journeymen, and organizing a "hard hat movement" that brought the white working class within the ranks of the Republican party in the 1970s (Griffey, 2010). As events unfolded

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1994). As outmigration decimated the income and property tax base, the deterioration of Cleveland's public school system intensified preexisting tensions, sparking protest in 1964.

in Cleveland, affirmative action policies in the construction industry largely served to enrich a small cadre of black contractors while having little effect on the building trades and their racial status quo, both contingents becoming members of the urban growth machine.

A parallel event that constrained the capacity of broader community organizing and democratic power building efforts in Cleveland to challenge corporate control over the city's political economy had to do with the professionalization of the neighborhood-based community organizing movement of the late 70s and early 80s. Where the black church served as an institutional launching pad for grassroots activism in Hough and other predominantly African American wards in the city during the first half of the 20<sup>th</sup> century, the Commission on Catholic Community Action—the social action arm of the Catholic Diocese of Cleveland—seeded the neighborhood-based movement by holding a series of Freirian educational forums and discussion groups in its parishes around collective problems and social injustices (Cunningham, 2007).<sup>25</sup> Building on the Industrial Areas Foundation model, the Catholic Commission also helped form a network of multiracial community congresses uniting myriad organizations, street clubs, nationality groups, and churches at the neighborhood level.<sup>26</sup> With additional funding support from the Gund Foundation and Federal Emergency Management Administration (FEMA) and volunteer involvement through the federal VISTA program, these coalitions conducted grassroots organizing and leadership development around issues of neighborhood disinvestment related to bank and insurance redlining, arson, abuses of CDBG funds, and reform of Federal Housing Administration and Veterans Affairs policies.<sup>27</sup> In tracing their dissolution in the early 1980s, competing theories point to staff burnout, the Reagan administration's curbing of FEMA funding and the VISTA program, withdrawal of the Catholic Commission from community organizing, and elimination of philanthropic funds for community

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<sup>25</sup> The Action for a Change program, which saw the participation of almost 10,000 people, included a segment on racism in which white suburbanites went on field trips to fill out forms for welfare benefits in order to understand the daily problems faced by inner city residents

<sup>26</sup> These included the Buckeye Woodland Community Congress, St. Clair Superior Coalition, Citizens to Bring Broadway Back, Union Miles Community Coalition, and Near West Neighbors in Action.

<sup>27</sup> In overlapping with three different mayoral administrations, they often had a better working relationship with the Republican mayors than populist Dennis Kucinich, who oddly saw activist groups as unnecessary in the presence of an administration who supposedly understood their needs. (Cunningham, 2007).

organizing and advocacy in the aftermath of the Chagrin Valley Hunt Club incident of 1982, where 600 demonstrators arrived at the country club and demanded accountability to poor and elderly people on the part of Standard Oil of Ohio's leadership (Cunningham, 2007). Whatever the cause of their demise, where the neighborhood-based community organizing movement once stood, a network of Community Development Corporations presently rely on tax credit financing to drive low-income housing production in partnership with the city's corporate community.<sup>28</sup>

As Cleveland entered the 21<sup>st</sup> century, the previous focus on downtown as the strategic point for local economic development gave way to a more dumbbell shaped vision linking downtown with the cultural, educational, health, and arts institutions of University Circle via Euclid Avenue's "health tech" or "opportunity" corridor. Elected in 2002 on the platform of measuring progress by "what we do for the least of us," Mayor Frank Jackson inaugurated Cleveland's participation in the green cities movement by incorporating principles of environmental, social, and economic sustainability in his approach to urban policy and local economic development.<sup>29</sup> By building on existing assets such as the anchor institutions of University Circle, he aims to transform Cleveland into a center for product

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<sup>28</sup> As the neighborhood-based community organizing movement met its demise, the Cleveland and Gund Foundations, together with the City of Cleveland, converged around developing a network of Community Development Corporations (CDCs) under the umbrella of the Cleveland Housing Network (CHN). The Enterprise Foundation and Local Initiatives Support Corporation (LISC) additionally established local branches to facilitate the growth of Cleveland's CDCs, while the City of Cleveland dedicated almost \$9 million to housing nonprofits through the CDBG program between 1982 and 1987. The formalization of the CDC sector under the auspices of corporate philanthropy and local government intensified with the establishment of the Cleveland Neighborhood Partnership Program (CNPP) in 1985 to consolidate funds available to CDCs and Neighborhood Progress Incorporated (NPI) in 1987 to oversee corporate efforts related to neighborhood development. Hence by the late 1980s, the corporatization of community development was complete, with an overwhelming focus on real estate development and success being measured by appreciated property values and the addition of new land uses (Yin, 1998, p. 145).

<sup>29</sup> The 1969 burning of the Cuyahoga River became a galvanizing symbol for the environmental movement and compelled Congress to pass the Clean Water Act in 1972 and create the Environmental Protection Agency (Maag 2009). From legalistic and oppositional strategies, the environmental movement adopted a frame of sustainability to think more positively and holistically about building a resilient and regenerative city that balances environmental, social, and economic priorities. In Cleveland, this critical shift was perhaps embodied by the founding of EcoCity Cleveland in 1992 by David Beach, who in 1995 partnered with Detroit-Shoreway CDC, the regional transit authority, private developers, the city, and residents to pilot an EcoVillage project on Cleveland's near West Side. Since, the local sustainability movement has found an institutional base within Mayor Jackson's administration in the form of the Sustainable Cleveland 2019 initiative as well as the Green City Blue Lake program at the Cleveland Museum of Natural History. An important milestone for the local sustainability movement took place in 2009, when Mayor Jackson convened the Sustainable Cleveland 2019 initiative with the objective of "building an economic engine to empower a green city on a blue lake" by the 50th anniversary of the infamous Cuyahoga River fire.

design, product innovation and productivity process improvements (Jackson, 2007). Endowed by Cleveland's first families in the early 20<sup>th</sup> century (along with Cleveland Orchestra, Cleveland Museum of Art, Cleveland Play House, and Cleveland Institute of Music of University Circle), the Cleveland Foundation continues to play a leading role in the redevelopment of University Circle as it did in the 1950s with urban renewal. With their leadership led to the completion of a rapid transit line along Euclid Avenue and seeded plans for new road construction, neighborhood redevelopment, and business incubation for the area around "health tech corridor." Meanwhile, the six neighborhoods surrounding University Circle (Glenville, Hough, Fairfax, Buckeye-Shaker, Little Italy, and the eastern end of East Cleveland) suffer from decades of neglect and abandonment, its total 43,000 residents carrying an annual median household income of \$18,500. While many of the neighborhoods are home to highly performing CDCs, they nevertheless became the nation's epicenter of foreclosures during the 2006-2007 subprime mortgage crisis. Hence questions remain as to what this iteration of capitalist urban redevelopment and economic restructuring might have in store for "the least of us."

## CHAPTER 3: RACE, CAPITALISM, AND DEMOCRACY IN LOS ANGELES

### **3.1 19<sup>th</sup> century Capitalist urban expansion and real estate speculation**

Race and profits were at the center of California's incorporation into the Union by way of conquest and the early development of Los Angeles as an American city. Before the signing of the Treaty of Guadalupe Hidalgo in 1848 brought Los Angeles, along with the rest of what was then northeastern Mexico, under American control, a dominant class of cattle ranchers combined the abundant lands and limited water supply of the region with the involuntary servitude of Native Americans to engage in low intensity agriculture and lead an autonomous way of life (Fogelson, 1993).<sup>30</sup> Where the transition to American rule brought boom and bust cycles, tax obligations, and workings of moneylenders, the *gente de razon* gave way to a new ruling class of corporate capitalists mostly based out of San Francisco. With westward migration picking up after the Civil War and improving the market for farmland, ranchers discovered the alternative of subdividing their sprawling estates into 20, 40, and 80- acre farms and selling them to pioneer farmers (Ibid.). Others saw potential windfalls associated with the growing desire for travel among the rising middle class in industrial cities back East. While Southern California's expansive acres, temperate climate, and varied terrain could be commodified and marketed, its remote location presented a significant barrier. Therefore when the terminating point for the transcontinental railroad was completed in San Francisco in 1869, the region's most prominent property owners and businessmen, newly organized as the "Committee of Thirty," convinced Los Angeles voters to grant \$610,000 to Southern Pacific to route trunk lines through Los Angeles. Working in concert with the tourist bureau, land agents, and other interest groups, the railroads successfully transformed Los Angeles into a national destination by the 1880s (Davis, 2006, p. 111). Local boosters contributed at a deeper level by recasting the region's racialized history into popular narratives and images

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<sup>30</sup> Prior to the US invasion, a dominant class of cattle ranchers, called the *gente de razon*, maintained what was largely a subsistence economy centering on their sprawling ranchos. Claiming Spanish heritage and sitting atop a segmented racial order, the *gente de razon* heavily relied on the involuntary servitude of Native Americans, who performed virtually all the manual labor on the Mexican ranchos. In parallel, a lower class of Mexicans, mostly of mixed race and almost entirely illiterate, comprised the ranks of the artisans, vaqueros, and crafts people who labored on the ranchos and in the pueblo for wages.

romanticizing the Spanish past (Davis, 2006; McWilliams, 1980).<sup>31</sup>

Capitalist economic development in Los Angeles proceeding by way of the real estate sector rather than the more traditional avenue of industrialization, public infrastructure provision prefigured urban growth as opposed to following popular demand. Where the private sector drew significant profits through utility provision, those like Henry Huntington took business to another level. Establishing the Pacific Electric Railway Corporation alongside the Huntington Land and Improvement Company, he coordinated the routing of electric rail lines with the acquisition, subdivision, and marketing of vast real estate tracts throughout southern and eastern Los Angeles County. Nephew to Samuel Huntington of Southern Pacific fame and heir to the vast railroad fortune, he stood at the center of a bipartisan political machine including private utility companies, street railways, public works contractors, liquor dealers, and vice and gambling interests that controlled the city's infrastructure, economy, and politics along with state government between 1870 and 1910 (Erie, 2004, p. 49). Still, the most egregious utility scheme in the history of Los Angeles fed on the public's ongoing concern over the region's short water supply. Between 1905 and 1910, a business syndicate including Henry Huntington, Harrison Gray Otis of the *Los Angeles Times* and other prominent businessmen purchased 108,000 acres of previously un-irrigated land in the San Fernando Valley and began the process of real estate subdivision. At the same time, they enlisted the Chamber of Commerce, Merchants and Manufacturers Association, Realty Board, Municipal League, newspapers, and politicians to convince voters to approve a \$23 million bond issue in 1907 to construct the

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<sup>31</sup> Helen Hunt Jackson's popular novel, *Ramona* (1884) first invented the myth of the happy Indian safeguarded by benevolent Franciscan Missionaries and "fine old Spanish families" (McWilliams, 1973, p. 76). According to Mike Davis, the "capitalization of Los Angeles's fictional 'Spanish' past" not only censored history but also "sublimated contemporary class struggle" (Davis, 2006, p. 27). The LA Times and other downtown business interests, invented the tradition of La Fiesta de Los Angeles to prevent local Pullman strikers from catalyzing a general strike in 1894. Moreover, the Mission theme found its way into the single family Craftsman bungalows that became the primary vehicle of working class home ownership by 1930, hailed by M&M as "the keystone of the Open Shop and a 'contented' labor-force" and denounced by union leaders as facilitating "a 'new serfdom' that made Los Angeles workers timid in the faces of their bosses" (Davis, 2006, p. 28). Eager to bear the privileged burden of making mortgage payments within the safe confines of the homogeneous suburban neighborhood, white workers found little use for racial consciousness or inclusion. Harrison Gray Otis enlisted the aid of Charles Fletcher Lummis to restore the historic Missions for the purpose of boosterism. In time, the Missions, besides fulfilling their role of drawing in massive tourism, also spun off a series of thematic motor inns, plays and pageants, furniture, and commercial and residential architecture as the "great real estate promotion of Southern California was being organized" (Ibid., p. 77).

Owens Valley Aqueduct and bring water to the city. In actuality, the project simply diverted water from the Owens Valley to the San Fernando Valley, at this point still outside LA city limits but annexed shortly thereafter (McWilliams, 1980).<sup>32</sup>

Where boom and bust cycles became a permanent fixture of the Southern Californian landscape, white working class insecurity and anxiety amidst a general climate of economic instability found partial expression in racial violence and subordination. According to Gordon DeMarco, in the aftermath of the conquest, Los Angeles was noted for attracting a disproportionate number of “drifters, thieves, and conmen who in addition to everything else, were for the most part racist and given to cruel outbursts of violence” mostly directed at Mexicans, Indians, and Chinese, the black population numbering only 100 in 1880 (Demarco, 1987, p. 32). By some accounts, white working class resentment toward Mexicans originated in the hyper competitive, laissez faire environment of the California gold mines, with “the practice of lynching Mexicans [along with Indians, soon becoming] an outdoor sport in Southern California” (McWilliams, 1980, p. 60-61). The Chinese also received frequent attacks as they arrived in Southern California from the 1860s to work as merchants, fishmongers, agricultural laborers, and domestic servants (Scott & Soja, 1998). Besides being ousted from various economic niches, they were targeted in an 1871 race riot in which a thousand Angelenos attacked Chinatown, stole \$40,000 in cash, and lynched 19 Chinese in the process (McWilliams, 1980).<sup>33</sup> As Chinese agricultural techniques established a vital celery industry in Orange County in the 1890s, one company posted armed guards to protect Chinese laborers in the fields and encampments from harassment and arson by white residents. Despite being the population majority in 1880, Mexicans, Indians, and the Chinese lived in highly segregated areas and accommodated the white minority through ethnic solidarity and self-help.<sup>34</sup> Likewise, black migrants arriving in Los Angeles (mostly from Texas and Louisiana by way of the Southern Pacific Sunset Route) settled in ethnic enclaves where they established a series of churches

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<sup>32</sup> In turn, a portion of the large capital gains fed the downtown construction boom of the 1920s, which brought a series of skyscrapers, hotels, and civic projects.

<sup>33</sup> At the national level, white supremacist organizations and labor unions singled out the Chinese in legislating the Chinese Exclusion Act of 1882.

<sup>34</sup> For example, Mexicans established benevolent societies and attended Catholic churches, while Chinese immigrants created benevolent associations to offer political and social support systems to newcomers (Fogelson, 1993).



and self help organizations (Sides, 2006, p. 15).

From the 1880s, railroad traffic brought the arrival of a broader class spectrum of migrants from the east and Midwest, many of whom became active in the burgeoning progressive movement. In contrast to older cities back east, where ethnicity and national origin defined social affiliations and political allegiances, white newcomers tended to be generations removed from immigration or quick to trade in their ethnic identities for membership to the racial majority. In addition to middle class whites of more conservative disposition, turn of the century Southern California also boasted a significant presence of Fabian socialists and other leftist visionaries, who comprised the radical wing of the Progressive movement that took root in Los Angeles beginning in the early 1890s. Nevertheless dominated by the moderate reform faction, the Progressives instituted the initiative, referendum, and recall in 1900 along with non-partisanship, direct primaries, and at-large elections in 1906. Thus concentrating influence in the hands of majorities, they not only curbed the influence of the Southern Pacific machine but also constrained the ability of racial minorities to build political power.<sup>35</sup> When radical Progressives and Socialists sought greater representation for dissenting voices on City Council by proposing proportional representation for municipal elections in 1912, they met defeat at the hands of moderate progressive and conservative business interests, freshly emerging from their victorious battle against socialist mayoral candidate Job Harriman.<sup>36</sup> In tandem, the Los Angeles Progressives pursued immigration restriction and led Americanization programs to assimilate minorities while prioritizing suburbanization centered on the family unit and driven by consumerist living (Avila, 2006; Bridges, 1999).

Hence the formation of a modern economy in Southern California was predicated on a series of public investments and subsidies, including war and conquest, which, in the case of the Mexican American War, bore heavy American casualties. On the other hand, the accompanying gains found uneven distribution patterns, as land holdings largely shifted from the hands of the gente de razon to a small clique of San Francisco-based corporate

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<sup>35</sup> Consequently the Los Angeles City Council was exclusively white from 1900 until Edward Roybal's election in 1949 (Sonenshein, 1994, p. 30).

<sup>36</sup> A new city charter effective in 1925 following a California Supreme Court decision replaced the "at large" voting with district elections, where the city was divided into 15 council districts and one member was elected from each district.

capitalists. A number of the latter further benefited from government subsidies and land grants provided to extend the railroad to Los Angeles, which followed public convincing on the part of the “Committee of Thirty” and a favorable popular vote. Following, the provision of street railways electricity, water, and other public utilities disproportionately enriched a small base of landowners and other economic interests allied with the Southern Pacific machine at great cost to Los Angeles taxpayers. Meanwhile, the region faced a series of economic crises (early iterations including the Panic of 1873, realty bust in 1889, Panic of 1893, and Panic of 1907), complete with soaring unemployment and real estate market crashes, underscoring the tenuousness of middle class status. In such a context, shared membership in the white race bound otherwise socially disparate democratic citizens around the common project of maintaining the structure of relative privilege. Thereby race stemmed tensions and contradictions arising from widespread economic denigration by uneven capitalist urbanization and economic development and democratic discourse touting majority rule, freedom, and political equality.

### **3.2 Capitalist industrialization and economic regionalization in Los Angeles, late 19<sup>th</sup> century to mid 20<sup>th</sup> century**

The land boom of the 1880s sowed the seeds of change for Los Angeles’ political economy in creating a class of merchants, bankers, publishers, and large-scale real estate developers and investors intent on harvesting longer term profits through a diversified regional economy including an industrial base. Given the region’s lack of natural advantages, this emerging faction of economic elites based out of downtown Los Angeles set upon the task of manufacturing the conditions for industrial and commercial development, namely a world class seaport and cheap nonunion labor. Led by Harrison Gray Otis, they formed the Free Harbor League in 1895, soon after lobbying Congress for federal aid to construct an inside harbor and deep-water port at San Pedro, directly 20 miles south of downtown. The act was a direct challenge to the Southern Pacific Machine and their ambitions to build a rival commercial harbor and wharf in Santa Monica, where they held real estate. After nearly a decade of deadlock, Otis and his allies won the “struggle for speculative profits” by playing on popular suspicions of the Southern Pacific (Fogelson, 1993, p. 113). With construction completed in 1912, The Port of Los Angeles, together with

its “twin” Port of Long Beach, surpassed all West Coast ports in trade volume by 1920.<sup>37</sup> At the same time, the Merchants’ and Manufacturers’ Association (M&M) united the region’s fruit growers and merchants behind an emphatically anti-union agenda to tout Los Angeles as an open shop town with unwavering support from the *LA Times*. By 1930, the task of industrializing Los Angeles was complete as indicated by its landscape, which boasted oil refineries, motion picture studios, branch auto and rubber plants, local furniture and clothing manufacturers, and a growing presence of firms in the electronics, chemical, and aviation industries in addition to older slaughterhouses, publishing firms, and lumber mills (Fogelson, 1993).

The development of Southern California’s postwar science-based economy followed the precedent set by the harbor battle in funneling large federal sums into regional economic development. Cal Tech’s George Ellery Hale played a leading role in recruiting the nation’s leading physical scientists, engineers, heads of science-based corporations, and 60 local millionaires to support his vision of a regional economy built on a science-business partnership. Setting the social infrastructure from 1917, Hale encountered a sudden windfall when White House-Wall Street relations soured in the face of New Deal banking regulations, creating room for “new money” interests from the South and West to “politically and financially [shore] up the Roosevelt administration” during the 1936 presidential election (Davis, 2006, p. 386). In the words of Mike Davis, “The modern ‘Sunbelt’ was largely born out of the political rewards of this Second New Deal coalition. Billions of dollars in federal aid (representing *net* transfers from the rest of the country) laid down an industrial infrastructure in California, Washington, and Texas” (Ibid., p. 387). As the Second World War inaugurated an extended period of American geopolitical and economic machinations across the Pacific, the Los Angeles region developed a thriving aerospace industry and “extensive network of components manufacturers, service providers, research centers, and a growing electronics industry” (Scott & Soja, 1998, p. 9).

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<sup>37</sup> The Los Angeles Board of Harbor Commissioners and Harbor Department partnered with the newly formed Greater Harbor Committee of Two Hundred, which included representatives of major wholesale and retail businesses, oil companies, shipping concerns, railroads, banks, law firms, and labor unions (Erie, 2004, p. 55). The coalition continued to leverage the caretaker state to stabilize and expand the market, using department-sponsored bond referenda, charter amendments, and ordinances to finance port expansion (Erie, 2004, p. 56).

Along with the regionalization of the aerospace-military-electronics industry, housing tracts targeting primarily white, working class homebuyers sprang up around the nearly sixty new municipalities incorporated around Los Angeles County between 1940 and 1960.<sup>38</sup>

Where the roots of capitalist economic development in Los Angeles lay with the real estate sector, the commencement of industrialization at the regional scale only expanded the scale of real estate development, both of which proceeded along racially stratified lines. In the words of Mike Davis, “the land conversion process, already raised to an economy of scale by prewar syndicates and developers, was now transformed into a true mass production industry. Federally guaranteed mortgages, veterans benefits, and a protected savings and loan sector—along with the higher wages of the aircraft plants—provided a stable mass demand for the products of local ‘merchant builders’ who industrialized land assembly and construction in the infant suburbs of the San Fernando Valley and the southeastern coastal plain” (Davis, 2006, p. 121). While suburbanization enabled white access to more spacious surroundings, cleaner air, better public amenities, and higher quality schools, such emblems of the Southern Californian good life were off limits to racial minorities in part thanks to racially restrictive covenants and discriminatory mortgage lending policies, which kept racial minorities out of 95 percent of the city’s housing stock in the 1920s (Ibid.). Aside from social mores, residential segregation was a lucrative business, not only for real estate developers but also organizers of homeowner associations, allied title companies, apartment sub-dividers and landlords, realty brokers, banks, and law firms who saw unceasing demand for new suburban housing far removed from the presence of racial minorities. Racist vigilante organizations such as the Ku Klux Klan also benefited from soaring membership rolls, as they overlapped with white homeowners associations in purpose and activities. In particular, the working class suburbs surrounding South Central were home to the most vehement segregationists, who were also the least able to afford homes elsewhere.

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<sup>38</sup> Often coming from rural areas and uneasy with the context of rapid change and urbanization, whites folded themselves into racially homogeneous suburban tracts to forge a sense of community in contradistinction to the racial other and find relief in material attainment. Aside from racist hiring policies by employers and unions, racially restrictive covenants and discriminatory mortgage lending policies restrained minority access to the region’s most coveted jobs, including those in the aerospace industry.

While the mass proliferation of civil disobedience and general strikes in the 1930s broke open the “citadel of the open shop” to expand LA’s union membership from pre-Depression figures of 20,000 to more than 150,000 by 1938 (Milkman, 2006, p. 26), the gains disproportionately accrued to white Angelenos. Comprising 85 percent of the population by 1930, whites dominated the skilled craft unions along with unionized sectors of the shipbuilding, longshoring, and automotive and aircraft manufacturing industries. Relative to their exclusionary stance towards African Americans and Asian Americans, the industrial and skilled craft unions had a more ambiguous relationship with Mexicans; in late 1930s Los Angeles, the newly established Congress of Industrial Organization (CIO) recruited 15,000 Mexicans working in the textile, agriculture, steel, warehousing, and transportation industries to fight against the “Mexican wage” (Sides, 2006, p. 27).<sup>39</sup> As observed by the social scientist Charles Johnson, racial discrimination in Los Angeles was highly complex, with the treatment of Mexicans depending on whether they were regarded as white or black (Horne, 1997, p. 29).<sup>40</sup> The start of the Second World War, which brought two decades of industrial expansion to Los Angeles along with federal workplace desegregation policies, significantly expanded industrial work opportunities for African Americans who were previously overrepresented in the most dangerous, menial, and unstable occupations. As for Japanese Americans, they took over many of the local sectors previously dominated by the Chinese prior to the Chinese Exclusion Act of 1882 and carved out a niche in horticulture, until nativist backlash culminated in the mass relocation and internment of 110,000 persons of Japanese ancestry in 1942. In general, Asian Pacific Islanders were excluded from LA’s industrial and skilled craft unions and overrepresented in agriculture, service sector, and unskilled production jobs.

As the 20<sup>th</sup> century wore on, Angelenos of color shifted from an earlier approach of

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<sup>39</sup> After experiencing dramatic decline, partly as a result of white Nativist violence, the Mexican population began to slowly increase from 1880 as employers recruited immigrant workers to extend the Southern Pacific to Los Angeles and expand the intra- and inter-urban railways. By 1930, they made up eight percent of the population, while African Americans and Asian Americans made up three percent and two percent respectively. Mexican labor also sustained the region’s citrus farms and other lines of agriculture as well as manufacturing after the turn of the century, despite a period of mass deportation during the Great Depression. During the Zoot Suit Riots, white servicemen randomly attacked Latino youth clad in zoot suits on the basis of their purported “lack of patriotism.”

<sup>40</sup> Yet during the Great Depression, they also fell victim to targeted mass deportation and repatriation (Avila, 2006).

accommodationism to an integrationist stance that demanded equal economic opportunity and civil and political rights. The multiracial character of residential segregation and labor market segmentation in Los Angeles not only gave way to intergroup tensions and rivalries but also facilitated neighborhood-based identity formation and organizing across race. One current of activism grew out of the city's east side neighborhoods and was affiliated with radical sections of the labor movement. In the turbulent 1930s, Boyle Heights was home to Mexican, Jewish, Japanese, and African American workers, many of them active in battles for higher wages and better work conditions in the needle trades, janitorial services, and other low wage sectors (i.e. 1933 El Monte berry workers strike, International Ladies Garment Workers Union, El Congreso Nacional de Habla Espanol). According to Josh Sides, relative to the local Latino community, organized labor had a minimal influence in prewar Black Los Angeles (Sides, 2006), partly as a result of the small numbers of African Americans in the city (at three percent of the populace). Where union activity involving African Americans in prewar Los Angeles was largely limited to black-only unions such as the Brotherhood of Sleeping Car Porters (BSCP), the few integrated AFL unions representing unskilled and semiskilled workers had a strong base in neighborhoods like Watts and Boyle Heights. Beyond seeding community unionism, LA's diverse working class inner city neighborhoods along with their community and civic organizations, also launched electoral organizing drives for progressive candidates like Mayor Fletcher Bowron and Councilman Edward Roybal, who in turn advocated "a 'public' mode of urban growth that stressed government programs such as public housing to eliminate slum conditions and to provide affordable housing for the city's inhabitants" (Avila, 2006, p. 38).

Despite some amount of co-location and overlap in progressive activist traditions, LA's minority communities also had diverse approaches to challenging the prevailing mode of privatist city making and living. As mentioned earlier, from the 1930s, Latino Angelenos found greater incorporation into the ranks of the AFL and CIO unions relative to their Asian Pacific Islander and African American counterparts. Besides the favorable racial attitudes of the Anglo majority, the larger presence of Latino workers in the garment industry and other sectors in parallel with politicized Jewish workers that bore militant labor organizing campaigns may have played a facilitating role. As noted by Douglas Monroy, "World politics came to the Mexican immigrants of Southern California by way of Eastern Europe's shtetls,

from which came most of the garment employers, ILGWU leaders, and Communists in the needle trades” (Monroy, 1999, p. 238). Beyond workplace issues, Community Services Organization (CSO), established in 1947 on the city’s eastside, injected Chicano civil rights organizing with an Alinskyite flair in fighting discrimination, registering voters, and training community and labor organizers like Cesar Chavez and Dolores Huerta (Davis, 2006). Largely based out of LA’s African American community, civil rights organizations like the Urban League and NAACP harnessed the legislative and judicial powers of the federal, state, and local governments to expand minority job opportunities in the defense industries and overturn racial covenants and other discriminatory housing measures. Where these organizations tended to be dominated by middle class interests, by the 1950s, the Communist Party made inroads among working class black Angelenos through aggressive protest tactics against the LAPD, white vigilante organizations, and discriminatory workplaces (Sides, 2006, pp. 141–142).<sup>41</sup> While the prevailing climate of anti-communism assured their relative marginality within black civil society, the local chapter of the NAACP nevertheless incorporated more direct action tactics as demonstrated by their consumer boycotts in the late 1950s.

### **3.3 Late 20<sup>th</sup> century capitalist downtown redevelopment**

The postwar aerospace-military-electronics boom, complete with the growth of the Los Angeles-Long Beach port complex,<sup>42</sup> effectively seeded the next phase of economic restructuring in spinning off the information communication technologies and advancements in logistics and supply chain management at the core of economic globalization. Beginning in the early 1960s, basic manufacturing firms began to leave South Central and the Alameda Corridor for the outer suburbs, with more relocating to foreign countries or entirely closing shop by the end of the decade. On the other hand, downtown Los Angeles saw a tenfold increase in the number of high rise buildings between 1973 and

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<sup>41</sup> Eventually forming the largest party district outside New York, the local branch drew approximately 10 percent of its membership among African Americans at the peak of its activity.

<sup>42</sup> Thanks to an immense program of new investment in LA’s ports and airports undertaken by the Bradley administration, the city continued as the dominating hub of Pacific Rim commerce as to survive the eventual post-Cold War downsizing of its aerospace economy” (Sides, 2006).

1990, while Wilshire Corridor, between downtown and Santa Monica, came to account for another third of the high rise office space in the five county region. The problem facing Los Angeles was not so much economic decline as it was bifurcation resulting from the loss of unionized, blue-collar jobs in the heavy industries (i.e. auto, tire, steel, and civilian aircraft) coupled with the increase of high skill professional and managerial jobs related to finance, accounting, insurance, and business services on one end and the proliferation of non union, low skill manufacturing and service jobs on the other (Soja et al., 1983). The spatial dimension added another layer, as the expanding high tech industries were mostly located in outlying suburban areas such as Orange County. Meanwhile plant closures (about 75 percent) were concentrated near South Central (between downtown and the ports) and Boyle Heights (east of downtown toward San Bernardino), neighborhoods marked by intensified segregation (Soja et al., 1983, p. 221). Parts of the old industrial core moved into warehousing and distribution, generally consisting of low wage, dead end jobs. In addition to generating much of the containerized imports moving through the ports, Asian Pacific countries also poured significant capital into downtown real estate by the 1980s.

The urban and economic restructuring proceeded in a manner that was neither natural nor evenhanded. The remaking of downtown went back as early as the late 1930s when the Homeowners Loan Corporation (HOLC) made particular note of their racial diversity in identifying the downtown neighborhoods of Chavez Ravine and Bunker Hill as areas that were blighted and meriting slum clearance (Avila, 2006). In the early 1950s, the Los Angeles City Housing Authority (CHA), under the progressive auspices of Mayor Fletcher Bowron, drafted plans to redevelop these areas to include 10,000 units of federally subsidized public housing. Most strategically, conservative downtown business interests purged the CHA of “subversive influences” and defeated Bowron at the polls while they were in the midst of temporarily relocating Chavez Ravine residents to accommodate construction (Avila, 2006; Gottlieb, 1977). Shortly thereafter, organized labor, led by the building trades, withdrew their support from the New Deal coalition and allied with the new administration against public housing (Avila, 2006). Then in 1957, the right wing Congressman turn mayor Norris Poulson signed over 315 acres of public land where Chavez Ravine once stood to Walter O’Malley in 1957 to construct Dodger’s Stadium. Emboldened by their “success,” the growth coalition moved forward on plans to clear



Bunker Hill of its working class residents and transform it into a complex of corporate office towers, luxury apartments, and a cultural center during the 1950s and 1960s.<sup>43</sup> Simultaneously armed with the powers of eminent domain and federal funding through the Federal Highway Act of 1956, the city's transportation planners coordinated highway construction with the clearance of thousands of homes in South Los Angeles, Boyle Heights, and adjacent communities.

The passage of fair employment and housing legislation at state and federal levels in the late 1950s and early 1960s left working class black communities increasingly isolated as their Jewish, Asian American, Latino, and black middle class neighbors entered the ranks of white collar employment and moved into the suburbs. In South Los Angeles and the Alameda industrial corridor, blue collar black workers faced a declining number of manufacturing jobs, with the disintegration of the street railway system and subsequent replacement by a sparse and unreliable bus network further undermining their job prospects. As the children of the Great Migration came of age in the inner city, they experienced police harassment and "compounded racism," not only by whites and other minorities but also lighter skinned, more affluent blacks (Horne, 1997). Disaffected by the middle class orientation of the NAACP, many embraced the Nation of Islam, Black Panther Party, and other black nationalist organizations embodying more aggressive, anti-white and anti-capitalist stances. Tensions finally exploded in August of 1965 when an angry confrontation between the LAPD and Watts residents sparked six days of civil unrest.<sup>44</sup> Among the immediate impacts, the city used federal funding obtained through the Economic Opportunity Act to run a series of after school, vocational, and family planning programs. While these helped alleviate tensions, they left intact the prevailing mode of capitalist urbanization and economic development underlying the marginalization of the

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<sup>43</sup> Like the last few remaining in Chavez Ravine, the residents of these multiracial communities voiced opposition by circulating petitions, holding community meetings, and organizing public demonstrations. However, the absence of labor allies coupled with the disproportionate power, resources, and influence held by their opponents overburdened these guardians of the city's remaining "heterosocial spaces," and the "postwar agglomeration of racially segregated communities" proceeded apace through the 1960s (Avila, 2006, p. 208).

<sup>44</sup> An immediate response was when the city broke the ongoing deadlock over War on Poverty funds to create the Economic and Youth Opportunities Agency of Greater Los Angeles (EYOA), which in turn sponsored Head Start and ran an on-the-job training program that transitioned program enrollees into more than 30,000 permanent and part time jobs.

urban black poor.

As the LA region added over 1.3 million jobs in the 1970s, the mainstream “Anglo labor movement” continued to focus on bread and butter issues for its membership; meanwhile, working class communities of color and their allies tried coalitional approaches to address the detrimental effects of economic restructuring outside the framework of traditional unionism. In East Los Angeles, the late 1960s saw rising activism among younger Chicanos (i.e. Brown Berets, MEChA) and immigrant workers (i.e. United Farm Workers), many of whom united with 30,000 other antiwar demonstrators during the Chicano Moratorium of 1970. Historically opposed to organized labor and allied with the LAPD, the Catholic archdiocese of Los Angeles partnered with the Community Services Organization in the 1970s to replicate the Industrial Areas Foundation’s San Antonio model of congregation-based community organizing for the purpose of “reintegrating alienated eastside parishes while strengthening Catholic social values and Chicano political clout at the same time” (Davis 2006: 34?).<sup>45</sup> In South Los Angeles, the founding of the Watts Labor Community Action Center (WLCAC) in 1965 by fourteen civil rights and labor activists (Soja 2010: 133) kicked off the local community development movement. Besides operating as a community development corporation from the 1970s, the WLCAC also partnered with UFW to advocate “community unionism,” or “organizational strategies [recognizing] the need to go beyond immediate workplace issues to address wider community interests” (Soja 2010: 131). Aside from overlapping coalitional strategies, the United Farm Workers, Community Services Organization, and Watts Labor Community Action Center were each deeply rooted in LA’s inner city minority working class neighborhoods. Despite their differing issue areas and constituencies, they enabled communities of color to define their own priorities and agendas as well as advocate for their own interests. In doing so, they established a democratic power base independent of

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<sup>45</sup> According to Mike Davis, the initiative focused on grassroots mobilization, organized dramatic confrontations with the power structure, and eschewed formal deals or electoral endorsements. It was “conservative in its general avoidance of coalition building with progressive groups, its apotheosis of family values and its selection of only winnable issues, one at a time that empathized catholic moralism as much as community empowerment and economic survival” (Davis 2006, p. 346-347). However, it was successful in prompting a federal trade commission investigation on discriminatory auto insurance rates in the east side and organizing residents around winning housing rehabilitation funds, building new supermarkets, improving eastside schools. At the same time, it failed to redistribute power and was not democratically accountable but rather controlled by the church leadership. Further, it lacked an economic program.

the mainstream labor movement, which catered to the priorities of its predominantly white, growingly middle class members.

Communities of color also tried coalitional approaches to consolidating political power in post-Watts Los Angeles; for instance, “Bradley’s 1969 and 1973 campaigns [brought] together the city’s political outsiders—primarily Jews, Blacks, and Latinos—some of whom had joined forces in the civil rights and antiwar trenches before forging an alliance to take over city hall (Gottlieb et al., 2006, p. 143). Where African Americans constituted 26 percent of the local electorate in 1973 (making the historical highpoint of black electoral participation), black candidates like Tom Bradley additionally depended on Jewish and white liberal support (Jewish Angelenos were only starting to become “white” in the eyes of the mainstream) along with the Latino vote. Relative to African Americans, Latinos remained the “politically weakest and most disenfranchised group in Los Angeles” (Gottlieb et al., 2006, p. 148), both as a result of immigration status as well as fragmentation of Latino districts. It would take another decade before state and federal reapportionment created a number of Latino legislative districts and another decade after that, for Proposition 187 (1994)—a ballot initiative intended deny the use of public resources including schools and hospitals to undocumented immigrants— to spark naturalization, voter registration, and voting on the part of California Latinos. In the meantime, Latino voters played a small but not unsubstantial role in winning the election of Tom Bradley as the city’s first black mayor in 1973, which marked significant racial progress in post-Watts Los Angeles. A proponent of affirmative action policies, Mayor Bradley integrated the municipal workforce as well as increased the representation of racial minorities and women on city commissions. His administration further banned the LAPD’s use of the controversial chokehold and limited the department’s intelligence gathering activities, although its police reforms paled in comparison to other major cities (Sides, 2006; Thompson, 2005).

With respect to the city’s black inner city poor and working class residents, the Bradley administration offered them few substantive improvements, demonstrating the hollow racial mediation at the heart of his electoral campaign, particularly in a context of declining public resources and economic recession. Beholden to a new cadre of liberal Jewish elites based out of the Westside (who had made their fortunes off postwar

suburbanization and the aerospace-military-electronics industry) and shortly allied with downtown-based corporate leaders, the Bradley administration focused its attentions on the most visible markers of economic growth, namely downtown revitalization and port expansion. Meanwhile the more critical issues around blue-collar job loss, affordable housing, and public safety in places like South Central remained a low priority. Additionally, where the public sector helped temper unemployment during the 1960s and 1970s by providing jobs and social services, the federal government drastically eliminated funding for urban programs during the 1980s, while the passage of Proposition 13 (1978) at the statewide level constrained the ability of the state and cities to raise revenue for basic services.<sup>46</sup> Among the legislative victories of the burgeoning homeowners movement based out of the San Fernando Valley, Proposition 13 (along with Proposition 187 and the series of attempts by Valley residents to secede from the rest of the city) signified efforts on the part of white Angelenos and other supporters to guard their racial privileges in a time of growing economic insecurity, partly by undermining the capacity of the public sector to serve the social and economic interests of certain minority groups. In the case of Proposition 187, it not only carried the majority of the white vote but also half of the Asian and Black vote respectively. The policy initiative thereby exposed racial divisions among LA's non-white population along with the salience of racialized policy discourse in activating individualistic and nationalistic ideologies. Amidst rising inner city unemployment and poverty, Los Angeles again erupted into flames on April 29, 1992 upon the acquittal of four white police officers in the Rodney King case, (Gottlieb et al., 2006). Where Korean owned businesses were among the most prominent targets for looting and arson, the mainstream media chose to highlight the conflicted dynamics between Korean merchants and South LA residents while downplaying the deeper economic and political dimensions of the urban uprising along with deeper racial implications.<sup>47</sup>

In the aftermath of the 1992 riots, Mayor Bradley called together Rebuild LA,

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<sup>46</sup> Both the election of Reagan, who implemented federal budget cuts in the area of urban social and economic policy, and Proposition 13 came about through the conservative populist movement based out of Southern California's suburbs.

<sup>47</sup> For instance, those arrested during the 1992 were split between African Americans and Latinos, and the vast majority of those convicted of serious crimes were young men between the ages of 18 and 34—the exact demographic facing high unemployment and therefore disaffected amidst economic restructuring (Gottlieb et al. 2005, p. 70-71).

consisting of leading business and political figures with a handful of ministers “to demonstrate that the private sector could achieve what government had not” (Gottlieb et al., 2006, p. 179). At the same time, he ignored alternative policy proposals put forth by grassroots organizations such as “Give us the Hammer and the Nails and We Will Rebuild the City,” issued by the Bloods and Crips who simultaneously declared a truce in the wake of the riots (Kelley, 1996b; Thompson, 2005). Consequently progressive activists turned to grassroots organizing, coalition building, and policy advocacy to tackle housing and community development, urban design, transportation planning, environmental policy, and regional economic development (Brodkin, 2007; Soja, 2010). Between the late 1970s and mid 1980s, a community-labor coalition called the Los Angeles Coalition Against Plant Shutdowns had waged a defensive struggle against factory closures. Inevitably meeting failure, several of the activists joined the urban planning department at UCLA where they continued to lend support to community-labor coalitions by undertaking popular education, research, and publication in partnership with community partners as well as seeding progressive policy advocacy organizations (Haas, 2011; Wolff, 2011). Where previous efforts tended to be reactive in trying to stall or ameliorate the negative effects of economic restructuring and changing work arrangements, post 1992 Los Angeles saw an upsurge of broad-based efforts aimed at expanding the economic and social rights of low-income communities in the “new economy” (Soja, 2010). While manufacturing jobs continued to leave inner city neighborhoods, initiatives like the Living Wage Campaign and Ordinance, SEIU Homecare Workers organizing campaign, the Multiethnic Immigrant Worker Organizing Network’s Koreatown Restaurant Workers Justice Campaign, the Metropolitan Alliance’s City Jobs Program, and Los Angeles Alliance for a New Economy’s campaigns for Community Benefits Agreements strategically focused on economic sectors and activities rooted in the Los Angeles region in promoting democratically accountable urban economic development.<sup>48</sup> The same period also saw growing ties between labor,

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<sup>48</sup> Major milestones in the post 1992 renaissance of progressive activism included the Living Wage Campaign and Ordinance (enacted in 1997) led by LAANE in partnership with community, labor, tenants rights, and religious organizations; political invigoration of the Los Angeles County Federation of Labor by means of electoral organizing drives around issues of concern to low wage earners under the leadership of Miguel Contreras between 1996 and 2005; formation of the Multiethnic Immigrant Worker Organizing Network (MIWON) in 1999 and their ensuing Koreatown Restaurant Workers Justice Campaign; 1999 election of 70,000 LA County homecare workers to join SEIU Local 434B (the biggest organizing victory since the 1941

community, and environmental organizations around improving public transportation, greening the LA and Long Beach Ports and transportation corridors, and creating healthier food options in inner city neighborhoods (Gottlieb et al., 2006).

At the center of these new developments was the unexpected emergence of Los Angeles as a center of labor movement resurgence by way of former AFL affiliates such as SEIU and UNITE HERE. Scholar Ruth Milkman has pointed to four major causal factors underlying LA's union revitalization and strategic innovation. The first relates to the nature of the regional economy, namely the central role of tourism and real estate speculation in the historical development of the Southern California economy. The result was a concentration of employment and unionization in the transportation, construction, services, and government sectors traditionally affiliated with the AFL as opposed to the CIO-dominated mass production-based industries, which dominated in Eastern and Midwestern cities (Milkman, 2006, p. 32). Given dispersed spatial patterns of employment, the AFL affiliates pursued strategic approaches that took wages out of competition in entire industries or sectors (e.g. advocating common wage standards) rather than organize at specific work sites (Ibid., p. 23). Another enabling condition was the proliferation of low-wage casualized employment and economic restructuring, which emerged earlier and more intensely in Southern California compared to other parts of the country. This came, in part, as a result of the burgeoning conservative movement based out of Orange County, which used the "region's rapidly expanding economy [as a] early testing ground for low-road managerial strategies that sprouted up all across the United States in the 1970s and 1980s" (Milkman, 2006, pp. 8-9; McGirr, 2001). A third factor had to do with the 1965 Immigration and Naturalization Act and the region becoming the most popular destination for Latino immigrants. These newcomers not only moved into de-unionized and restructured jobs

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UAW Ford River Rouge plant campaign); creation of the City Jobs Program, designed to transition welfare recipients into municipal employment with livable wages and clear career paths in the aftermath of federal welfare reform (led by the Metropolitan Alliance, a coalition of community-based organizations, labor unions, and faith-based organizations); proliferation of Community Benefits Agreements (CBA) on publicly subsidized major urban redevelopment projects in Los Angeles under the leadership of LAANE (i.e. the Hollywood and Highland Center, Staples Center, Hollywood and Vine mixed-use, transit-oriented development, and the LAX expansion); and finally the expanded use of Project Labor Agreements (PLAs), with built-in local hire provisions under the leadership of the LA County Federation of Labor (major signatories including the LA Unified School District, LA Community Redevelopment Agency and Public works Department, and LA County Metropolitan Transit Authority).

abandoned by native-born workers but were also predisposed to collective action and progressive movement building, often from past political struggles in their countries of departure. Where Milkman notes the strength and vitality of immigrant social networks along with persistent immigrant stigmatization by the white majority as a sub-factors fostering worker solidarity and organization, we might additionally underscore the role of independent Latino and other minority civil society organizations and groups in organizing and politicizing workers as well as cultivating community leaders (Milkman, 2006). Finally, Milkman points to the factor of geography, or the remoteness of Los Angeles from labor traditional strongholds on the East Coast and in San Francisco, home to “entrenched, risk averse, old guard labor leadership” prior to 1995 (Ibid., p. 10).

In conjunction with the rising presence of Latinos within the labor movement, electoral re-apportionment along with voter registration and mobilization drives by organizations like the Los Angeles County Federation of Labor expanded Latino voting power. As continuing immigration brought a growing number of Latino residents into previously black majority neighborhoods, shifting demographic patterns gave rise to tensions as well as collaborations (Gottlieb et al., 2006, p. 148). For instance, homeless activist Ted Hayes, Jr. of Dome Village fame has waged campaigns to get blacks to join the Minuteman Project, which monitors the U.S.-Mexican border (Kaplan, 2006). Further, in 2006, members of a Latino street gang were convicted of perpetrating a series of hate crimes in order to drive black residents out of a predominantly Latino neighborhood north of downtown Los Angeles. LA County jails have also seen deadly explosions of violence between black and Latino gang members. In electoral politics, the 2001 mayoral election exposed black-brown divisions when the city’s African American voters overwhelmingly supported James Hahn, son of Supervisor Kenneth Hahn, a longtime LA County Supervisor and ally of the civil rights movement, delivering him to campaign victory against Latino Democrat and former labor organizer Antonio Villaraigosa (Gottlieb et al., 2006). Despite initial defeat, Villaraigosa went on to win the 2005 election, this time with the backing from the Latino-labor coalition as well as leading black organizers and political leaders, who shifted their loyalties from Hahn in the face of broken campaign promises about black political appointments (Sonenshein, & Pinkus, 2005). Where interracial relations enabling electoral alliances might be more transactional in nature, organizations like Community

Coalition and SCOPE have pursued a deeper, longer-term approach to promoting black and brown unity in the process of community organizing for social and economic justice in South Los Angeles. Likewise the Black Worker Center, based out of the UCLA Labor Center, works to strengthen the relationship between Black Los Angeles and the labor movement.

As for Asian Pacific Islanders (APIs) in Los Angeles, post-1965 immigration enhanced their internal heterogeneity in terms of nationality, ethnicity, class, religion, gender, and political orientation (Takaki, 1998). Compared to the city's black population, which remained stable between 1960 and 2010, the API population expanded fivefold during the same period (although less than the seven-fold growth among Latinos). Originating in the late 1960s, the model minority myth points to high rates of educational attainment and income among Asian immigrants in order to invalidate Black claims of structural racism and demands for racial justice (Chou & Feagin, 2008; Petersen, 1971; Petersen, William, 1966). In fact, stereotypes about high API educational and economic achievement mask the bifurcated structure of the population. As glorified by the media, some of the post 1965 immigrants, particularly those arriving from East Asia, entered directly into middle class suburbs, business ownership, and white collar employment, thanks in part to the hard won gains of the Civil Rights Movement (Li, 2009); at the same time, many Asian immigrants also went into the non-union, low wage service sector and manufacturing jobs, with Hmong, Laotian, Cambodian, and Samoan American communities, in particular, facing problems of unemployment and poverty (Zhou & Xiong, 2005). Further, model minority stereotypes fuel oppositional dynamics among minority groups by uplifting one "success" case at the expense of others when in reality the glass ceilings and denigrating remarks (i.e. "You speak such good English!" uttered to a native-born person of Chinese ancestry) frequently encountered by Asian Pacific Americans have proven the difficulty of transcending the American racial order.<sup>49</sup> In responding to racial oppression, Asian Pacific Islanders in Los Angeles have started to translate their growing numbers into political power, through naturalization and voter registration. Community-based organizations like Asian Americans for Civil Rights and Equality and Asian Pacific American

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<sup>49</sup> Korean Americans whose businesses were looted and destroyed during the 1992 uprising learned that a "model" minority is still but a minority when LAPD neglected their pleas for help to instead guard Hancock Park, Beverly Hills, and other affluent, disproportionately white parts of the city.



Legal Center maintain efforts to organize a pan-ethnic voting bloc and hold elected officials accountable to shared interests such as civil rights, immigrant rights, and access to language assistance.<sup>50</sup> At the same time, organizations like the Koreatown Immigrant Worker Center, Pilipino Worker Center, and South Asian Network have taken part in multiracial alliances to push workforce-related organizing campaigns and policies in Los Angeles (Milkman et al., 2006).

As Los Angeles entered the 21<sup>st</sup> century, its economic future appeared uncertain. Political leaders increasingly embraced the living wage as a standard and union density in the LA region continued to outpace the national average,<sup>51</sup> in large part due to past and ongoing grassroots organizing efforts in the low wage service and manufacturing sectors. Following his election in 2005, Mayor Antonio Villaraigosa shortly appointed a series of progressive activists with expertise in areas including but not limited to civil rights, labor organizing, environmental justice and transportation planning to leadership positions within the administration. Many of them converging on commitments to the triple bottom line of environmental, social, and economic sustainability, the administration instituted the Green LA plan in 2007, setting benchmarks for turning Los Angeles into one of the greenest big cities in the nation. In terms of economic development policy, the prospect of generating a place-based “clean tech” industry complete with quality jobs achieved wide resonance particularly in the aftermath of the housing and economic crisis of the late 2000s. Since abandoning Fletcher Bowron’s progressive coalition during the 1950s to do business with the city’s growth coalition over the next few decades, the building trades reemerged at the center of a progressive labor-community-environmental coalition. The series of policy victories achieved over the past seven years center on green building and infrastructure projects complete with project labor agreements containing ambitious targeted hiring programs, partly designed to mend the history of environmental

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<sup>50</sup> So far, electoral participation rates among APIs remain lower than among Latinos or African Americans, and efforts by activists advocating pan-ethnic solidarity have yet to render an effective voting bloc. However, researchers at the UCLA Asian American Studies Center and the UC Asian American and Pacific Islander Policy Initiative are touting APIs as the new “sleeping giant” in California politics.

<sup>51</sup> In 2011, the LA region, including Los Angeles, Long Beach, Santa Ana, Oxnard, Thousand Oaks, Ventura, Riverside, San Bernardino, and Ontario Counties, had unionization rates of 56 percent in the public sector and 9 percent in the private sector compared to national rates of 36.7 percent for the public sector and 6.9 percent private sector (Applebaum & Zipperer, 2011).

degradation and racial exclusion in the unionized sector of the construction industry and the “higher” echelons of the labor movement. In the interim, soaring unemployment amidst the Great Recession and public budget cuts pose more immediate challenges for coalition members. While bearing disparate impacts throughout the Southland, the economic recession has also affected the dissipating middle class, in turn raising the stakes with respect to the currently open market and policy window of the local “green economy.”

### **3.4 Discussion**

This final section returns to the question: *To what extent, in what ways, and how has race played a role in managing the tensions and contradictions between capitalism and democracy at the local level?* Our historical analysis indicates that race played a profound role in shaping the unfolding of capitalist industrialization and urbanization in both Cleveland and Los Angeles. As capitalists and other economic elites “made” markets, whether related to manufacturing, real estate, or utilities, with the use of public resources, local economies were highly unstable and inequitable by design. Beyond the periodic panics stemming from boom and bust cycles, racialized labor markets absorbed tensions that might arise as certain democratic citizens performed dangerous, dirty, and demeaning jobs while others absorbed the lion’s share of benefits. As long as there was a subordinated class of workers, employers could benefit from paying cheaper wages and hiring and firing at a moment’s notice in tune with market fluctuations. On the other hand, the white working class could feel assurance in knowing that their economic prospects, no matter how bad, were better than that of blacks. Racialized housing markets fueled demand for new housing products and assured the racial majority of economic rewards in the form of business and job opportunities and rising homeowner equity. In the center city and inner ring suburbs, they even maintained demand for dilapidated, old housing stock to the extent the supply was all that was available to racial minorities. A more implicit point has to do with “undesirable land uses” and negative externalities of urban development, the latter exemplified by public housing and the latter by pollution and environmental destruction. Both were concentrated in low-income communities of color as to spare other sections of the city or region adverse impacts on real estate value and neighborhood quality of life and politicians and other public officials retaliation from the population majority.

As far as “how” race managed the tensions and contradictions between capitalism and democracy, it was through highly “social” means. Put another way, racial discrimination and subordination was “social” to the extent it was created and maintained in a broad-based, decentralized manner rather than an invention of the ruling class with purported aims of racially dividing the working class. In fact, ordinary white citizens mobilized at the grassroots and policy level to keep racial minorities out of suburban neighborhoods, public schools, and public spaces. Frequently employed rationales for minority exclusion were also “social” in the sense that they pointed to “custom” and “precedent” rather than instrumental reasons (Jones, 1998). Where white vigilante organizations maintained racial homogeneity in neighborhoods, labor unions played comparable roles at the workplace. Employers by every means benefited from racial divisions of labor in terms of lower overall factor costs resulting from lower wages paid to racial minorities along with the ability to discipline white workers using the threat of hiring low wage competitors. Still, whether in the factories of the rustbelt or agricultural fields of Southern California, white workers spearheaded harassment and violence against workers of color as to occasionally require protective or cautionary measures on the part of employers. At the cultural ideological level, racial stratification provided a sense of comfort for white workers who felt dehumanized and oppressed by their work conditions as well as dissatisfied with their living conditions (Ignatiev, 2008; Roediger, 2007). However, such an “escape” was not exclusive to white workers but also sought by racial minority groups to the extent they adopted the racism of the white majority in their outlooks and actions toward other minorities. African Americans in Los Angeles in some ways benefited from “rainbow racism,” where it dispersed negative attentions, but also suffered from a “compounded racism” in their dealings with other minorities (Horne, 1997). Hence, the “working” class (the middle class included) overwhelmingly outnumbered economic elites in a market democracy where private sector profits was highly contingent on state intervention but bounded its transformative power by adhering to a form of racial separatism that sought personal redemption through fleeting material achievements and condemnation of lazy and undeserving “others.”

The variable of space was deeply implicated in both absorbing and challenging the tensions and contradictions between capitalism and democracy. The concentration of racial

minorities in the center city and inner ring suburbs along with the remnants of economic failures or bygones, whether related to manufacturing or housing production, maintained widespread adherence to the paradigm of economic growth as equal to maximized public interest or social welfare. As long as the population majority remained surrounded by markers of economic prosperity and associated blight and poverty with the inherent deficiencies of racialized groups, urban policy and economic development programs could continue as is without any legitimation crises. On the other hand, heavily minority neighborhoods like Hough, Buckeye Woodland, or the Near West in Cleveland or Boyle Heights and Watts in Los Angeles frequently served as rallying points for grassroots organizing and social movements with transformative agendas. The co-location of people actively grappling with experiences of marginality and adjusting to challenging social and economic circumstances catalyzed the formation of shared identities, a sense of solidarity, and impetus for collective action. Prior to urban renewal and the outmigration of Jews, Asian Americans, and middle class Latinos and African Americans, places like Boyle Heights and Watts, neighborhood-based identity formation and organizing played a central role in forging solidarity across race, ethnicity, religion, and class lines. Minority discourse and strategies around racial justice and equality ranged from accommodationist stances to aggressive manifestations encompassing armed struggle and urban uprisings depending on their numbers, the surrounding economic context, and the intensity of their marginalization by mainstream society and in the case of Black Angelenos, other minorities. In both cases, increasing numbers brought political power, while troubling social and economic circumstances increased the penchant for direct action and more radical reform as demonstrated by depression era Black Cleveland and Proposition 187-era California Latinos. As for the effects of social marginality on oppositional movements, the health of minority civil society appeared to play a mediating role, with diverse community and civic groups, ethnic media, and other civil spheres converting disaffection and frustration with the political and economic status quo into more constructive reform efforts (i.e. Black Cleveland from the 1930-1960s vs. the Forbes era; Watts from the 1930s-early 60s vs. next two decades).

For all their overlap, Cleveland and Los Angeles also have significant differences, an obvious point of contrast centering on LA's emergence as the center of union revitalization

vs. the general trend of industrial and union decline in Cleveland. As illuminated by Ruth Milkman, underlying factors include the nature of their respective economies. For one thing, Cleveland has taken the path of a more “traditional” industrial city, experiencing deindustrialization beginning in the 1920s and struggling to regain its economic stature despite efforts to seat a series of corporate headquarters and become a center for biomedical and healthcare technology. In conjunction, the city’s once powerful CIO-affiliated unions met decline, while public sector unions also suffered amidst growing federal retrenchment and privatization from the late 1970s. On the other hand, LA’s economic base retained a more diverse and flexible character, whether related to tourism, agriculture, and speculative real estate development in the late 19<sup>th</sup> and early 20<sup>th</sup> century, the postwar aerospace-military-electronics production and suburbanization, growing US trade with Asia, or high-end corporate services. As mentioned earlier, the relatively strong presence of craft unionism along with anti-union offensives and labor casualization efforts also furthered community unionism and other nontraditional labor organizing strategies. Demographic differences also played a role in setting disparate trajectories, Cleveland with its black-white racial dichotomy and trend of depopulation from the 1950s and LA’s population being more multiracial since the American conquest,<sup>52</sup> with post-1965 immigration fueling its continued expansion. The fact that Mexicans assumed an ambiguous status with respect to the mainstream labor movement (compared to African Americans and Asian Pacific Islanders, who were more marginalized) might have also helped establish initial Latino representation within local unions, who in turn mediated the incorporation of immigrant newcomers and their movement repertoires. Finally, the co-location of Jewish European, Asian, Mexican, and African American Angelenos in multiracial neighborhoods like Boyle Heights and Watts until the 1950s facilitated the blending of diverse oppositional cultures and strategies under the framework of unionism as to set an effective precedent (Avila, 2006; Gottlieb et al., 2006). Alternatively Black Clevelanders singularly absorbed white racism and remained socially and spatially isolated from European socialists and other radical immigrant groups (outside Communist and Socialist

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<sup>52</sup> Comprising 15 percent of the population in 1950, black Clevelanders now make up the population majority (53 percent), while whites account for 37 percent, Latinos— 10 percent, and Asian Americans— 2 percent. As of 2010, the city of Los Angeles had just under 4 million residents of whom 49 percent were Latino, 29 percent— white, 11 percent— Asian American, and 10 percent— African American.

organizations, which remained on the political fringes). Thus they were not only more likely to pursue self help and community control approaches but also more inclined to succeed at them compared to their counterparts in Los Angeles, who generally comprised but a small share of the population (ranging between 9 and 18 percent between 1960 and 2010).

In terms of minority political power, Cleveland and Los Angeles were both early movers in electing black mayors. Two years after the passage of the Voting Rights Act (1965), Carl Stokes became the first African American to be elected mayor of an American city, with Tom Bradley following fourth in line just five years later in 1972 with the help of a multiracial Black-Jewish-Latino coalition. As described by J. Phillip Thompson, “this first wave of black mayors made tremendous changes in ordinary black citizens’ perception of city government” (Thompson, 2005, p. 4). Their initial accomplishments included reining in police departments and expanding public sector employment opportunities for minorities. However they failed to generate much in the way of substantive gains for their poor black constituents amidst declining federal aid to cities. As time went by, black elected officials often discouraged black political participation beyond the support of establishment candidates in order to protect their power bases as exemplified by George Forbes in Cleveland. Nevertheless, the first generation of black mayors often received criticism from the mainstream for “assuming a role of race leader rather than [acting] as city manager, and accused of antagonizing white businesses and failing to entice them to their cities” (Ibid., p. 6). Consequently, the next generation of “technocratic mayors” like Michael White, who defeated George Forbes in the 1989 mayoral election, tended to deemphasize race and work closely with the corporate community around “pro-business” urban policy. In the case of LA’s Tom Bradley, he was more akin to the second typology in deprioritizing inner city social and economic concerns relative to downtown redevelopment and port expansion and embracing race-neutrality as demonstrated in the bussing plan of the 1970s. As seen in Stokes-era Cleveland, when poor blacks were well organized and politically active, they were better able to hold elected officials accountable to their interests (e.g. building much needed public housing) as opposed to conflicting ones advocated by other members of the overarching biracial coalition. Even aside from electoral politics, mass voter registration and mobilization among Latino Angelenos in the wake of Proposition

187, which went hand in hand with grassroots labor organizing and unionization, helped bring progressive economic policy victories at the city level in the form of the living wage ordinance, City Jobs Program, Community Benefit Agreements, and Project Labor Agreements.

A final noteworthy difference between Cleveland and Los Angeles has to do with the cities' power structures. LA saw the rise and fall of the Southern Pacific machine and the later displacement of the Times-led downtown establishment by Jewish nouveaux riches based in the entertainment, home building, and savings and loan industries who in turn gave way to a more diffuse and horizontal contemporary power structure. In contrast, Cleveland has had a relatively coherent and stable base of WASP economic elites upholding a civic legacy of noblesse oblige that continues into the present as embodied by the active role of local foundations and anchor institutions around University Circle.

Hence where local conditions appear to have significantly mediated the ways in which race manages the tensions and contradictions at the intersection of capitalism and democracy, the next section turns to the Los Angeles Green Retrofit and Workforce Program and Evergreen Cooperative Initiative to explore in greater detail their outgrowth from the respective sets of local conditions together with broader national trends.

## **PART II: CASE STUDIES**

### **CHAPTER 4: THE EVERGREEN COOPERATIVE INITIATIVE**

#### **4.1 The Cleveland Foundation**

The Evergreen Cooperative Initiative emerged from a collaborative partnership between philanthropic organizations, public agencies, non-profit anchor institutions, university-based centers of policy research and practice, financial institutions, and community development corporations aiming to improve neighborhood conditions around Cleveland's University Circle. Still no single organization played a greater role in the conception and expansion of the initiative than the Cleveland Foundation. Established in 1914 during Cleveland's industrial heyday by Frederick Goff, corporate attorney turned president of the Cleveland Trust Company, it was the oldest and third largest of community foundations in the United States.<sup>53</sup> Mounting a humanist defense of laissez faire capitalism amidst growing labor unrest and class antagonism, Goff revamped the charitable trust model to aggregate multitudinal gifts into a single endowment serving the residents of Cleveland through the broadest possible charitable purposes. In 1919, he stated with regards to the community foundation:

*I am hopeful that these days of social unrest, when the accumulation of large fortunes is often decried, if it be known that a generous portion of the wealth one accumulates is ultimately to be devoted to community use, it may be deemed honorable, even in the eyes of the professional critic, for men who prefer struggle and achievement to idleness and leisure to continue the pursuit of wealth (Tittle, 1992, p. 33).*

Shortly passing in 1923, Goff failed to witness Cleveland's descent into gradual industrial decline following the Great Recession. However, if there was an upside to Cleveland's vast economic disparities, the great fortunes accumulated through the city's shipping, mining, iron and steel, manufacturing, and oil industries sustained a tradition of noblesse oblige for generations. By 2003 the foundation had \$1.52 billion in assets and was expending over \$80 million in annual grant funding.

In addition to supporting the Cleveland Foundation, Cleveland's first families endowed a series of cultural and educational institutions including the Cleveland Museum

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<sup>53</sup> A close associate of the progressive populist mayor Tom Johnson as well as John D. Rockefeller, Goff combined an "empathy for the plight of the common people" and sharp business acumen (Tittle, 1992, p. 25).



of Art, Cleveland Play House, Cleveland Orchestra, and Cleveland Institute of Music in the city's uptown district during the early decades of the 21<sup>st</sup> century. Roughly one square mile in area, the district continued to expand as a regional education, medical, arts, and cultural hub through the New Deal and post war eras, partly thanks to federal social welfare policy including employer provided health insurance and Medicare and Medicaid along with federal investments in science-based research and development. On the other hand, the six neighborhoods that surrounded University Circle— namely Glenville, Hough, Fairfax, Buckeye-Shaker, Little Italy, and the eastern part of East Cleveland— were home to a total of about 43,000 local residents with an annual median household income under \$18,500 (Dubb & Howard, 2012). Disproportionately African American, the area had some of the highest foreclosure and unemployment rates in the country, along with a noticeable dearth of retail and service outlets as well as basic neighborhood amenities.

The Cleveland Foundation remained deeply implicated in the fates of both the anchor institutions of University Circle as well as the surrounding east side neighborhoods. The fact was perhaps unsurprising in light of the foundation's Board of Directors, heavily populated by leading members of Cleveland's business community with strong influence over matters of urban policy and local economic development (Tittle, 1992). The Cleveland Foundation's involvement in University Circle ranged from providing funding support to anchor institutions, including the Cleveland Orchestra, opera, and art museum, to playing a leading role in the city's massive urban renewal program, which displaced tens of thousands of residents.<sup>54</sup> Where CDF focused on the downtown area, University Circle Inc. followed in 1957 to launch a ten year campaign to improve physical infrastructure in "the Circle," which by then was already home to more than 30 cultural, educational, and medical institutions (Tittle, 1992). As urban renewal helped fuel civil rights activism and the Black power and community control movements in the 1960s, the Cleveland Foundation supported the Businessmen's Interracial Committee on Civic Affairs to provide a dialogic space for white corporate leaders and Cleveland's black community leaders to manage racial relations in the city (Shiao, 2004, p. 68). It also supported the mayoral candidacy of

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<sup>54</sup> Building on the model of the Allegheny Conference in Pittsburgh, Cleveland's corporate executives created the Cleveland Development Foundation (CDF) in 1954, which was in turn administered by the Cleveland Foundation.

Carl Stokes by funding electoral organizing efforts together with the Ford Foundation. By the 1970s, the Cleveland Foundation was helping launch an “information clearinghouse” and “outreach effort” to prepare Cleveland for school desegregation while curbing outbreaks of racist violence against blacks (Ibid.). In the aftermath of the community organizing movement (1975-1985), the Cleveland Foundation further played a leading role in developing a corporatized network of Community Development Corporations under the umbrella of the Cleveland Housing Network (Yin, 1998).

## **4.2 Changing winds**

### *4.2.1 Cleveland Foundation*

From the early days of Frederick Goff, the Cleveland Foundation had a record of leadership that was ahead of its times. In the 1960s, Director James Norton encouraged a “wide variety of socioeconomic programs for the disadvantaged and the poor,” believing “that a community foundation had an obligation to support as many different community groups and activities as possible” (Tittle, 1992, p. 13-14). His successor, Homer Wadsworth (1974-1983) had helped desegregate Kansas City schools in the aftermath of *Brown v. Board of Education of Topeka*. Focusing on improving select public institutions such as Cleveland’s languishing Playhouse Square district, his tenure saw the Foundation’s early adoption of program related investments (PRI), which invested a portion of the foundation’s assets in a manner that advanced a program objective (Ibid., p. 14). Following, in 1984, Steven Minter became the foundation’s first African American director as well as the first racial minority to attain such a position in the country. Under his leadership, the Cleveland Foundation not only pushed “minority access to and participation in the city’s institutional life” but more fundamentally “[moved] beyond the traditional role of responsive funder played by most community trusts and provide civic leadership as an educator, program manager, catalyst, and convener” (Tittle, 1992, p. 16, 6). Besides focusing in the usual program areas of education, health, social services, the arts, and civic affairs, the Foundation further committed to encouraging the city’s economic revitalization. Building on the work of his predecessors as did all of the past directors, Minter clarified a new direction for the Foundation as a strategic investor, not only in downtown and lakefront development but also in higher education and the economic application of

biomedical research coming out of the local hospitals and universities (Ibid., p. 22). In working toward its goals, the Foundation leveraged its status as Cleveland's largest philanthropy to bring other major funders together as well as focus public attention and resources on what it saw as the most pressing issues.

Again in 2003, the Cleveland Foundation underwent a shift in leadership and orientation, as Executive Director Steven Minter retired after twenty years of service to be replaced by Ronald Richard. With previous experience working as a US diplomat in Japan, senior manager at Panasonic, managing director and chief operating officer at the CIA's venture capital fund, and director/business strategist for biotechnology and medical research firms, Director Richard brought an expert working knowledge of public, private and non-profit sectors together with an innovative drive. Arriving at the Cleveland Foundation, he restructured the organization by hiring people with extensive local knowledge and trusted contacts from years of "working in the trenches." The new Program Director for Neighborhoods, Housing, and Community Development, India Pierce Lee, had worked in various housing, community, and economic development projects around Cleveland, most recently as senior vice president of programs at Neighborhood Progress Inc. (NPI), a grantee organization. In hiring Ms. Lee, the Foundation also got a staff person who was willing to roll up her sleeves and delve into problem solving. Later, Ms. Lee shared her reflections,

*When I started in community development, when I came in, I knew nothing about building new houses. I learned from the ground up. Since the time I've been in this industry I've been told, 'No, you can't do this.' So 95 percent of the time I've been able to succeed at what I was told I couldn't do. For me [Evergreen] is another challenge. All the naysayers who say this isn't real, I love every time I can send a news release, still realizing we have a long way to go.*

Another new hire that would prove instrumental to the development of the Evergreen Cooperative Initiative was Lillian Kuri, a licensed architect with expertise in urban redevelopment and innovative environmental services who initially worked as a consultant to develop a comprehensive strategy for the revitalization of the Greater University Circle

area before becoming permanent staff.<sup>55</sup> Outside of new hires, existing senior staff went from overseeing grant writing to working directly with partners in key priority areas. Where the Foundation previously promoted racial inclusion by supporting community development corporations and redevelopment projects apart from their project of growing a regional biomedical industry in the University Circle vicinity, it would shortly synthesize the two priorities in the flagship “Greater University Circle Initiative.”

#### 4.2.2 Anchor institutions

Around the time of Richard’s arrival, three of University Circle’s largest anchor institutions—Case Western Reserve University, University Hospitals, and Cleveland Clinic— also saw the arrival of new leadership, who chose to break with existing arrangements and routines within their organizations. Traditionally, the area’s education, medical, arts, and cultural institutions saw its constituency as consisting of residents from the surrounding region rather than the immediately surrounding neighborhoods. Walter Wright, Project Director of the Greater University Circle Community Wealth Building Initiative at the Cleveland Foundation, put the events into historical perspective. He stated, “After the late 60s when there was a lot of rioting and strife in Cleveland— the Hough neighborhood erupted into flames— the institutions, they turned their backs on the neighborhood literally and figuratively. I mean they physically built concrete bumper barriers, and that’s been a real problem.” Shortly, the institutions underwent a change in orientation, described by Mr. Wright:

*They have reengaged with the community, because they understand a couple of things; number one, our fates are intertwined. The people who live in the communities are both their patrons and their potential employees, and also, if the neighborhoods are in really bad shape, it’s a barrier to people going to Case, University Hospitals, or the Clinic. So it was in everybody’s interest to work together.*

In a series of interviews conducted by the Cleveland Foundation (Standley, 2012), Chief Administrative Officer Steve Standley of University Hospitals described the situation he faced upon entering the organization in 2000:

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<sup>55</sup> She became Director of Special Projects in 2007 and has since become Program Director for Architecture, Urban Design and Sustainable Development.

*Just like a lot of major, urban college hospital campuses, we're sitting in this one square mile of these beautiful institutions and then there's this wall. Then you go into some of the poorest neighborhoods in Cleveland. And those are our constituencies and a lot of our stakeholders... And if we don't do something to improve the community as much as we can, these are our stakeholders. If this was a business, these are the people we take care of, regardless of whether they have insurance or not, the fact is, that's why we're here. With no people, there's no need for a health system. And we were really struggling to connect with them. We had the classic old-fashioned diversity methodology and tactics.*

He provided examples of charity walks, community health screenings, and drug prevention programs to characterize the “old” approach.

Mr. Standley pointed to a number of factors motivating new approaches to community engagement among some of the hospitals in University Circle, two of which had to do with staff recruitment. He stated, “The reality is, if we don't fix these neighborhoods, I'm not going to get nurses who live in first ring and outer suburbs to feel safe enough to drive to work here. So if you totally shed all the humanistic pieces of this, the reality is that you can't have a fort in the middle of a warzone and continue to recruit people to work here.” He also emphasized lifestyle preferences of another workforce continent:

*What's happened with the recession, [rising gas, fuel prices], sustainability movement, and everything else, the younger people coming to work for us, they want to know, 'Can I live there? Are you going to help me live near there? I don't really want to own a car. So what's the public transportation like? What are you doing to control all these environmental issues?' So the way we recruit now is driving and reinforcing what we are doing in the community.*

Thirdly, Mr. Standley spoke to the role of regulatory changes in incentivizing institutional change:

*For those of us that are not-for-profit hospitals, the realities of health care reform [had led to] much more scrutiny of what we claim and report as being 'community benefit.' You can no longer claim that eight-person table at the Cattleman's Club, where one of your board members gets an award. You can't claim that as 'community benefit.' That's marketing. So we had to segregate our marketing budgets from our community benefit budgets and get much more rigorous about what our community benefit was.*

In becoming more “rigorous” about “community benefits,” University Hospitals began with its Vision 2010 strategic growth plan, more specifically overhauling the process by which

they allocated vendor and workforce contracts on \$750 million worth of construction.<sup>56</sup> In fact, Mr. Standley and other executive staff at the hospital only realized the shortcomings of their existing procurement and purchasing protocol when University Hospitals brought in a black community representative onto the hospital board of directors who pointed out various problematic issues. What Mr. Standley encountered was a poignant and formative learning experience: “I started meeting with all these people and I started hearing all this horrendous stuff. I will tell you in 2004, 2005, I had no idea. I had somewhat of an idea, but I had no idea how really hard it was for these people and their companies to get anywhere, especially with respect to health care.” He explained,

*You know, if you are a majority electrical company, they view your bonding capacity based on your company's profit and loss statement, not based on your owner's divorce or late credit card [payment]. When you get to small companies, whether they're African American, Hispanic, female-owned, whatever, it's everything about the person's life that is being investigated to see whether they can post the bond.*

Among the ameliorative responses, many of which occurred concurrently to the development of the Evergreen Cooperative Initiative, was that of “breaking the projects up into hundreds of little packages [to enable small contractors to bid on the projects] instead of the easier way, which was the old way, which is you anoint one king, and you let that king go out and decide who's going to work” (Ibid.). In addition, University Hospitals negotiated a Project Labor Agreement with ambitious local/ minority hiring targets, strict enforcement mechanisms, and integrative mechanisms for smaller minority contractors (to the extent they utilized union labor for the given project). The latter measure partly served to enhance minority entry into the regional building trades to counter its history of racial exclusion. To further support minority contractors in winning future projects, University Hospitals publicly recognized the different contractors in an advertisement in the Cleveland's major newspaper. Steve Standley explained, “If you are a small business, whether you are minority owned or not, if you can get a health care job on your resume, it

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<sup>56</sup> The Vision 2010 program at the UH created more than 5,200 jobs totaling over \$500 million in wages, salaries, and benefits at the height of construction, but voluntarily incorporated diversity hire targets specifying 5 percent of contractors would be female owned businesses, 15 percent— minority owned businesses, 80 percent—locally-based companies, and 20 percent of all workers—residents of Cleveland.

elevates you way past the people that are building malls and stores and developer based projects where you are just doing tenant improvements in an apartment building.”

Lest the motivating factors for transformative social action appear simply instrumental or about problem solving, this was hardly the case with respect to Vision 2010 or the Evergreen Cooperative Initiative, as we shall see shortly. In the case of Mr. Standley, he connected the minority inclusion components of the Vision 2010 project back to his biographical trajectory and interpersonal connections, reflecting:

*I guess it's just me. I just resented the good old boy thing...not even racial... just the club. And I'm very unique in this role. I am an artist. I started with nothing. I grew up in Canada. I had three fathers by the time I was 13 years old. So I just had a different platform... no silver spoon stuff... and started on a dock, loading trucks at a hospital. So I guess some of it was maybe that. The other part of it really was that there's something so invaluable about it, and it sounds corny, but... that one year when I met with people, it was transformational.*

Elaborating on the interpersonal dimensions of the work, Steve Standley described what he referred to as “one of the most moving things for me of this whole thing. This was actually my reward in a corny way.” Invited to attend a “town hall” with minority contractors and subcontractors, Mr. Standley was greatly surprised to find a commemorative event in his honor. He recalled, “They just went one by one and they got up and told me who they were and what they had done on our projects, what it meant to them and what they are doing now. And I'm about twelve in, and I'm falling apart. I'm like, 'I can't do this.' It was amazing! I wish we had videotaped it, because it was amazing. Their stories were incredible.”

Among the anchors, University Hospitals, particularly with Mr. Standley as the leader, was exceptional in its commitment to community engagement and racial inclusion. Still, where Mr. Standley spoke more generally to a desire to “do the right thing,” the theme echoed repeatedly among other representatives of anchor institutions involved in the Evergreen Cooperative Initiative as well as other participants ranging from lawyers to finance consultants to the mayor of Cleveland. At the same time, Mr. Standley resisted categorization of the anchor institutions' involvement in the Evergreen Cooperative Initiative as arising from a moralistic or ethical impulse, clarifying: “This isn't a 'do-the-right-thing' *charity* thing. We see this more as an economic-development initiative. If everything stabilizes and the city grows, it's better for all of us”(Litt, 2010).

### 4.2.3 City of Cleveland

Finally, at the citywide level, the development of the Evergreen Cooperative Initiative overlapped with the beginnings of Frank Jackson's mayoral administration. Besides pledging a commitment to serving the "least of us," he also embraced a "self help" philosophy, the latter embodying the following approach to local economic development:

*Where even in difficult times, whenever we spend money in our sales and turn dollars around in our own community more than one or two times but four and five and six times, it really results in job retention and some job growth. And it keeps us stable and creates a more sustainable economy even though the national economy is going through this fluctuation (Jackson, 2012).*

As an example, the mayor pointed to University Hospitals' targeted hire policy as a catalyst of "self help" and hailed the non-profit institution as a "great corporate citizen."

A biracial African-Italian American who grew up and continued to reside in one of Cleveland's lowest income neighborhoods, the Mayor further elaborated on the racial dimensions of his self help philosophy:

*Then if you're talking about African Americans and minorities, then how do we get out of the whining position about what should be and how come I can't and get into the investment strategy around that opportunity. That becomes the issue, because it's not just a societal exclusionary process that has created problems; it is culturalization of non self help... So if we are a community looking for true empowerment and if true empowerment not only includes political but [also] economic power— and you know wealth will always invest in politics, always, and wealth invests in politics for the purpose of insuring its position—if you're not at the table in the investment of this activity, then all you're doing is begging. You're looking for a set aside. That's all you're looking for.*

In short, he saw minority communities as stakeholders and potential participants in urban investment and economic development strategies whose mobilizing and planning capacities in the economic realm had yet to catch up with their political power as to require greater attention and cultivation. In doing so, he departed from Mayor Carl Stokes' philosophy of racial uplift, which focused on building black power through the electoral sphere, and Councilmember George Forbes' approach to political patronage, which coopted and squashed black community organizations for racial set asides.



At the same time, he emphasized the role and duty of local government and his commitment as mayor in actively spurring processes of “self help,” complete with social inclusion, stating:

*We need to create economic stability and sustainability in the region [and ensuring] inclusion is a central part of that sustainable process. And it doesn't matter to me who does it [whether it's a non profit institution, labor union, domestic or foreign company locating production in Cleveland, etc.]. Since I'm not coveting [political advancement] it helps a lot too. If I'm not coveting and trying to get somewhere else it's even more helpful. So it's irrelevant to me. What's relevant to me is the purpose. Why am I here? What is our purpose for being here as an administrator? And what is the strategic plan to get there, the policies to implement to do that, to keep a plan to implement those policies, and the use of politics in that way which I believe is appropriate as opposed to the politics of self-preservation?*

While his first term overlapped with the housing and financial crisis, Mayor Jackson would continue to target public investments to “create a kind of financial stability that allows for businesses to be confident in their investments” into his second term, sustaining controversies along the way as a result of his willingness to go outside the bounds of traditional thinking around local economic development. For instance, in 2010, the administration entered into negotiations with a Chinese LED lighting company interested in locating production facilities in Cleveland and transitioning the City from incandescent bulbs to LED lighting solutions at zero profit. While creating three hundred and fifty jobs within five years, the company would have the opportunity to demonstrate product applicability and enter the American market. The proposal met its end when the local branch of General Electric proceeded to mobilize opposition within city council despite their unwillingness to pose a comparable counter offer or consider relocating some of their production from China to Cleveland. In short, Cleveland’s local government appeared well poised to comprehend and embrace the rather unconventional approach to workforce, business, and economic development embodied by the Evergreen Cooperative Initiative. Borne from the unusual set of economic challenges the city had faced since the Great Depression and the mayor’s unique insights into race, politics, economic development, and gains allocation, the city’s financial support would prove crucial to the success of the effort.

#### **4.3 Converging on Greater University Circle**

As University Hospitals began its \$1 billion expansion project under the Vision 2010 master plan, a number of its neighboring anchor institutions were simultaneously undertaking physical expansions. While Cleveland Clinic broke ground on its \$500 million Heart and Vascular Institute, Case Western University was building its \$111 million North Residential Village project. In addition, the Cleveland Museum of Art was undergoing a \$200 million renovation, with the Regional Transit Authority completing its \$260 million Euclid Corridor Transportation project, complete with a new bus rapid transit system, and the City of Cleveland making streetscape improvements and incorporating public art along the major corridor connecting downtown and University Circle. From the perspective of the Cleveland Foundation, the fact that the anchors were undertaking physical remodeling and expansions totaling \$2.5 billion with little coordination with respect to the other provided a ripe opportunity for cross engagement aimed at broader urban revitalization. The question was how to cohere the multiple university campuses, cultural venues, health care institutions, and other anchors to generate a sort of economic engine for the surrounding six neighborhoods “in order to establish a safe, attractive, racially and economically diverse neighborhood without acute poverty, but also without throwing out or throwing away the people who live there now” (Yates, 2009). For one thing, the arrival of new leadership at University Hospitals, Cleveland Clinic, and Case Western Reserve University created favorable conditions for collaborative relationship. As recalled by Program Director Lillian Kuri,

*We were looking around the city and saw [rooted] institutions that were growing physically but also creating jobs. We saw an opportunity to leverage the institutions in a way that hadn't been done before. There were three new leaders at the institutions that the town had never seen before in terms of their willingness to collaborate. Before they wouldn't sit in the same room. It was a totally new day (Iuviene & Song, 2012).*

Therefore beginning in 2005, the Cleveland Foundation convened the anchor institutions on a quarterly basis to coordinate physical expansion and improvement projects, discuss the conditions in the surrounding neighborhoods, and find crosscutting issues around which the group could collaborate. The Foundation was an apt catalyst and convener given its philanthropic interests, spatial focus on the communities of Cleveland, and reputation as an “honest broker” among both the public and private sector. India Pierce Lee described a

core premise as being that “building trust with your partners is critical—having a transparent and open dialogue, being critical with each other about how to do things, and being willing to learn and listen from each side.” As representatives of the different anchor institutions got to know and trust one another, they started to share their master plans as well as coordinate the content. Following, their focus widened to encompass their surrounding urban environment, as described by University Hospitals Chief Administrative Officer Steve Handley: “It quickly translated to, ‘O.K. we got that out of the way, but we really need to start working together to stabilize the neighborhoods.’”

In the early stage of the “Greater University Circle Initiative,” the Cleveland Foundation identified projects that were action oriented and achievable within a timespan of three to five years, the implicit goal being to build working relationships and trust among the partners to equip them for more complex challenges down the line. Therefore the GUC Initiative started with a series of physical development projects, including one on the issue of transportation that enhanced public accessibility and safety around three transit stations. Another project focused on the issue of housing developed three mixed use transit oriented facilities and followed up with an employer assisted housing program. The latter represented an effort on the part of partners to couple physical development with “Programs for the People,” aimed at building the social infrastructure necessary to bring about improvements in public education, housing, community safety and organization, and economic inclusion. As the Greater University Circle Initiative completed its first year, questions mounted as to how to tackle the economic inclusion piece, the premise being that conventional approaches to economic development based on corporate subsidies for job creation with little consideration for community wealth creation or asset development would not suffice. India Pierce Lee clarified,

*The work we are doing in Greater University Circle and Evergreen is as a result of what I learned in the Empowerment Zone, which I'll never do again! We had this economic inclusion as a component of the Greater University Circle Initiative, but we did not pull the trigger, because I didn't know what we were going to do, but I did know what we weren't going to create another program that gave lip service to the community.*

Ted Howard, Co-founder and Executive Director of the Democracy Collaborative, later elaborated on Ms. Lee's position:

*As India tells the story, she worked for the previous mayor, and she ran the Empowerment Zone. She was responsible for [tens of millions of dollars] in federal funding for the Empowerment Zone that [the mayor] placed under her authority, which are almost these same neighborhoods we're working in. Over a 15-year period, all the money had gone into the neighborhoods and not much had changed; we had very little impact. No more people were employed; the majority of the businesses left. It just evaporated. She's clear, that's broken; she doesn't want to do that anymore. In that sense, Evergreen is a bit of a reaction to that.*

Another challenge had to do with directly engaging the surrounding neighborhoods. The act of labeling the target area, comprising just over four square miles, "Greater University Circle" signaled an unprecedented move to forge commonality not only among the anchor institutions but also between some of the city's wealthiest economic entities and poorest neighborhoods. However the fact remaining that few of residents in Glenville, Hough, Fairfax, Buckeye-Shaker, Little Italy, and the eastern part of East Cleveland identified with or had even heard of "Greater University Circle."



**Figure 1. Empty storefronts in Greater University Circle**

#### **4.4 University based partners**

Meanwhile, the Ohio Employee Ownership Center at Kent State University and the Democracy Collaborative at the University of Maryland were also converging on Cleveland's University Circle. Both of the organizations traced their beginnings back to "Black Monday," September 19, 1977, when the closing of the Youngstown Sheet and Tube steel mill left 5,000 steelworkers without work. Political economist and activist Gar Alperovitz described the aftermath: "No local, state, or federal programs offered significant help. Steelworkers called training programs "funeral insurance": they led nowhere since there were no other jobs available" (Alperovitz, 2011c). Consequently a coalition of religious leaders, steel workers, and local activists came together around creating a plan for community-worker ownership of the mill. Additionally engaging policy entrepreneurs and consultants like Gar Alperovitz, who brought critical experience in the congressional legislative process and connections to liberal think tanks, the group developed a worker buyout plan that went on to win the support of the Republican governor of the state at the time along with \$200 million in loan guarantees from the Carter administration. Despite the federal commitment and favorable media attention, the effort eventually failed, partly due to opposition from the industry and the international union, the latter departing from the local union in considering the idea of worker ownership farfetched. Still, the initiative had resounding effects, especially in Ohio, where deindustrialization continued to take a toll over the next three decades.

Among those who drew inspiration from the events of Youngstown was John Logue, a political scientist from Texas who had newly joined the faculty of Kent State University. Between 1984 and 1986, Logue conducted a series of research projects that found positive impacts of employee ownership on Ohio's economy. In 1987, he established the Ohio Employee Ownership Center (OEOC), which subsequently helped transition tens of thousands of workers, many from potential job loss, into employee ownership. The center's information and outreach activities centered on promoting employee ownership under a variety of circumstances, ranging from succession planning to employee buyouts. Over the years, the majority of its program content and staff time came to focus on facilitating business succession planning, whether through Employee Stock Ownership Programs

(ESOPs) or other means.<sup>57</sup> While additionally offering technical assistance to existing and start-up worker owned cooperatives, they accounted for a smaller portion of the center's work and professional membership. As explained by Logue's successor, OEOC Executive Director Bill McIntyre,

*Historically, at the Ohio Employee Ownership Center, we have been careful about becoming overly involved with worker owned co-ops, because they tended to take a lot of your our time. Most of the time they never even got started. If they did get started, they tended to fail. If they succeeded, they failed as soon as the key person left. And even if they were successful, there were often less than a dozen jobs, so it was a small scale success. The Evergreen cooperatives were different, in that the model had the potential of being taken large scale.*

In other words, the OEOC was not averse to seeding worker owned cooperatives but rather predisposed to business succession planning given aims to maximize organizational impact. In fact, one of Director John Logue's deepest ambitions was to take employee ownership to scale in places like Youngstown, where economic globalization and capital flight destabilized entire economies. In 2001, he traveled to the Mondragon Cooperatives in the Basque region of Spain to draw significant inspiration. Shortly thereafter, he reported to the readers of the OEOC newsletter:

*Visiting Mondragón encouraged me to envision an Ohio employee-owned sector with more cooperation among employee-owned firms, more involvement in the community, a common commitment to expanding employee ownership, a commitment by firms to incubate new employee-owned companies, and the creation of more joint institutions, including joint strategies for responding to economic globalization (Logue, 2001, p. 17).*

Among the open questions was how to translate the unique institutional arrangements and cultural specificities back to the American context.

As for Gar Alperovitz, he partnered with Ted Howard, who brought over three decades of experience in the not-for-profit/civil society sector, to establish the Democracy Collaborative (DC) at the University of Maryland in 2000, over thirty years after Black Monday. Like many of the other interviewees, Mr. Howard cited a number of formative

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<sup>57</sup> The failure to plan for business succession in small and middle-sized closely held businesses is the leading preventable cause of job loss in the U.S.; in the absence of succession planning, businesses often get sold to competitors who may consolidate operations, reduce local employment, or simply close up shop (OEOC, 2012).

events and experiences in leading him towards the Democracy Collaborative and eventually the Evergreen Cooperative Initiative. He reflected:

*There are a number of things that impacted me in my life. [For one thing], I grew up in LA in a very working class family. My dad pumped gas in a gas station before eventually becoming a manager for Chevron down in El Segundo; he finally got a white-collar job at the main headquarters. Then at some point in the early 70s, he was downsized out of his job, because they could hire a younger guy. So that was an important lesson in corporate loyalty. Also, growing up in California in the mid 1960s, I got involved in the open housing campaign. In those days it was legal to discriminate against anybody for race, but this ballot proposition outlawed that, and I got involved in that. I was very involved in the anti war movement of the late 1960s and early 1970s, and it was an awakening about political power and the military complex. Then in 1972 I went to work with Jeremy Rifkin— he’s a big thinker and leading public intellectual—and we codirected a group from the early 70s until 1976 called the People’s Bicentennial Commission. Nixon was president, and his administration was [employing the theme of the] American Revolution to sell Spirit of America Chevroleets and red, white, and blue ice cream. Nothing to do with revolutionary change obviously. So Jeremy and I explored the more radical strands of the American Revolution. We wrote a little book called “own your own job” about democracy at the workplace. Then in the 1980s and early 1990s, I worked in international development— lived in India, spent a lot of time in Africa. I came to understand the great wisdom that exists outside of the US— that we don’t have all of the answers here. And that there are powerful models of different ways to organize work and community that have been developed in other settings. So its all those strands that led to this.*

Like the OEOC, the Collaborative challenged the prevailing paradigm of economic development by promoting broader ownership and stewardship over capital and democracy at the workplace. However its focus was broader in additionally promoting stable communities and locality, equitable and inclusive growth, and environmental, social, and institutional sustainability. Further, where the OEOC tended to focus its informational and outreach activities on more concrete outcomes, the Democracy Collaborative engaged in research, training, policy development, and community-focused practice. With respect to its core Community Wealth Building Initiative, the underlying premise, as described by Ted Howard, was as follows:

*At a time of ongoing government fiscal constraints, asset and wealth building strategies bring more dollars into the community by helping low-income individuals to save and reinvest in their communities, increasing the level of ‘common’ assets within a community that are locally owned; and leveraging funds from locally- based*

*institutions (such as cities, counties, hospitals, and universities) for community-benefiting purposes (Dubb, 2006).*

Among program curricula and public resources, the publication of *Building Wealth: The New Asset-Based Approach to Solving Social and Economic Problems* precipitated a four-day conference in May 2005 (Dubb, 2005). Partnering with the Aspen Institute, the Democracy Collaborative brought together practitioners from community development corporations, co-ops, land trusts, and employee owned firms with social entrepreneurs, funders, and the media. Discussing asset-based, citywide, multi-sector approaches to individual and community wealth building that could anchor jobs locally, expand the provision of public services, and ensure local economic stability, conference attendees speculated on practical applications for their ideas. Following the event, the leaders of the Democracy Collaborative reached out to their old friend and colleague John Logue at the OEOC, who began to ponder the potential for scale and impact inherent in incorporating employee ownership with community development in a place like Cleveland.

#### **4.5 From chance encounters to the Community Wealth Building Roundtable**

In hindsight, it might appear obvious for the OEOC and Democracy Collaborative to partner with the Cleveland Foundation to develop a community wealth building initiative complete with a worker ownership component as the “economic inclusion” piece of the Greater University Circle Initiative. While such an outcome indeed materialized, the actual process was less straightforward. In fact, it was only 16 months after the Aspen Institute conference that India Pierce Lee of the Cleveland Foundation, who was then managing the Greater University Circle Initiative, first encountered Ted Howard of the Democracy Collaborative. The location was Durham, North Carolina and the venue was the national conference of the Neighborhood Funders Group, where Ted Howard was presenting on strategies for community wealth building that leveraged the procurement power of anchor institutions. Listening from the audience, India Pierce Lee of the Cleveland Foundation began to think about the implications for Cleveland. At the conference’s closing reception, she engaged Ted Howard in a conversation about the existing anchor-based neighborhood revitalization effort in Greater University Circle and invited him to a meeting at the Cleveland Foundation to discuss potential strategies. Prior to the actual meeting at the



Cleveland Foundation, Ms. Lee again encountered the Democracy Collaborative, this time while subbing for an out of town colleague at a meeting called by the Greater Cleveland Partnership, the metropolitan chamber of commerce, to plan an upcoming roundtable on community wealth building in Cleveland. As the Democracy Collaborative followed through on identifying a city in which to develop a comprehensive asset-based approach to community wealth building, John Logue had brokered a connection with his contacts in Cleveland. Consequently the Greater Cleveland Partnership invited the Ohio Employee Ownership Center and Democracy Collaborative to organize the community wealth building roundtable with the sponsorship of the Cleveland Foundation, Gund Foundation, and Sisters of Charity.

Hence the Cleveland Foundation came into contact with the Democracy Collaborative in more ways than one as a result of which it hired the latter to conduct a pre-assessment of the procurement capacities of the University Circle anchor institutions and explore ways to pursue a comprehensive “economic inclusion strategy” targeted at the surrounding low-income neighborhoods. In addition, the roundtable— “Building Community Wealth: New Asset-Based Approaches to Solving Social and Economic Problems in Cleveland and Northeast Ohio”— took place in December 7-8, 2006. Besides the organizers, participants included the leading anchor institutions of Greater University Circle as well as representatives from the mayor’s office, six community development corporations in the area, CEOs from employee owned firms from around Northeast Ohio, and community development practitioners from other parts of the country. In delivering the opening address, Ted Howard and Gar Alperovitz provided an overview of asset based community wealth building along with existing Cleveland assets. In particular, they placed an emphasis on anchor institutions as economic entities. In a subsequent interview, Mr. Howard expanded on the concept,

*What we lead with is a focus on place-based anchor institutions. We ask them, what are you doing on your business side, beyond community education or health care delivery? Not we'll do diabetes classes for the community, but how can we conduct our business in a way that puts dollars into the community? If there are businesses there, and here are the things we're purchasing, what can we source through them?*

Where one of the panels presented on innovative models from around the country, discussants addressed implications for the Cleveland context. In particular, John Logue spoke to the proliferation of ESOP companies (over 9000 collectively holding \$6000 billion in equity nationwide) along with their benefits in terms of anchoring capital in the community, securing jobs with better wages and benefits, increased tax reinvestment, tax base stabilization, and more. Finally, he called for a push to expand the employee ownership movement (Dubb, 2006).

In the following session, a number of community development practitioners from Cleveland spoke about existing local approaches to asset development and wealth building. Among the speakers, the CEO of the Famicos Foundation, a local community development corporation commented on the shortcomings of the CDC framework with respect to community wealth building goals:

*[Cleveland CDCs] are doing a good job, but we still have some room for improvement. The funding base for CDCs is shrinking. With a population in Cleveland of 500,000 people and 50 CDCs in the city, there is a chance for aggressive competition with one another. That competition can be healthy, but it can also be a negative factor in getting things done in an orderly manner. Most of us depend on our CDBG (community development block grant) allocation. If you don't play your part well, you begin to lose your independence. (Ibid.).*

The CEO of a local CDC intermediary group added: "We are not able to sell housing because there are not enough people buying. We have abandoned properties and foreclosures." As for the City's Director of Economic Development, he underscored Mayor Frank Jackson's electoral pledge to focus on "the least of us" in addition to soliciting concrete proposals. He urged, "Give me actionable proposals. Help me help you. A lot of benefits can be realized if we align our efforts. Let's try to get everyone's agendas into city plans, so we can reinforce each other's work." While highlighting sustainable development and community wealth building as key priorities, the Economic Development Director simultaneously discouraged "fad-like notions that our goal should be attracting the creative class, or that the brain drain is our biggest problem" (Ibid.).

In offering closing comments, participants like Gerald Meyer of the Greater Cleveland Partnership expressed a commitment to moving the effort forward, "I characterize myself as a practical guy. There are a lot of assets at the community level. But

we don't talk about them the right way because we don't have the data we need. I'd like to take this to the next level through a combination of research and action" (Dubb, 2006).

Likewise, India Pierce Lee asserted,

*We must figure out how to connect the dots. This will take research, but we have capacity to do that research. We must align our strategies financially, but also intellectually. If we are serious about equity issues, then we have got to stop talking and start doing. We've been talking about this for years. Let's move this thing forward. There are lots of folks here at this table and beyond who want to do it (Ibid).*

Hence the conference not only provided a dialogic space for diverse stakeholders on the topic of community asset building but also enabled them to find common cause, consolidate buy in, and derive concrete directives for future research and action.

## **4.5 Building the "Cleveland Model"**

### *4.5.1 Pre-feasibility study and strategy development*

In the aftermath of the roundtable, the Democracy Collaborative received a grant from the Cleveland Foundation to follow up on its earlier pre-assessment by conducting a pre-feasibility study and developing a community wealth building strategy over a six-month period. The beginnings of this process entailed interviewing over a hundred "decision makers" both at the anchor institutions and in the surrounding communities. India Pierce Lee underscored the importance of facilitating a two-way dialogue between the founders of Evergreen and the anchor institutions, commenting:

*What was different was about our approach was listening to the needs of the anchors instead of telling them what they needed. A lot of times, we have tendency in the community and community development to jump on the anchors and other institutions and say, 'You need to do this; you need to do that.' The hospitals, business is health care, universities are there to educate... they don't understand housing and development. So how could we create this win-win? When we started talking about opportunities, we hired a consultant that conducted more than 100 interviews with the anchors, their procurement staff, and other leaders. They realized that there were not companies that could serve their, needs in the neighborhood, but if we could give them something that they could invest in—but with the understanding that we had to be able to deliver quality, be competitive—then we can talk about how we can work together.' And that's really how we started. It was more about listening than telling.*

What the Cleveland Foundation and Democracy Collaborative shortly discovered was that besides the commonality of having tremendous purchasing and procurement needs, which totaled over \$3 billion annually, many of the anchor institutions additionally shared commitments to sustainability issues, the hospitals in particular keen on strengthening the links between environmental and human health. According to Steven Dubb, research director for The Democracy Collaborative, “Although Evergreen’s initial goal was focused on equity primarily, we adjusted it to focus on green business because of the interest of the anchor institutions. We didn’t want it to be green jobs just because it was politically correct, but because it would actually make business sense—and it did” (Wang, 2010). For instance, business suggestions from the anchors included a shuttle service to reduce driving, an industrial scale green laundry service, facility upgrades to enhance energy efficiency, medical waste recycling, document recycling in line with privacy standards, rooftop solar panel installation, deconstruction (reuse of building materials for construction), organic produce cultivation at the local scale, environmentally friendly food services (e.g. recycled cutlery), ecologically friendly landscaping, tree farming, and green housekeeping services. Working from this list, the leadership team, initially comprising Ted Howard, India Pierce Lee, and Lillian Kuri, contemplated which businesses would best support job creation and community wealth building while providing competitively priced services and products to anchor institutions and helping the institutions meet their sustainability commitments.

Aside from the areas of focus, questions also emerged about prospective forms of business organization. In preparation for the December 2006 roundtable, the Democracy Collaborative had conducted a survey of various institutional forms of community wealth building in Cleveland and the level of financial assets each type had accumulated, a process which reaffirmed the fact that Cleveland was home to a network of high performing community development corporations. Therefore the initial expectation was that the CDCs would play a leading role in any business development or job creation strategies. As observed by Ted Howard

*It turned out the CDCs in Cleveland, they're recognized nationally as a strong CDC urban movement, but all they had ever done was housing development for low-income neighborhoods and a small bit of retail space. And they produced tens of thousands of*

*units of housing, but they had never done any business development or job creation, and they were not prepared to take that on; we couldn't convince them.*

He further reflected on the salience of organizational repertoires and the opportunities for institutional change entailed by moments of crisis along with the difficulties of breaking existing routines and momentum:

*It's an interesting moment for the CDCs because with the collapse of the housing market and the mortgage crisis, and the ongoing loss of population (we lost 17% of the population over the past ten years) you almost can't give away a house in Cleveland. So the CDCs are carrying these houses that they built three or four years ago on their balance sheet. And they can't sell them, but they're only just starting to move into the question of how would we create jobs, because we know how to create houses and people don't want them now.*

Upon realizing that the CDCs were not prepared to engage “at any high level,” the leadership team explored alternative mechanisms. In particular, they were drawn to the idea of ESOPs in light of the financial incentive provided by Section 1042 of the Internal Revenue Code, which enables deferral of capital gains taxes if an existing business sells to an ESOP or worker cooperative that owns at least 30 percent of the company at the end of the transaction. While the tax provision was among the legislative outcomes resulting from events like Black Monday thirty some years prior, much of Cleveland’s industry had relocated or closed their doors over the decades. Hence the group began to consider the prospects of worker cooperatives, embarking upon them as start up businesses rather than a product of succession planning. In the words of Ted Howard, “Through lots of conversations and discussions, we hit on coops, which was a very foreign concept here in Cleveland. It wasn't at all clear to me that people would buy that idea, but they have embraced it over time.”

#### 4.5.2 The “Cleveland Model”

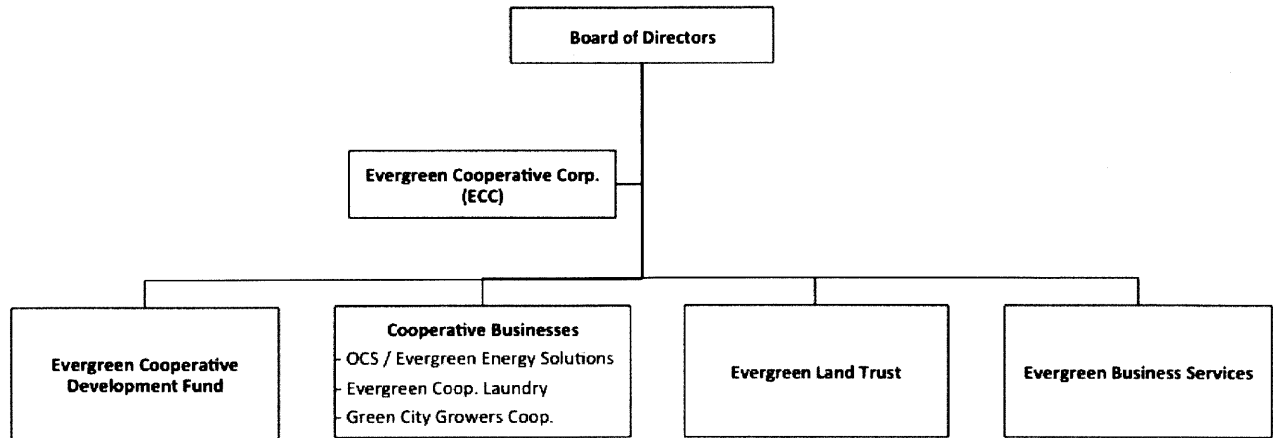
From the fall of 2007, the OEOC conducted market assessments for prospective businesses to comprise the network of community-based cooperatives, while Executive Director John Logue joining the leadership team to help develop the strategy for that would become known nationally as the “Cleveland Model.” In addition to leveraging the purchasing needs of anchor institutions and pursuing strategic opportunities emerging in

the green economy space, a core component of the model was to develop a network of community-based cooperatives owned and operated by residents in the six targeted neighborhoods of Greater University Circle. In pursuing the latter, they drew heavy influence from the Mondragon Cooperative Corporation located in the Basque Region of Spain, an area not unlike the neighborhoods of Greater University Circle in terms of their historical marginalization. Mondragon Cooperative initiative began in 1956 with one cooperative operated by five employee-owners making paraffin stoves. Today they are the seventh largest company in Spain, generating almost \$15 billion euros in 2010 and employing almost 85,000 people, 85 percent being worker-owners (by 2010 figures). Pursuing a strategy of import replacement and diversification, whereby firms produce previously imported goods and services for local consumption and export, eventually leading to an ever expanding and increasingly diverse set of interrelated firms that buy and sell from one another and thus comprise a complex and interdependent local economy (Stitely et al. 2010), Mondragon grew to comprise over 250 firms representing finance, industry, retail and knowledge sectors. Likewise, the Evergreen Cooperative Initiative would launch an initial set of businesses designed to capture procurement dollars of the anchor institutions that were bypassing the surrounding neighborhoods for outlying regions. Following, they planned to expand into diverse lines of businesses enabling career paths across different firms and generating enough wealth and spending power in the neighborhoods to create a multiplier effect beyond Evergreen and GUC.

Among the numerous design attributes relevant to Evergreen, the Mondragon initiative built upon the foundations of a cooperative polytechnic school, established by Father Arizmendi, a priest working in the Catholic social justice tradition; along with a savings bank and applied research center. By 2010, the University of Mondragon enrolled over 3,400 students, while Caja Laboral had over a million members with \$25 billion in total annual deposits, and Mondragon's budget for research, design, and innovation was over \$180 million. As the Evergreen leadership team would eventually realize, the education and training component was critical to building a cohesive culture of shared ownership and participatory governance. Moreover, having a financial lending institution and research and development capacity in house supported continued growth and diversification into

new lines of business. Besides being highly innovative and profitable, the Mondragon cooperatives uphold shared values of human dignity, integrity, and solidarity. The firms dedicate a portion of their profits to invest into new products and coops, maintain reserve funds for the broader Mondragon Corporation and the individual firm (in case of hard times), and support the university. Membership in the cooperatives requires a substantial investment of about \$18,000 per person and participation in governance in exchange for guaranteed employment (through inter-firm mobility), career paths (98 percent of managers are internally promoted), and pay equity (the average salary ratio cap is 5 to 1).

Over the long run, the Evergreen Cooperative Initiative was designed to incorporate various organizational features from Mondragon. For instance, the leadership team conceived of the Evergreen Cooperative Corporation (ECC) as the holding company, which would act as the umbrella organization for the cooperative businesses along with a cooperative bank, R&D entity, and land trust. To insure against cooperative attempts to exit the Evergreen network, the ECC would maintain a 20 percent equity stake in each of the businesses along with veto power. Modeled after the Caja Laboral, the Evergreen Cooperative Development Fund would provide low interest, long-term financing for cooperative startups as well as identify new lines of business by assessing the financial feasibility of proposed deals, developing business plans, and raising capital. Its technical service arm, Evergreen Business Services would provide management, administrative, operational, and other support for companies financed by the development fund. To ensure continued growth of the cooperative network, each cooperative firm would allocate 10 percent of its retained earnings to the Evergreen Cooperative Development Fund for investment in new products and start-ups. For added protection against temptations to “demutualize” and business failure, Evergreen Land Trust LLC was conceived to acquire land and lease them out on a 99-year basis. While replicating norms of democratic participation and leadership would certainly take time, the OECC committed to providing ongoing training to worker-owners as they assumed leadership positions within their respective coops as well as on the ECC board.



**Figure 2. Evergreen organizational structure**

#### *4.5.3 Getting down to business*

In the meantime, the Cleveland Foundation took the lead in convening institutional partners on an ongoing basis, while the Democracy Collaborative spearheaded the process of conceptual development, and the OEOC was responsible for conducting feasibility studies, business planning, and raising capital. After analyzing half a dozen business ideas proposed by the leadership team, the OEOC decided that the industrial laundry and solar installation business offered the highest chance of success in terms of financial viability and creating numerous jobs. In offering technical assistance and training related to business exit planning, ownership succession, and employee ownership, the OEOC itself did not provide legal, accounting, or valuation services. Rather, it maintained a professional membership of dues paying attorneys, bankers, valuers, and other professionals who specialized in these and related services. In exchange for membership fees, the specialists gained referrals on relevant projects. Therefore, it brought in Hudson Consulting Group, based out of Hudson, Ohio and led by Steven Kiel, to conduct the pre-feasibility studies. A self described “capitalist” with a background in management consulting and specialization in the area of capitalizing companies, Kiel had developed a relationship with John Logue of the OEOC in the process of facilitating an employee buyout of a Ford stamping plant in Toledo Ohio. In his words, “I got a lesson directly from one of the top experts in this country about the power of worker ownership, and I became hooked on it.” Impressed with



the comprehensiveness and detail of the resulting proposal, Dr. Logue asked for Mr. Kiel's involvement in conducting the feasibility studies. He further solicited help from Jim Anderson, an old acquaintance and recent retiree with over twenty years of experience managing employee owned enterprises in the steel industry.

By April 2008, the feasibility studies were complete, the verdict being that the laundry and rooftop solar installation business incorporating power purchasing agreements would indeed be profitable and create a sufficient number of jobs. Where the interest had initially been in laundering hospital linens, the research process uncovered new areas of opportunity. As recalled by Jim Anderson:

*When we did the feasibility study, we looked at the ten county area around Cuyahoga County. In that area, there's 250 million annual pounds of health care room linen being processed every year. About 125 million is hospitals, and the other 125 million is nursing homes. Typically hospitals have already made the decision to outsource their room linen, and nursing homes have not and do it internally, and they do so at a very high cost it turns out. And we talked to their executives and leaders of the nursing homes to find that because of their very high costs of energy a labor and utilities, we could save them considerable money if they could outsource to us.*

At the same time, the leadership team was careful to avoid zero sum games over job creation and economic development, particularly given their holistic and long-term perspective on neighborhood, local, and regional prosperity. According to Mr. Anderson, "What we asked them to do in that process is reassign their laundry workers to other jobs in the nursing home complex so we're not having a zero sum game of unemployment. For the most part they do that; not everyone does it, but for the most part they do, and that's worked well for us so far."

Upon the conclusion of the feasibility studies, the leadership team requested Steve Kiel and Jim Anderson stay on with Evergreen to write business plans and raise capital. Eventually, they would receive follow up invitations to remain as the founding CEOs of the respective start-ups, the former leading Ohio Cooperative Solar and the latter, Evergreen Cooperative Laundry. Several years later, Mr. Anderson reflected on how this new endeavor built upon his past experience:

*Making steel is a process and cleaning soiled room linen is a process. So it's putting processes together and interconnecting them. And this is a very high tech, very*

*computerized. There isn't a lot of heavy ergonomic work here. In fact there almost isn't any, except for two spots. So it was that process mentality, that process management, the history and experience that I had that fit well with it. Also, in the steel industry, I was responsible for significant engineering capital investment construction, so when this build out came, it was a miniature investment experience as well.*

As for Steve Kiel, he spoke to the challenge of shifting from a specialization in private equity to public finance. In his words, "I went through the trauma of raising capital for the laundry, which was using instruments I had never used before, like HUD money and New Market Tax Credits." He elaborated, "Normally I'm capitalizing ownership transfers in private companies and bringing the private equity and banks together to go do that. The language that I speak is bank language." While facilitating the employee buy-out of the Ford stamping plant had been a fruitful inaugurating experience, capitalizing the Evergreen businesses nevertheless demanded a high learning curve. Given the risks inherent in pioneering such an innovative model of job creation, community wealth building, and urban sustainability, the Cleveland foundation took few chances in terms of hiring highly skilled professionals to carry the program through initial implementation.

Hence the Cleveland Foundation additionally invited Ted Howard to stay on for the implementation phase, contracting with the Democracy Collaborative to buy out some of his staff time to do so. In reflecting on the motivating factors for his continued involvement, Mr. Howard referred to his "feeling that the growing inequality of wealth is possibly the most destructive trend toward the future of our democratic life." He expanded, "You can't hold a democracy together when you have concentrated wealth patterns like medieval Europe. And this is a really unique moment in American history that is open to a major reconstruction of the system, even though it will take decades. Evergreen isn't the answer but it's a building block towards where we need to go."

Mr. Howard also related the Collaborative's perspective on the Foundation's offer:

*What we did see is that although there are coops across the country and anchor institutions in every city, nothing like this had ever been done with all these pieces coming together in this way. So this was a learning laboratory. We didn't have all the answers. We would learn as we went. And because The Democracy Collaborative was involved—our staff, including myself and our research director, Steve Dubb— our intent was to learn lessons to make available nationally to others interested in this. We built this into the design from the original strategy paper that designed the wealth building program that became Evergreen. When we recommended to the Cleveland*

*Foundation how to do this, one recommendation was that this [should] not just [be] about Cleveland, but [about sharing] the lessons and [building] a broader movement. This was not only because it will be useful, but because if it's positioned as having national relevance, it will be a way to attract private philanthropic and public sector support. So Cleveland would be the first place and [we would] move out from there.*

With the Cleveland Foundation agreeable to the terms set out by Mr. Howard and the Democracy Collaborative, the Evergreen Cooperative Initiative consequently incorporated a component of sharing lessons from Cleveland with those grappling with similar circumstances around the country.

## **4.6 From Mondragon to Breaking Ground**

### *4.6.1 Capitalization punctuated by Mondragon and supported by the City*

With the business plans complete, the leadership team set upon the task of raising a total of \$5.7 million in capital for Evergreen Cooperative Laundry and \$3 million for Ohio Cooperative Solar. Despite the commitment to creating a network of competitive and profitable businesses, accessing philanthropic funds and government finance would prove easier than obtaining private sector loans. In early 2008, the Board of Directors of the Cleveland Foundation committed \$3 million in grant funding to the Evergreen Cooperative Development Fund. The Cleveland Clinic, Case Western Reserve, and University Hospitals also committed \$250,000 each. Additional philanthropic investments would come from the Kelvin and Eleanor Smith Foundation (\$1 million), Minigowin Foundation (\$900,000), and the Higley Fund of the Cleveland Foundation (\$50,000) to raise a total of about \$6 million. These contributions were essentially Program Related Investments that would not be paid back to the contributing foundations but rather to the Evergreen Development Fund. Consequently, the leadership team solicited the involvement of Shorebank Enterprise Cleveland, the nonprofit arm of Shorebank, to manage the revolving loan fund, with Mary Ann Stropkay, president and CEO of ShoreBank Enterprise Cleveland, joining the leadership team. The location of Evergreen businesses in economically distressed neighborhoods enabled access to the New Markets Tax Credit Program, which provides federal tax credits to investors who make equity investments in Community Development Entities targeting low-income communities. Nevertheless when Steve Kiel approached a

number of commercial lending institutions as potential partners, he encountered repeat hesitancy to fund start up businesses. The fact that the businesses would be collectively owned and operated by “at risk” or “hard to employ” populations may have presented an added cognitive barrier for potential funders.

While grappling with the financing piece, in October 2008, the Cleveland Foundation acted on a recommendation from John Logue of the OEOC to sponsor a study trip to the actual Mondragon Cooperative Corporation in Spain. The purpose was to distill lessons for the Evergreen Cooperatives Initiative in Cleveland. Attendees included Ted Howard, India Pierce Lee, Lillian Kuri, and others from the Cleveland Foundation as well as John Logue, Steve Kiel, and Jim Anderson from the OEOC and a few representatives of the anchor institutions. The trip had a magnetic effect on the Evergreen delegation, some of the more compelling dimensions being the size and scale of the cooperative network; the broad range of sectors (including high tech) in which the firms specialized; the level of financial knowledge and sophistication among line workers in the factories; and the conviction and commitment among senior management despite the average salary ratio cap of 5 to 1 (Iuviene and Song 2012). Attendees were also impressed by the educational component, particularly the fact that the effort in Mondragon began with the founding of a school, which then expanded into a university system that continues to socialize generations of future cooperative leaders. Moreover, the very experience of traveling to Mondragon had a cohesive effect on the stakeholders, who not only strengthened their relationships to one another but also came way more committed to seeing the initiative’s success. For those like Bob Eckhart of the Cleveland Foundation and Margaret Hewitt of University Hospitals, seeing Mondragon helped reframe their participation in Evergreen as business rather than charity. Consequently, the Cleveland Foundation would sponsor two more visits to Mondragon, each time strategically selecting attendees to include partners and program advocates from the anchor institution, the City of Cleveland, and other organizations with a pivotal role in the potential success of the initiative.

Incidentally, one of the key breakthroughs that took place during the Mondragon trip emerged from Cleveland rather than Spain. Prior to leaving Cleveland, Steve Kiel had managed to secure a private investor through the New Market Tax Credit Program to learn shortly thereafter that the deal had fallen through. Since participating in the Community

Wealth Building Roundtable, the Economic Development Department of the City of Cleveland had maintained a keen interest in the development of the Evergreen Cooperative Initiative. For them, Evergreen presented an alternative to the tax breaks and lax standards for labor and environmental practices perceived as necessary ingredients for economic development. In February 2008, the department received a new director in the form of Tracey Nichols, who only intensifying engagement in the Evergreen initiative. She recalled, "I heard their new market funder had fallen through. So I told one of my staff to call them up and see how much they needed, see if we can loan them some HUD 108 money. Apparently, they were in Spain and almost drove off the road." Hired as the Economic Assistant in the Department of Economic Development's Brownfield Program in October 2008, David Ebersole managed the process of securing the federal funds and enacting the necessary legislation at the local level to set the deal structure for the New Markets Tax Credits and HUD 108 loans. As described by Steve Kiel,

*It took us a while to get to Tracey, but when we did, she said this is how we put this together. I'll supply \$1.5 million of HUD 108 money, and you guys go out and find a bank or intermediary that is willing to provide the allocation for the new market tax credit. So we knocked on a couple doors, had National City, which was bought by PNC, so that went away when PNC bought them... back to square one. Then our accountant introduced us to US Bank, and they were willing to do the deal directly, so we got it capitalized. But it took a long time.*

Where each cooperative business began with a \$750,000 long-term, low interest loan from the Evergreen Cooperative Development Fund, for the laundry, the City committed \$1.5 million in HUD 108 loans, which in turn secured the confidence of traditional lenders and helped structure a \$7 million New Market Tax Credit allocation from US Bank providing \$2.3 million in equity. The initiative also drew two market rate bank loans for \$750,000 each as well as qualified for a \$250,000 loan from the Commonwealth Revolving Loan Fund (operated by the OEOC). On the other hand, the financing for OCS combined Solar Tax Credits and New Markets Tax Credits. Thus drawing on a combination of philanthropic funds, government finance, and private sector loans, the Evergreen initiative was able to capitalize Evergreen Cooperative Laundry at \$5.7 million and Ohio Cooperative Solar at \$3 million.

#### *4.6.2 Construction and hiring*

While finalizing the business financing, the leadership team also tackled design and construction of the facilities, purchase of equipment, and recruitment and hiring. For the laundry, Jim Anderson located a distributor in Akron, Ohio, from which it agreed to purchase needed equipment and maintenance services. With one of their customer representatives, Mr. Anderson then looked at five different sites for the laundry in order to meet height specifications and other set up requirements for the equipment. Ultimately, he chose a site in the Glenville neighborhood that happened to be owned by one of Evergreen's financial lenders, who offered the best deal for the space. Signing a 10-year lease on the space, Mr. Anderson next moved to build the greenest industrial laundry possible. With the support of a dozen engineers from the Greater University Circle area and equipment distributor from Akron, he met with various equipment supply companies, signing purchase orders with those who responded favorably to questions and suggested technical changes. He also hired an architectural firm that specialized in LEED buildings, which in turn worked with the equipment supplier to create a lay out that would maximize energy efficiency but still come in within budget. In comparison, Ohio Cooperative Solar had fewer facility requirements, since most of the work took place off site, such that much of the \$3 million went towards covering equipment and operating costs. Moreover, the investments, rather than being required up front, could occur on an ongoing basis as business expanded.

As far as the terms of employee ownership, each Evergreen company was designed to employ approximately 50 worker-owners, who would in time collectively own and democratically manage the enterprise. Initially hired for a probationary period, each employee would undergo a performance review after six months and in cases of success, receive an invitation to become a co-owner of the firm along with a raise of about \$2 an hour. Where the membership cost to "buy in" to the firm was set at \$3000, a payroll deduction of fifty cents an hour would be levied over the course of three years, at which point a full-time employee could become fully vested in the company. Moreover, in cases where the firms produce profits, a portion of the profits would be allocated to a series of patronage accounts belonging to worker-owners, the expectation being that each person would earn about \$65,000 in equity stakes in about seven to eight years. In fact, among the

defining approaches of the Cleveland Model would be its measure of business viability by the number of years needed to offer 50 employees \$65,000 in assets rather than the rate of return (Iuviene and Song, 2012). Committed to paying a living wage, the leadership conducted market research to offer hourly wages beyond the level of competitors, which amounted to a starting rate of \$10 for the laundry, with the hourly pay increasing to \$12 upon initiation as a full member after the six month trial period, \$14 for drivers, and up to \$23 for senior worker owner managers. For OCS, the hourly pay started at \$11 for six-month probationary workers, and then increased to \$13.50 upon initiation as a full member, \$15 for crew leaders, and \$17.50 for supervisors. Balancing the impetus to generate profits with the desire to offer a health care benefits package as a matter of principle, the leadership team decided to offer no cost health insurance for the worker owners to the exclusion of their families.

In order to recruit and train the workforce, Evergreen partnered with Towards Employment, a non-profit specializing in job readiness for people facing barriers to employment that had been regularly funded by the Cleveland Foundation. Serving the Greater Cleveland area for over 20 years, the agency not only provided training in job search, vocational, and “soft” skills along with supportive services needed to succeed on the job but were also “recognized as legitimate by the community” (Anderson, 2011). Where a gap emerged between the target population and human resource requirements for a successful business, Towards Employment offered help with recruitment and screening as well as ongoing support to ensure people could perform well on the job. While bringing expertise in employee ownership training, the OEOC mostly interfaced with workers in existing companies who had higher skill sets and were better acclimated to complex operating environments. On the other hand, Towards Employment lacked experience in employee ownership but specifically focused on populations with multiple barriers to employment and were open to finding new ways to expand access to well paying jobs with opportunities for career advancement for their constituents. Even prior to recruitment they worked with the Evergreen leadership team to convene program enrollees and graduates as well as others residing in the target neighborhood to present the idea of the initiative and discuss what is a worker cooperative. Taking place at the Towards Employment facility along with local churches on half a dozen occasions, the events included small group

discussion on the pros and cons of being a worker owner along with requisite characteristics, which partly initiated a self-selection process. They further provided opportunities to gain feedback on program design. For instance, the decision to offer no cost health care insurance to only worker owners and not their families came as a response to feedback that partial coverage for the family might compromise Medicaid benefits. Perhaps indicating the dire need for good jobs in the area, the openings at the laundry alone drew about 500 applicants. Following a series of screenings and interviews, the leadership team narrowed the list down to a set of twelve hires for the laundry and four for the solar installation business, 90 percent of whom were African American and half, ex offenders.

## **4.7 Building the plane while flying**

### *4.7.1 Open for business*

October 2009 brought the launch of the first two businesses: the Evergreen Cooperative Laundry (ECL) and Ohio Cooperative Solar (OCS), both incorporated under Ohio cooperative law. Located in a LEED certified 13,000 square foot former torpedo manufacturing plant in Glenville, the ECL is the greenest commercial scale, industrial laundry in Northeast Ohio. The state of the art washers require only 0.8 gallons of water per pound of laundry compared to industry standards of 3 gallons. Aside from the energy efficient equipment, the facility design incorporates conservation measures that reduce the amount of heat used for water, dryers, and ironing. For instance, the advanced gray water system continually filters and reuses water, which in turn heats incoming water to generate energy savings of 35 percent. In addition, the dryers connect to ducts that re-channel emitted heat to warm incoming air, while the ironing press also allows for savings in water consumption and energy costs. Other “green” building features include the addition of natural light, waterless urinals, low flow plumbing, motion sensors for lighting, high efficiency fluorescents, low VOC paints and floor finishes, bike racks, and parking for low emitting and carpool vehicles as well as the facility’s location on a bus line. While the idea for the green industrial laundry came from the CEO of the Cleveland Veterans Affairs Medical Center, its client base has noticeably lacked the large health care institutions of Greater University Circle as a result of the latter’s inability to exit contracts with existing



laundry service providers. Instead, ECL's major customers comprise large nursing homes such as Judson Retirement and McGregor Homes along with hotels in the area. Whereas the facility can clean up to 15 million pounds of bed linens and support 50 new jobs at full capacity, as of July 2011, it was at 50 percent capacity with a total of 21 employees.

Operating out of the same building, Ohio Cooperative Solar performs large-scale installations of solar panels on the rooftops of the city's largest nonprofit institutions. The idea for the business originated from Cleveland Clinic administrators, who communicated a concern for rising energy cost along with an interest in solar power generation as a part of their sustainability efforts. Although federal and state tax credits for solar installation offset costs and enhanced affordability, the hospital's nonprofit status precluded access to such public incentives. On the other hand, OCS could install, own, and maintain the solar panels, receive the tax credits, and then sell the energy back to the institutions for a set term by means of Power Purchasing Agreements (PPA). Therefore the company completed its first solar installation on the rooftop of the Cleveland Clinic building in June 2010, the PPA with the hospital enabling access to the rooftop for a 15 year period during which generated energy would be sold at a fixed rate of 12 cents per kilowatt hour. Consequently, Cleveland Clinic received credit on its electricity bills for the amount of power received from the sun as opposed to the grid. In the case of OCS, it not only profited from renewable energy sales to the anchor institution, it received payment from the local utility for helping meet renewable energy goals. The Ohio Alternative Energy Resource Standard requires state utilities to source at least 12.5 percent of their energy from renewable sources by 2024, with five percent coming from solar energy sources. Following, University Hospitals and Case Western Reserve additionally contracted with OCS for rooftop solar installations, as did the City of Euclid. In short, the start up cooperative found no shortage of large nonprofit organizations willing to sign on as partners as well as few barriers to proving its ability to execute the solar installation work to the high standards of health care and educational facilities. However, it faced difficulty finding PPA developers to arrange access to long-term, low interest capital.

Therefore to ensure year around work for its worker owners, OCS further engaged in residential weatherization work as a preferred contractor with the Cleveland Housing

Network, the largest energy conservation provider in Northeast Ohio whose program menu included the U.S. Department of Energy's Home Weatherization Assistance Program (HWAP) along with the utility ratepayer funded Housewarming and Electric Partnership Programs. Steve Kiel had anticipated the need for supplemental work since the business planning phase and explored areas such as roofing and snow piling before the investments in energy efficiency made through the American Recovery and Reinvestment Act of 2009 shifted his attention to the area of building weatherization. Fortunately for OCS, it found a valuable champion in the form of Liz Hernandez, Director of Property Services at the Cleveland Housing Network who had a background in community organizing and identified with Evergreen's social mission. Responsible for overseeing CHN's various weatherization and retrofit programs, she provided access to work opportunities in the utility funded Housewarming Program along with the Urban Mold and Moisture Project, funded by the Department of Housing and Urban Development (HUD), which required relatively low levels of skill to get started while enabling preliminary training. Further, Ms. Hernandez facilitated priority access to highly coveted training slots for the Home Weatherization Assistance Program (HWAP) so that by March 2010, OCS had gained certification from the City to carry out work as a preferred contractor despite some hiccups in meeting initial requirements around certification, bonding, insurance, and equipment along with assuring consistent quality with executed work.

The fact that federal stimulus funds were due to run out by 2012 without much prospect for renewal required OCS to seek alternative venues to continue its weatherization and energy efficiency retrofit work. While the utility rate funded programs would continue, HWAP work in the state of Ohio was projected to decrease threefold after 2012. Moreover, low-income residential programs, whether they were federally utility ratepayer funded, carried low profit margins at around 10 percent. Therefore CEO Steve Kiel sought out opportunities in the market rate sector, where profit margins were double. For instance, he joined the steering committee of the Northeast Ohio Energy Alliance, a consortium of forty regional stakeholders including utilities, contractors and other service deliverers, philanthropy, and banks committed to expanding the regional energy efficiency market. In particular, it sought to integrate outreach and education, project management, and financing solutions to expand the scale of energy efficiency retrofits across various

building types in Northeast Ohio. An outgrowth of Mayor Frank Jackson's Sustainable Cleveland 2019 summit and supported by the Gund Foundation, Cleveland Foundation, and Enterprise Community Partners, the alliance was exploring pilot financing incentive mechanisms and peer generated marketing and education programs. Among five energy efficiency retrofit service providers participating in the planning process, OCS was essentially helping lay the infrastructure for demand generation as to set a direct path to the fulfillment process. Outside the scope of the alliance, Mr. Kiel additionally explored HVAC, demolition, and plumbing (reinstalling and fixing drainage while insulating basements) as a supplement to weatherization and retrofit work.

#### *4.7.2 From top down to bottom up*

The unprecedented nature of the Evergreen Cooperative Initiative, along with the direct shift from planning to implementation without a pilot phase, has required its proponents to negotiate contradictory dimensions and improvise to the best of their abilities. For instance, a fundamental premise of the initiative is that residents from the targeted neighborhoods will largely own and operate the cooperatives, with the Evergreen Cooperative Corporation maintaining a 20 percent equity stake to provide protection against temptations to "demutualize. Struggling with the challenge of hiring "qualified" managers from the Greater University Circle neighborhoods, the leadership team decided to bring in outside management and technical expertise in the start up phase. Where the goal was to have each cooperative's worker owners lead the senior management team within three years of launching, the founding CEOs would play the role of "hired guns" in the interim while worker owners attained adequate training and education to get to the point of self sufficiency. Therefore the Evergreen leadership team invited Jim Anderson and Steve Kiel to act as the temporary presidents of ECL and OCS respectively given their extensive involvement in the feasibility study and business plan (as well as working knowledge of the laundry equipment and facility set up in the case of former). Where Evergreen drew interest from practitioners and scholars of community development and employee ownership practitioners early on, such race and class dynamics— namely that its workforce largely comprised low-income populations of color while the management was entirely white, upper middle class professionals—received wide notice and criticism. On

the other hand, many of the stakeholders themselves saw it as an act of drawing on a variety of available resources to meet the requirements for success in which they were deeply vested. Still, the process of incorporating outside “experts” could also be contentious depending on the attitudes or orientations of the outsiders toward the worker owners and other employees along with their role in the business.

Where both businesses struggled with their respective sets of problems, the laundry saw a more dramatic escalation of conflict followed by a decisive and prompt resolution. Upon John Logue’s sudden passing in December 2009, Jim Anderson undertook a six-month departure from the laundry (to the OEOC) during which the leadership team responded recruited a former manager of a nursing home laundry to take his place. Despite having 20-years experience working in the industry, the manager was unaccustomed to the worker ownership model and experienced friction in his dealings with the worker owners. India Pierce Lee recalled the occasion on which she received a disconcerting phone call from one of the workers informing her that he was looking for another job: “I said, ‘Excuse me? Well, what’s going on?’ He started telling me what was going on, and it was a racial dynamic. It was a racial, cultural dynamic.” She elaborated,

*There were some racially tinged comments; basically this guy was walking around saying, ‘I don’t have to worry because I can get a job, but you all are ex felons and you won’t be able to get a job.’ They’d go out for lunch and stand in front of the building, and he would come up and ask them, ‘What are you doing out there, dealing drugs?’ And as they were giving him ideas about how to run things more efficiently, he didn’t want to listen to how they wanted to coordinate and run things, and basically it was ‘Do as I say.’*

Among the significant aspects of the incident is the manner of response on the part of the Cleveland Foundation. India Pierce Lee recalled the events following the phone call,

*I said, ‘Would you meet with us and talk?’ He said, ‘No, we’re afraid we’re going to lose our jobs.’ I said, ‘But you don’t get this. You can’t lose your job. This is where your voice counts!’ So a co-worker and I met with them on a Saturday morning at McDonalds. They sat down, and they weren’t irate or anything. They very eloquently described what was going on, what had transpired, how they were being treated.*

In the process of soliciting candid speech and trouble shooting together, the Evergreen leadership established better rapport with the worker owners and gained their trust. They further deepened the worker owners’ understandings of Evergreen as being unlike much of

their previous employment experiences in terms of the level of democratic process built into the governance structure. Following the plant manager's dismissal in June 2010, Steve Kiel stepped in to provide temporary oversight until Jim Anderson could return. Simultaneously, two of the most senior hires assumed greater responsibilities and demonstrated leadership in managing different aspects of the laundry operations while communicating openly about areas needing additional support. While the loss of a major customer exerted pressure to downsize the operation, members of the leadership team actively avoided layoffs. Upon Mr. Anderson's return and the addition of a temporary staff person to play a sales function, ECL expanded into the nursing homes and hotels to grow its client base (over six fold in a period of two years) and work towards financial recovery.

Like the laundry, OCS grappled with its share of personnel issues within the cooperative, although in this case the tensions were subtler and the resolution was more drawn out. Compared to the laundry, the business itself was more stable, the weatherization and retrofit work doubling every month between October 2009 and January 2010 and growing more gradually from then on such that the workforce grew almost six-fold from the four initial hires to 22 within two years of operation. (During the same time, the laundry went from having 12 workers to 21.) On the other hand, fewer OCS hires made it past the six-month mark to enter the ranks of worker owners. According to Steve Kiel, the higher turnover among his staff was partly attributable to the relatively demanding nature of the work— going up ladders, climbing into attics in the summer and atop slippery rooftops in the winter, working with power tools, using fractions to take measurements, and the need for at least one member of the three-person crew to maintain a driver's license in order to drive the truck to and from the worksite. At a more personal level, he also expressed a sense of frustration in juggling the tension between the mission of hiring from the target neighborhoods, creating career paths, and running a viable business. For the first time, Mr. Kiel was grappling with employee attendance problems related to spousal, childcare, and parole issues as well as instances of fighting and accused theft. As he described, even on a daily basis, "They were facing enormous challenges like having to take public transportation to get to the work site because they didn't have a driver's license, owing a tremendous amount of fines or child support, paying way too much for housing, and having bad credit. Also, a frequent problem was very low math skills.

Our job requires measurement, and if you don't know fractions, it's a problem. I was unaccustomed to working with such a group of people." Consequently, his personnel policy, which was initially along the lines of "let's just jump into this thing and figure out what our training needs are," shifted over to one of "churn and burn." In his words,

*We're less likely after one incident or two incidents to hold onto somebody. If you look at the weatherization line of business, and also the solar line of business, although to a lesser extent, it takes two years of on the job experience, repetition to get good at this. So for us to chew up four to six months is doing the replacement a disservice. We're a lot more focused on getting within the first 30 to 45 days a reading on whether or not... we're not giving ourselves 6 months*

Beyond personnel issues, the cooperative also struggled to figure out how to promote work quality, first experimenting with an incentive pay scheme where crews producing a certain threshold amount of work received bonus payments atop their monthly pay. Where the result was skyrocketing productivity to the detriment of work quality, the next approach was to rotate crew leaders in instances of call back from CHN or the City to fix sloppy work. Where that proved inadequate, in December 2010, Mr. Kiel hired a supervisor with previous experience running a home building business that also happened to be white and not a resident of the targeted neighborhoods. He described the resulting dynamic:

*So he had a building science background, and he was trying to teach people who we're recruiting from neighborhoods how to do things. Some of them, a lot of them responded with, 'Hey I know this.' They didn't take to the instruction very well... Gradually, the respect for him got built. It wasn't overnight. Sort of like, why do we need this guy? We know how to do this. Well first of all, he's older than you, he has a tremendous amount of building experience, he's dealt with a ton of contractors... [He] got immediate support from the agencies. You could imagine, we're hiring people who've never done this before and we're adding him. They say, I feel better; it'll eventually get done.*

In other words, the manner in which newcomers were incorporated into the worker cooperative and more specifically whether the worker owners had a say in the process appeared to carry significance. Even in cases that newcomers brought valuable expertise, worker owners maintained a sense of investment and ownership in the business and were hesitant to accept an outsider solely on the basis of a top down decision by the CEO. Similar

to probationary workers who demonstrated their commitment and value to the business over a six-month period, the supervisor also had to win the respect of worker owners.

## **4.8 Setting the infrastructure for shared governance and decision making**

### *4.8.1 Weekly coop meetings and the OEOC leadership training*

While the Evergreen Cooperative Initiative began as a top down initiative led by “elite” civil society actors including the Cleveland Foundation, University Circle anchor institutions, the Democracy Collaborative, and the Ohio Employee Ownership Center, the businesses were designed to be owned and operated by residents in the six targeted neighborhoods of Greater University Circle. Therefore, from early on, the leadership team prioritized efforts to build a cooperative model of shared governance and decision-making and cultivate internal leadership. Based on his experience of managing an employee owned steel mill with thousands of workers for over twenty years, Jim Anderson shared the commitment to training and education, stating:

*If you really want to optimize the ownership potential, you must focus on ownership culture development, and train people, and provide the training to have them understand when do I wear my worker hat, when do I have my owner hat on, am I really engaged and involved in the activities of managing the enterprise that I own, and if I'm not, why not, and if I am, that's great and how can I do a better job of that, and do I also get a chance to participate in the board governance? And here they do.*

Six months into the cooperative, Steve Kiel also expressed excitement upon seeing the positive effect of worker ownership on people who had generally had negative prior experiences with employment:

*What this is offering them is a different employment experience where they get to vote; they have a say in what the business does and what policies it develops. I'm beginning to see six months into it that this sense of pride coming from this sense of ownership manifests itself in different ways. It's really interesting to watch brand new people speak up and say, our uniforms need to be clean, and we need to turn off our cell phones at work (Buffa, 2010).*

Yet where the worker training and education piece had formal and informal dimensions subject to the approach of each CEO, it became a source of difference between the cooperative laundry and OCS. In each cooperative, employees, whether in the probationary period, worker owners, or non-equity holding managers, participate in

weekly coop meetings during which they troubleshoot company operations and organizational dynamics. In the case of ECL, Jim Anderson incorporated into the weekly coop meetings an exercise called “What ticks me off” to develop a healthy habit of giving and receiving critical feedback and talking through problems. In his words,

*Every meeting, we have one of the worker owners lead, and we go through old and new business. Then in the agenda, as the last thing, we have TMO, 'What Ticks Me Off.' It's a formal part of the agenda, nothing personal, just business, but 'I want to hear from you; what ticks you off?' Because we believe that if we make them talk about the negative, they'll start talking about it naturally, and they'll get comfortable [doing it]. Maybe it's, 'I don't like the work schedule; I don't like working on Saturday; There's not enough people here.' Whatever it is, we talk them through. 'What do you think? What do you think? Do you agree with that? Do you disagree? Let's talk! Let's be candid here!' Because you want to get that momentum going.*

Outside of weekly meetings, employees, upon passing the probationary period to enter worker owner status, received training on how to elect coworkers into the cooperative. In the spring of 2011, the OEOC conducted a leadership training series for an initial group of ten worker owners from the laundry and six from OCS. Among the components, the culture module covered the following topics: (1) What does worker ownership mean to me, (2) Team work, communication, and dealing with conflict, (3) Decision making, (4) Team problem solving and employee owner involvement, (5) Basic business literacy, and (6) Operationalizing fundamental cooperative principles from places like Rochdale and Mondragon within the culture of the organization.

As for OCS, CEO Steve Kiel appeared to growingly prioritize team meetings about company operations and other pressing practical matters over worker training and education, his background in management consulting with a specialization in capital markets perhaps predisposing him toward concept development rather than implementation. While lacking a counterpart to the “What Ticks Me off” exercise, he convened OCS crew leaders on a regular basis outside the weekly coop meetings to discuss how to manage the workload. Almost two years after the launch, Mr. Kiel spoke to a tension between delivering outcomes as consistent with the business plan and attending to workforce development. Reflecting on the progress made by OCS, he expressed:



*The business is doing O.K. Maybe I want too much, but I don't think we're at the point of saying we're doing well. I think we're at the point where we're saying we're running a low margin business here. After we pay payroll and materials, a little bit of rent—I don't know if you saw our space, but we pay very low rent. It's not palatial by any means—we're making 10 percent. We're making \$120 a day. If we have three people in the classroom for two hours, our profit has just evaporated.*

He elaborated on the challenges of integrating leadership training into the work environment at OCS:

*To be completely practical about it, these guys start at 7:30 at the morning and if you saw them come in at 4:30 when the trucks get returned here, they are smelly, they are covered with insulation, and they are tired. It's kind of like a luxury to have any classroom time with them. We do ask them to stay for crew leader meetings; we ask them to stay for coop mtgs. We had a coop meeting three Fridays ago that was based on a set of issues that I would say were all HR related and said the next time we could do this is 4:30 on a Friday. I expected nobody to show up, and they all showed up. To me, it was pretty impressive. It's a lot easier for the laundry and greenhouse to do it, because they have four walls. So you can come in at lunch and buy people pizza and they can sit around the little cafeteria. Our guys are gone. When they come back, they are exhausted.*

Hence the question arises as to whether the lack of attention to building a culture of shared ownership and developing leadership might have accounted for the high turnover.

#### *4.8.2 Democratizing the organizational structure*

Aside from institutionalizing shared governance and decision-making and internal leadership in business operations, another priority area related to democratizing the organizational structure of the Evergreen Cooperative Initiative as a whole. To accomplish the transition at the firm level, each member of the ECL and OCS went through a four-hour training seminar in preparation for the first election of worker owner representatives to their respective Boards of Directors, which took place in Fall of 2011. Each Evergreen company has a five member Board of Directors comprising two worker owners, two members appointed by the Evergreen Cooperative Corporation, and a final person selected by the other four members depending on needed expertise, each person serving a three year term. Responsibilities of the board include approving new worker owners (after existing members submit their vote), hiring the company's CEO, capital planning and

budgeting, strategic planning, assuring education and training is available for the Board and worker owners, and submitting reports to the ECC as required. The responsibility of overseeing coop membership is more broadly distributed, with supervisors evaluating the on-the-job performance by six month probationary workers and all worker owners voting on whether or not to extend the invitation to join the cooperative. Following the results of the vote go to the company's Board of Directors, along with the evaluation report from the supervisor. Based on those inputs, the Board votes to accept the employee into the cooperative as a member. Where Evergreen's expectation is to cultivate a cadre of managers and CEOs that come from the ranks of the worker owners, both Jim Anderson and Steve Kiel were tasked with identifying emergent leaders for additional leadership training and coaching.

Simultaneously, the organizational structure of the broader Evergreen Cooperative Initiative also settled into place. In February 2011, the Evergreen Cooperative Corporation hired Ron Jones, an African American entrepreneur and corporate executive who brought over 20 years of domestic and international experience at the intersection of technology and banking, as the acting president and CEO. India Pierce Lee solicited his application for the position based on a recommendation from Key Bank where he had worked in an executive leadership capacity. Mr. Jones' mission was to set up the holding company (which would in turn have oversight over the Evergreen cooperatives, cooperative development fund, business planning services, and land trust), institutionalize the business planning process, and develop a culture of shared ownership across all the Evergreen entities. He would receive aid from Chief Financial Officer Robert Sorin, a Certified Public Accountant with over thirty years experience hired to oversee the financial management of each of the Evergreen companies. Further, Rosalyn Ciulla came onboard as the Director of the Evergreen Cooperative Development Fund following Mary Ann Stropkey's departure from the Evergreen Leadership Team upon Shorebank's dissolution in 2010. The Evergreen Cooperative Corporation incorporated the ECC as a non profit organization in the state of Ohio in 2011 before applying to the IRS for 501c3 status the following year. With a 20 percent equity stake in all the businesses, the ECC would be the keeper of the mission and provider of the overall strategic direction for the Evergreen system. By summer of 2012, the holding company was in the process of populating its Board of Directors to have

representation from the anchor institutions, funders, cooperatives, and Cleveland area businesses. Steven Standley of University Hospitals agreed to serve as the board chair for the initial two years.<sup>58</sup>

To steer newcomers to the Board towards the Evergreen vision and mission, India Pierce Lee, Lillian Kuri, and Ted Howard would remain on the board as founding members although without voting rights. The original conceivers of the Economic Inclusion strategy for the Greater University Circle Initiative, they had been at the core of the informal leadership structure from the time of the pre-feasibility study through concept development, market analysis, business planning, and raising capital as well as the operation of the cooperatives since the first set of launches in October 2009. Where other members like John Logue, Mary Ann Stropkay, Steve Kiel, and Jim Anderson might come and go, they maintained a continued presence and cultivated relationships of mutual trust and respect with the worker owners. Initially in 2007, the Cleveland Foundation contracted with the Democracy Collaborative to help develop the community wealth building strategy before requesting for Ted Howard, as the representative of the Collaborative, to help implement the Evergreen strategy the following year. Finally in 2010, the Cleveland Foundation created the position of Senior Fellow for Social Justice named for former President and CEO Steven Minter, which it offered Mr. Howard for the first two years and subsequently renewed for another two years upon the expiration of the first term in 2012. Besides his involvement in Cleveland, Mr. Howard continued to consult with civic leaders around the country interested in transferring the lessons from Evergreen to adapt the anchor-based cooperative model in their local context.

Among the first tasks of the board was to hire an in-house education and training director who would direct the implementation of a comprehensive ownership training program beginning in July 2012. Realizing that the previous trainings with the OEOC were perhaps better attuned for ESOP companies in addition being sporadic, the Evergreen leadership decided to develop a more culturally appropriate curriculum as well as

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<sup>58</sup> Mr. Standley spearheaded the Vision 2010 program at the UH, which not only created more than 5,200 jobs totaling over \$500 million in wages, salaries, and benefits at the height of construction, but voluntarily incorporated diversity hire targets specifying 5 percent of contractors would be female owned businesses, 15 percent— minority owned businesses, 80 percent—locally-based companies, and 20 percent of all workers— residents of Cleveland.

institutionalize training capacity within the Evergreen system. More specifically, it aimed to create a common culture in all the companies by targeting three primary audiences: six month probationary workers, to provide an understanding of what they were getting into; worker owners, to provide ongoing leadership development; and CEOs, who have good business development and management skills but may not be familiar with worker cooperatives or working with populations with barriers to employment. As part of the educational and team building process, the Cleveland Foundation planned additional study trips to Mondragon for new board members and worker owners. Leadership transition also played a role in the changing orientation to education and training. In the fall of 2011, Steve Kiel left OCS after spending four years with the Evergreen Cooperative Initiative. Where he had an aptitude for starting up operations but felt less excited by ongoing management, his successor, Cliff Wood, brought over thirty years of corporate management experience and resided in one of the target neighborhoods. As he stabilized the learning and work environment within OCS, some of the previously departed staff returned to the company, now renamed Evergreen Energy Solutions (E2S). Meanwhile, at the laundry, Jim Anderson prepared to leave by the end of 2012 at the end of his three-year term, while the Evergreen Leadership Team explored internal and external candidates to fill his place.

#### **4.9 Community engagement**

At the start of the Evergreen Cooperative Initiative, few residents of Glenville, Hough, Fairfax, Buckeye-Shaker, Little Italy, and the eastern part of East had ever heard of “Greater University Circle.” However, as the companies gained a positive reputation around the neighborhood, local residents began to recognize the Evergreen brand and seek employment with the cooperatives. Ron Jones related his experience:

*I'm standing in the parking lot, pulling in and people are coming up and asking if they can drop off applications and resumes; they'd love to work there. I attend church in the neighborhood, and I see members; they ask, 'Hey Ron, how's Evergreen going? What's the next business in the pipelines?' It's there; they know it's there. The neighborhood is watching.*

Despite achieving some level of recognition particularly with respect to job creation, both Evergreen and the complex of anchor institutions remained largely removed from the

social fabric of the surrounding neighborhoods. For even the lucky few that managed to gain employment with either of the cooperatives, creating such an initiative with the capacity to leverage the procurement power of anchor institutions and command such levels of support from the Cleveland Foundation, City of Cleveland, and other powers-that-be seemed an infeasible task. However, with the help of community organizing and democratic power building efforts, urban policy and local economic development programs promoting community wealth building initiatives like Evergreen could perhaps become more widespread. Ted Howard reflected on the existing circumstance and the potential for political and economic change inherent in community engagement:

*Right now, Evergreen is almost like an unexpected gift that happened for some people in the neighborhood. So there is this sort of gift and people are taking ownership of that gift. But how do we change the dynamic in the neighborhood so that in terms of the psychology and aspirations of the residents, they start to think this is not something that a few people are lucky enough to have access to but [rather] 'this should be what our community is about; we want our city to be working with us to have this approach to jobs and wealth'? Then you start to have people organizing for that and people running for city council based on that. Then maybe some day someone will run for mayor and say, 'We're going to take all this money we used to give to corporations as subsidies and direct it in this way.'*

In other words, the question is how to shift from a sense of serendipity where the subject perceives the surrounding circumstance as not being of his or her own making to a sense of ownership and creativity.

As the first step in their community engagement strategy, in 2009, the Evergreen leadership team established Neighborhood Voice as a “hyperlocal” print and online newspaper, which incorporated contributions from citizen journalists and representatives of anchor institutions and other organizations from the Greater University Circle area. The first editor in chief, Josette Compton, joined the Evergreen initiative in June 2010 (as a non-equity holding employee) to take Neighborhood Voice from an abstract concept to a monthly publication with a distribution network. She also initiated a popular weekly writing and journalism workshop, where residents learned to think both critically and prescriptively about neighborhood issues. When Ms. Compton resigned a year to attend graduate school, the leadership team took the community engagement effort to the next level. From 2011, Evergreen pursued a more comprehensive approach to community

engagement incorporating Neighborhood Voice into a network organizing strategy led by a community-based organization in Greater University Circle called Neighborhood Connections. The network organizing method, developed by Bill Traynor and Jessica Andors at Lawrence CommunityWorks, a CDC in Lawrence, Massachusetts, connects residents of historically marginalized and disinvested communities to each other to “step into public life” (Traynor & Andors, 2005). For instance, a network organizer may encourage neighbors to convene over a shared meal to get to know one another, discuss concerns about the neighborhood, and formulate a plan to address them. As various social events and activities foster dialogue among neighbors and get them to address different issues of common concern, the resultant strengthening of personal ties and connections along with linkages among different groups leads to a healthier civic environment. To facilitate such a process in Greater University Circle, the Cleveland Foundation has engaged Neighborhood Connections, established in 2003 to extend small grants that fund citizen-led neighborhood projects, events, and activities. With funding from Living Cities, a collaborative of 22 of the world’s largest foundations and financial institutions, Neighborhood Connections has dedicated a project manager and community organizer to the initiative while operating Neighborhood Voice as a media platform that supports the network organizing strategy.

In addition to strengthening community organization and civic activism in Greater University Circle, the other piece of the puzzle entails getting the worker owners of Evergreen to play a leadership role not only within the company but also within the broader Greater University Circle community. Many continue to emphasize the positive impacts of the Evergreen Cooperative Initiative on their own lives. In the words of worker owner Joe Massey, “[Evergreen] gives me a sense of confidence, sense of pride, makes me feel like I'm doing something positive with my life. A few years ago I wasn't able to say that. A lot of people look at me with respect. A lot of people look up to me. I can walk with my head high” (Cleveland Foundation, 2011). Here, Mr. Massey defines his achievement beyond the level of individuality to encompass the improved quality of his interrelations with others. Similarly, worker owner Tracie Marsh connects her experience working at the laundry with her role within the greater community and society in stating, “It's allowed me to be a contributor, not only to the community, but to society as well. It gives me a sense of

confidence knowing I can get up in the morning and come to work. To me, that's freedom" (Ibid.). Likewise, the following quote by Medrick Addison, operational manager of ECL, emphasizes the difference that Evergreen has made in his life: "As a younger man making bad choices, going to prison, that sort of thing, I look back on that person to who I am today... total difference! I was a recluse; I was bitter. Now I'm more outgoing; I can speak to people; I love telling them about Evergreen, what Evergreen has done for me, what I've done for Evergreen, and what we've done together" (Ibid.). Thus part of Mr. Addison's personal development has to do with a newfound ability to hold conversations with others about Evergreen and the coevolution he has experienced with the company. In a PBS documentary called "Fixing the Future," Mr. Addison additionally remarks on his attachment to one of the Greater University Circle neighborhoods where he was raised and the contribution Evergreen makes to its potential regeneration:

*This is my neighborhood. This is where I grew up at. This is the building I grew up at. This is one of the neighborhoods that was really hit hard by the foreclosures and whatnot. You know, you kind of feel cast aside, thrown away in a sense, and to have something positive like the Evergreen Initiative come about, it was like a godsend! It was just what the neighborhood needed. We can't help everybody but we're helping somebody.*

Hence where worker owners of Evergreen may already see themselves and their company as playing an important role in the Greater University Circle community, the remaining task is to integrate the worker education and training component with the community engagement strategy to enable worker owners to translate such inclinations to help build a broader base for Evergreen and initiatives like it.

#### **4.10 Green City Growers**

Within the first five years of operation, the Evergreen Cooperative Initiative aims to launch ten new businesses, each with up to 50 worker owners, to generate a total of 500 jobs. The long-term goal is to create a network of 100 businesses to employ up to 5,000 worker owners and ultimately stabilize and revitalize the targeted neighborhoods. While seemingly lagging behind in terms of the number of businesses started almost three years in, the leadership team actually made an early decision to begin with the more capital

intensive businesses as to set sturdy foundations for the developmental infrastructure and solidify institutional commitments. With the Evergreen Cooperative Corporation up and running, acting president and CEO Ron Jones assures that a dozen anchor-related business ideas are being vetted for feasibility at any given moment. Projects in the works include a medical waste recycling business and document scanning firm as well as a cooperative housing initiative. Among recent milestones, Green City Growers (GCG) opened in October 2011 as Evergreen's third cooperative business and most ambitious capital investment. In this case, \$1.4 million from the Evergreen Development Fund leveraged \$8 million in HUD 108 loans and \$2 million in Brownfields Economic Development Initiative (BEDI) grants, secured with the help of the City Economic Development Department. In addition, the project received an \$18 million New Markets Tax Credit Allocation through PNC Bank, providing \$3.5 million in equity. GCG also benefited from \$1 million ARRA grant funding.



**Figure 3. Picture of Green City Growers greenhouse (Source: Cleveland Foundation)**



On October 17, 2011, Green City Growers Cooperative broke ground on their 10-acre hydroponic greenhouse, five acres of which is under glass. Located at the corner of Kinsman Road and Ensign Avenue in the Central neighborhood on a site that was once home to a sweater factory, it is the largest such project based in an American city. At full capacity, the greenhouse will have the capacity to produce three million heads of red leaf, green leaf, and bibb lettuce and 300,000 pounds of herbs year around through hydroponic agriculture. Developed in close collaboration with the anchor institutions, the City of Cleveland (including the Mayor himself, the Department of Economic Development and the Department of Sustainability), and other local stakeholders, GCG has commitments to sell produce to GUC area hospitals and schools that currently buy from places as remote as California and Hawaii. They will additionally supply grocery store chains, wholesalers, and food service companies within a 150-mile radius. Aside from offering competitive prices to large institutions and retail outlets that can meet sustainability commitments by buying locally, it will additionally use wind and geothermal energy along with LED lighting to minimize greenhouse gas emissions and energy costs. Designed to employ 25 people at start up and 43 people as GCGC begins hand packing herbs and creating value-added lettuce products, the business plans to begin hiring from the targeted neighborhoods and planting 18,000 plants per day upon the conclusion of construction in October 2012. Available positions include crop managers, customer service representatives, harvesting and packaging personnel, production supervisors, truck drivers, and quality assurance technicians. The first crops are due to be picked and sold in late November or December of 2012.

In March 2010, the Evergreen leadership hired Mary Donnell to be the founding CEO of Green City Growers. In addition to bringing expertise in business planning and development in the national produce and hydroponic greenhouse industries, Ms. Donnell has also worked in education and training capacities while directing the Ohio State University Extension Agricultural Business Enhancement Center, Ohio Hydroponic Vegetable program, and Ohio Good Agricultural Practices Program. In hiring the remaining staff, the Evergreen leadership team has changed their approach from partnering with a workforce intermediary like Towards Employment as in the case of the ECL and OCS.

Recognizing the drive for leadership and community service in Medrick Addison, a lifelong resident of Glenville and emerging leader within the Evergreen initiative and American cooperative movement, they raised foundation dollars to dedicate half of his staff time to working with Mary Donnell to conduct conversations and tours with neighborhood residents as well as take resumes. Mr. Addison hired most of the people at the laundry and has run a variety of personnel functions for the business. As viewed by Ted Howard, “We have a person who is a worker owner who has gone through this. So he knows what to look for but also what to share with a worker owner as far as what it takes and what you need to be up for to succeed here.” Besides believing in the community wealth creation model based on targeted anchor procurement spending and a network of cooperatives based on shared ownership and governance, Mr. Addison sees the target demographic as key to Evergreen’s continuing success. In his words, “When Evergreen got started, they said we’re going to fail because who [we] hired. But our bet is we’re going to succeed because who we hired. If you hire people [for whom] this is their last chance of having a productive future or doing something for their children, their backs are to the wall, they can’t mess this up.”

#### **4.11 Cleveland and beyond**

As for the City of Cleveland, it has properly integrated a strategic focus on institutional procurement activities into its repertoire of local economic development in the aftermath of the Greater University Circle Initiative and the Evergreen Cooperative Initiative. The following segment from an interview conducted with Mayor Jackson in early 2012 reveals some of the new thinking on the part of the administration:

*If you look at the medical industry in Cleveland itself, Cleveland proper, they probably procure, in terms of goods and services and fixtures and furniture and stuff like that, they probably procure six, seven billions of dollars a year between University Hospitals, Cleveland Clinic, Metro Health, Sisters of Charity, and all of their network. Working on how do you influence those suppliers of those goods and services to have a presence in Cleveland would be a significant advantage... Many of their suppliers are the same companies, they’re the same vendors. Their influence and their saying to those suppliers, look we’ve spent several hundred million dollars a year with you, you need to have a presence in Cleveland. That’s part of what I believe is next. Now community benefits is around construction, but there’s also community benefits around procurement activities.*

In addition to partnerships with “good corporate citizens[s]” like University Hospitals, historically marginalized communities are at the center of the City’s vision for Health Tech Corridor. In referring to targeted procurement activities, the Mayor emphasized,

*The inclusion of people of all different groups for access to that wealth, not just in terms of opportunity, but in actually receiving of it is the sustainable part of that initiative. Because if you don’t do that and its under the same exclusive policies and behaviors, then you would not have a sustainable economic system or sustainable wealth creation.... So you have to make that an essential part of the initiative. If it’s not, it doesn’t work. It works for a moment and then that’s it. If you want sustainability, you have to have inclusion. It’s essential to sustainability.*

Appropriating the rhetoric of sustainability, he symphonizes the goals of social inclusion with economic development and broader wealth creation beyond empty promises of “equal opportunity.” Earlier we touched on Mayor Jackson’s notion of “self help” and the role of minority communities as stakeholders and potential participants in urban investment and economic development strategies that set off multiplier effects beginning in inner city neighborhoods. Along with the University Hospitals Vision 2010 project, Evergreen provides a concrete precedent that might inform continued efforts along these lines.

With respect to the Cleveland Foundation, its pioneering efforts at aggregating the procurement power of anchor institutions brought an invitation to join Living Cities, a consortium of 22 of the world’s largest foundations and financial institutions committed to improving the lives of low-income people and the cities where they live. Simultaneously, Cleveland won designation as one of five metropolitan areas— besides Detroit, Baltimore, Newark, and Minneapolis-St. Paul— that would share \$80 million in grants and loans for initiatives aimed at reinvigorating poor urban areas. The \$14.75 million in awards from Living Cities are slated to go towards improving Cleveland’s Health Tech Corridor, running from the edge of downtown to University Circle. The Cleveland Foundation has partnered with the City of Cleveland and other local stakeholders to attract and grow businesses in the area that create 800 new jobs by 2013, with thousands more to follow (Litt, 2010). Collaborative partnerships between institutional partners and leveraging the procurement power of anchor institutions based strategy are an integral part of the strategy. Hence the Evergreen Cooperative Initiative appears well poised to enjoy greater synergies around expanding community wealth in Greater University Circle with a growing number of

partners. On the other hand, the Cleveland Foundation, City of Cleveland, and institutional partners have formed a “learning community with their counterparts in Detroit, Newark, and Baltimore to share and further develop the Cleveland Model. Ultimately, they intend to adopt the model for application in Youngstown, where the occurrence of “Black Monday” decades prior set off the chain off events resulting in the formation of the OEOC, Democracy Collaborative, and ultimately the Evergreen Cooperative Initiative.

At the same time, Ted Howard and other members of the Democracy Collaborative continue to share lessons from Cleveland with those grappling with similar circumstances around the country. So far they have provided outreach and advice to civic leaders in places as diverse as Pittsburgh, Pennsylvania; Washington, D.C.; Atlanta, Georgia; Richmond, California; and Amarillo, Texas.

## CHAPTER 5: THE LOS ANGELES GREEN RETROFIT AND WORKFORCE PROGRAM

### **5.1 Laying the ground**

Where the Los Angeles Green Retrofit and Workforce Program grew out of a policy campaign waged by a coalition of 25 community, labor, and environmental organizations, its beginnings trace back to multiple strands of social movement traditions, organizational histories, and policy accomplishments. At the same time, no single organization played as central a role in the program's early conception and development as SCOPE. Action for Grassroots Empowerment and Neighborhood Development Alternatives (AGENDA) had been established in South Los Angeles in the aftermath of the 1992 urban uprising as part of the community-based movement to address the serious conditions of poverty, unemployment, and violence faced by the city's inner city communities through grassroots mobilization and policy advocacy. The organization was founded based on four principles: (1) building vehicles for collective action for historically marginalized communities; (2) democratically developing transformative public policy; (3) constructing strategic alliances at the intersection of race, class and single-issue efforts; and (4) organizing policy campaigns that ignite broad social movement, win structural change, and begin to realign power relationships toward democracy and justice (SCOPE/AGENDA 2012). From its original focus on the African American community based in South Los Angeles, the organization shortly convened the Los Angeles Metropolitan Alliance, a regional coalition consisting of over fifty community-based organizations, unions, faith-based organizations, and public sector employee unions (SEIU Locals 347 and 660), to organize low-income communities throughout the Greater Los Angeles region around social and economic justice. While pursuing a series of workforce and economic development campaigns targeting regional growth industries,<sup>59</sup> AGENDA spun off CIPER in 1997 as its research and training arm. Next, AGENDA created Strategic Concepts in Organizing and Policy Education

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<sup>59</sup> Over the years, Metropolitan Alliance waged a series of workforce development campaigns linking low-income communities to good jobs that brought several policy victories, including: (1) Workplace Hollywood, a \$10 million workforce development program created in partnership with the Dreamworks entertainment corporation to train and place income inner city residents in the entertainment industry; (2) The Los Angeles City Jobs Program, a job training and placement program targeting welfare recipients for entry into living wage public sector jobs with long-term career paths (more on this later); and (3) Healthcare Careers Ladder Training Program, a job training program that places low-income residents in health care related fields (later embraced by the City of Los Angeles as a blueprint for sectoral workforce development strategies).

(SCOPE) to coordinate local and regional efforts with progressive social movements and policy advocacy networks nationwide.

In integrating grassroots organizing and leadership development with coalition building around policy advocacy campaigns, SCOPE/AGENDA (henceforth referred to as SCOPE) ventured into the area of green collar jobs while searching for its next issue focus in 2005. At the national level, the formation of the Apollo Alliance the year before had brought together organized labor, community-based organizations, environmental organizations, and the private sector around the Apollo 10 Point Plan for creating good jobs, a fairer economy, and energy independence. SCOPE's founder, Anthony Thigpenn, as a member of the steering committee for the California Apollo Alliance, was involved in discussions about the possibility of building an Apollo Alliance in Los Angeles. At the city level, Antonio Villaraigosa had just been elected mayor of Los Angeles and was taking active steps to make Los Angeles the greenest big city in America. Further, SCOPE was interested in forging connections with environmentalist organizations and other "non-traditional partners" for the larger purposes of progressive movement building. However, before making any commitments, the organization first checked with its constituency to confirm whether the issue of green collar jobs was even of relevance. Surveying over 1,000 constituents, the majority of whom were African American and Latino South LA residents with annual incomes below \$30,000,<sup>60</sup> SCOPE soon learned that respondents indeed desired green jobs paying wages that led to economic self-sufficiency, providing employee benefits, such as health insurance, paid vacation, and sick days, and providing a safe and healthy working environment. As recalled by Campaign Director Elsa Barbosa, "At one point, we thought, will folks see good jobs and job creation as balanced with environmental justice goals? And so we were really happily surprised and really motivated by the great reception that we did receive at the grassroots level from our own membership and the grassroots community."

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<sup>60</sup> The results of the survey are summarized in a report entitled, "Under the Line: An Assessment of Los Angeles' Employment and Training Needs Based on a Survey of Over 1000 Residents."

Simultaneously, SCOPE analyzed workforce and economic development opportunities for low-income communities of color in the green building sector in Los Angeles.<sup>61</sup> As elaborated by Ms. Barbosa,

*We believed in [the Apollo Alliance approach], but needed time to do our own research around what were the possibilities. Since this was a national effort, we took a lot of time exploring, doing our own research in collaboration with the National Apollo Alliance around what were the regional opportunities for transforming the economy here in Los Angeles. So we did a lot of research around solar, fuel, cells, and green building along with many other issues and aspects. We asked whether the potential for scope and scale was really there.*

While partnering with graduate student researchers in the UCLA Department of Urban Planning to encounter reassuring findings, SCOPE simultaneously approached prospective partners to build the Los Angeles Apollo Alliance for which it would serve as the anchor.

## **5.2 Converging on the green economy**

The green economy had been decades in the making prior to the launch of the Los Angeles Apollo Alliance in February 2006. Largely the domain of energy conservationists amidst the oil crises of the 1970s, the field incrementally expanded to encompass proponents of climate change mitigation as well as place-based economic development, poverty reduction, neighborhood revitalization, and public health. By the mid 2000s, widespread excitement over potential gains, whether in terms of job creation, energy savings, or curbed greenhouse gas emissions, posed a backdrop for structuring processes, complete with strategic and opportunistic action. The building trades were among the quickest to assert their respective claims on the emerging field, beginning at the national level through participation in strategic alliances such as the Blue Green Alliance, Apollo

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<sup>61</sup> Through its partnership with the UCLA Department of Urban Planning, SCOPE obtained research support from Sigalle Rosner, a graduate student in the Department of Urban Planning, who as part of her final year “client project,” analyzed workforce development opportunities for low-income communities of color in the green building sector in Los Angeles in part by conducting case studies on three select green buildings along with interviews with key green building industry representatives. The final report, entitled “Job Implications in Los Angeles’ Green Building Sector” (Rosner, 2006), identified potential campaign strategies including one centering on a policy that would require all appropriate existing municipal buildings to be retrofitted for energy efficiency and other green building elements. SCOPE also teamed with UCLA Urban Planning graduate students Michael Matsunaga, Polo Munoz, Nirva Parikh, Marcel Porras, and Jennifer Tran, who assessed the potential of the green building materials manufacturing industry in Los Angeles County as part of their final report for Professor Goetz Wolff’s Fall 2006 course on sectoral analysis (Matsunaga et al., 2006).

Alliance, and Emerald Cities Collaborative. In Los Angeles, Assistant Business Manager Kim Craft of IBEW Local 11 underscored the longstanding tenure of electricians in the field of green retrofits:

*Everyone seems to think this green economy just sprung up over night. It's been something we've been talking about— building automation and smarter homes— for a decade now. The rest of the country came in along the time President Obama got elected. Al Gore started talking about global warming, and then the Clintons got involved in greening our environment. We're talking 6 to 7 years that the focus has been developing on green technology. Well we've been looking at smarter ways of lighting more energy efficiency all along.*

Executive Director Mike Massey of the Piping Industry Progress and Education (PIPE) Trust Fund conveyed a similar position with respect to his specific trade,

*My first job in the plumbers and pipefitters union back in the 1970s was down near San Diego at a power plant, where you see the great big smokestacks by the beach. I was supposed to convert them over to natural gas, because it was cheaper and cleaner. They used to use two types of crude; when the sun went down they switched over to a really dirty one that put all the stuff out at night when you couldn't see. So I've been involved directly in the green economy because I'm an industrial pipefitter in the oil and energy industry, whether I knew it or not. We didn't use the word green. We knew if you switched from crude oil to natural gas to power a plant, that it was cleaner.*

Jim Irwin, an organizer with the Painters District Council 36, also characterized green retrofits and workforce development as a preexisting field in which painters and various other trades had long been operating:

*Greening buildings and all the hoopla! I see it as part of the regular cycle; when they're 'greening' buildings, they're upgrading them. Short version is we've always been doing upgrades. The word green to us is like the word upgrading and modernizing. We do a lot of modernization work. It means making buildings more efficient and high performing. 'Greening' is just a new term. We anticipate making some changes to our curriculum but its part of regular events happening every now and then. Whether it's material based or work modernizing, updating our curriculum is a natural occurrence. We call it apprenticeship. Each trade has a training center. We've had a long history of apprenticeships, all the trades actually. So that fits right into what we've been doing all along, which is that whenever we have new technologies, all the construction companies are ready to grab the latest as they come.*

In part, the aggressive interest on the part of the building trades in the green economy grew out of the need to find work for their respective members amidst a flailing economy.



John Choi, Economic Development Director of the Los Angeles County Federation of Labor, commented on the apprehension felt by many of the building trades unions and their leadership.

*Things are heightened because right now because the economy is struggling so badly and California, and within that, LA County have particularly high unemployment rates. Construction workers have extremely high unemployment rates. They're averaging between 30 to 40 percent unemployment. So there's an incredible amount of pressure on the building trades leadership to get their members back to work.*

Kim Craft lamented the recent rise in inter-trade rivalries extending into green sectors of the economy:

*The reason we're getting pressure from the laborers is because of the damn economy. They got 40 percent of their people unemployed. So they say, 'Hey there's work out there. The new work is solar and we're going to do it.' The people in the state who work with all the trades have already addressed the issue. There's room for everybody. Of course, there's room for them to handle a lot of the material, leave it at different locations... Traditionally, we've had great rapport with the rest of the building trades. It's just because the man-hours in traditional work are down. There's this desire to keep our members employed.*

Jim Irwin of the Painters District Council 36 described a similar situation facing the painters and allied trades as well as the resulting impetus for forming strategic partnerships and exploring new areas of work:

*When it gets hard like this, most people fight more. Doesn't need to be that way but that's what's apparently going on. The reason I can't be aligned with the carpenters right now is because they're trying to take our work. I don't know why people do that, but they do. So we've drawn alliances with community groups, day laborers, the UCLA Labor Center, the LA County Federation of Labor, and LAANE. We want to get more PLAs and more alliances to get more work.*

The last quote partly speaks to the competitive advantages offered by partnering with community-based organizations such as SCOPE and entities such as the Los Angeles Apollo Alliance in accessing large-scale projects and work in emerging economic sectors. In the specific area of building energy efficiency retrofits, the pending challenge of aggregating retrofit projects and executing efficiency measures at scale created a sense of openness on the part of the building trades to forging collaborative partnerships and trying alternative economic and workforce development approaches. Issues related to their declining

membership might have also created an impetus for building trades unions to participate in the Los Angeles Apollo Alliance and its green jobs campaign. However, with the exception of a Laborers Local 300 official, who remarked on the underrepresentation of racial minorities in the skilled crafts, five of the five interviewed building trades members avoided speaking directly to their organization's troubled histories of racial exclusion and resultant trend of membership decline. In the case of Jim Irwin, he simply highlighted the role of immigration in maintaining the ranks of the painters union and allied trades along with the construction industry more broadly. In his words,

*New immigrants, that's who comes in to do our work, immigrants from anywhere in the world. There's a lot of money in construction so people are going to gravitate where the money is. Say your children don't want to be in construction, they're going to go to college. It means someone else will come in and do the work. When I was a kid, you went to high school, if you weren't college bound, you had the option of taking shop classes, industrial arts, something like that. You had the option of doing that kind of a program that let you into the construction trades. Well they gutted that out of the education system so those kids that would have chosen that option now don't have that avenue. So in many cases, our recruitment now is a result of that. Now we have a lot of immigrants. Immigrants fill that gap. If they criminalize new immigrants, that'll shut that off too.*

Mike Massey additionally referred to the trend of shifting demographics in the construction sector, presenting the pattern of racial succession as a natural, conflict-free phenomenon:

*In Southern California, you can look at the Latino community, and I think you see almost a playback to several generations of white workers that came on that were able to buy a house and send their kids to college. You see so many Latino people doing that now in the construction trades. My number one exec beneath me, for example, he's got his son-in-law, oldest son, and youngest son who will all be in the trades. He sees it as an opportunity to buy a house and have a career and health care, pension, and welfare benefits. But their children may not.*

Yet he also indicated a sense of urgency with respect to accommodating shifting demographics in the construction sector, relating, "During the boom time, my boss came to me and said we're going to have a giant labor shortage. I thought that'd be great. He said, 'It'd be the worst thing to happen to us.'" In contemplating modes of redress, Mr. Massey made note of the growing traction and salience of the green movement among younger generations newly filling the ranks of the piping industry unions:

*I've yet to talk to any young people anywhere who aren't excited about doing green things. I'm convinced you could take people and show them how all these pipes fit together and say this is a great job. They'll say, 'I don't want to do this.' You can tell them, 'This is your chance to make a high performance building that's going to save a lot of energy.' They'll say, 'If it's green, I want to do it.' There's something that needs to be pursued about this.*

Hence, the above labor representatives stopped short of articulating a need on the part of their unions to actively recruit from minority communities in the face of aging memberships and declining white interest in building trades careers. The surrounding context of economic recession and steep decline in construction work might have enhanced their hesitancy. Yet one could sense an increasing openness to diversifying the membership, at least with respect to Latinos, as well as growing concern over the impending labor shortage. In turn, the green economy appeared to provide a neutral space to address issues of membership decline and replenishment while skirting contentious politics and painful histories.

Likewise, environmental and community-based organizations converged on the green economy partly as a result of problematic circumstances. Environmental policy expert and Green Retrofit Advisory Committee member Jane Paul shared her observations of how widespread deindustrialization in inner cities, exacerbated by the recent economic recession, changed the focus of local organizations partaking in the environmental justice movement:

*The campaigns around environmental justice in LA have taken on a different strategy from those in the past because of the economic downturn largely. They're looking at how to open new doors as opposed to closing old ones. You can't just talk about shutting down industry if people have jobs in those industries even if its community members themselves who are suffering. Now if the children are sick but the father goes to work in the toxic industry, he cannot leave his job, so the EJ folks are looking at these new strategies for transforming their communities with either new green industries or cleaning up old industries and making them green. So there are a lot of these different organizations coming into the green economy work and movement with their perspectives.*

Reflecting on the factors and conditions underlying Sierra Club's newfound interest in environmental and social justice work, community organizer Byron Gudiel partly

attributed the shifted approach to the organization's attempt to address its falling membership. In his words,

*Chances are that if you attend a typical Sierra Club meeting, the average age is 65, and the person is white middle class. Well over time people have started retiring. So the membership, volunteer pools are shrinking and so is our power, because the demographics are shifting in the US. So I'm imagining that kind of was an eye opening experience for [the leadership]. And now that we have to replace some of the folks we're losing, do we do it with more white older middle class people or do we figure out a way to bring in and work with communities of color? So the environmental justice program began five or six years ago. Still, Sierra Club isn't seen as a place where people of color can come and really fight to improve the realities in their communities. And the culture of the organization is hetero, very white, predominantly led by men. Internally, the Sierra Club at the national level has gone through diversity training, looked at power dynamics in the US, how to engage communities of color, working class communities around the US. A lot of this has been very academic or theoretical and really only touched the surface. Now we're starting to roll out a training program for our volunteers at the chapter level as well.*

An 18-year veteran of grassroots organizing around educational justice, racial justice, and immigrant rights in LA's inner city neighborhoods, Mr. Gudiel further commented on the imminent transformation of the regional economy and the need for working class communities of color to partake in shaping its future. In accentuating the gravity of the problem, he juxtaposed the positive rhetoric accompanying initial development with the actual outcome of perpetuated economic disparities:

*Communities of color have seen it before— the new industries that are developed with promises of pathways out of poverty and rebuilding of communities. This was Silicon Valley. But then the entire economy got pushed into a suburb of California and became professionalized, completely leaving out working class people of color. An entire economy made billions and billions of dollars for a section of our population that is not working class folks of color. So seeing that, we feel like this is an opportunity to create a new economy with different kinds of jobs, trainings, and education opportunities. We feel like we have a moral obligation to make these jobs and trainings available for communities of color, working class communities in LA but also use the fruits of the labor to help rebuild the communities themselves.*

Bill Gallegos, Executive Director of Communities for a Better Environment (CBE), expanded on the practical imperative of ensuring public investments in green economic development benefit historically marginalized communities:

*Since it's going to be developed with a lot with public money, lets insist that a significant proportion of the benefits go to communities that need them the most. Let's insist that the educational infrastructure that it requires be built in our communities, that the R&D money, some of those resources come into our communities, that the business opportunities need to come into our communities, which means credit, technical assistance, access to markets... that the whole range of job opportunities should be made available to our communities... not just solar installation but training to become environmental engineers and architects and so on.*

As for policy research and advocacy organizations like SCOPE, Los Angeles Alliance for a New Economy (LAANE), and the Construction Career Academy (CCA) at the UCLA Center for Labor Research and Education, exposure to the national green collar jobs movement and related policy discourse made them eager to operationalize models of green retrofits and workforce development producing tangible impacts at the local level. As recalled by Jennifer Ito, Research Director at CIPHER/SCOPE at the time,

*[We realized that] we could get at the forefront of defining what the green economy would be and making sure that there were systems, programs, institutions, a kind of alignment around making sure that communities left out of the dirty economy would be at the forefront of the new economy, [but] that we had to lay the groundwork pretty quickly.*

Cynthia Strathmann, Research and Policy Analyst at Los Angeles Alliance for a New Economy (LAANE) pointed to the wide circulation of national models as peaking LAANE's interest in the field of green retrofits and workforce development while also speaking to the challenges of accommodating local specificity:

*We jumped into this because of the national model for energy efficiency, but this is LA; we are famous for not having weather. More than sixty percent of users have monthly electrical bills under \$40. How am I going to walk in and say, 'You know what, I'll give you a \$10,000 retrofit, and you'll save 20 percent off your bill?' Behavior change may have more resonance but that doesn't create any jobs. Unless you're training customer service people, which many be another place to go. I could live in a tent in my backyard if I wanted to. But once electric vehicles come down the road, I mean every time you put several of them on the road, you need another transformer to accommodate them, so in a town like LA, that's another huge source of power use.*

As for Director Daniel Villao of the Construction Careers Academy at the UCLA Labor Center, he noted the opportunities for fresh thinking and leadership around green construction and maintenance policy:

*In terms of who the real players are, it's up in the air; it's whoever can get projects done, whoever can implement policy, whoever can actually attract dollars to LA in a real meaningful way that creates projects and policy to actually put people to work. I think that's who the leaders are. I feel like the established core group of leadership that exist in LA— folks like the LA/OC Building Trades, the LA County Federation of Labor, LAANE. The City, the County, School District, and community colleges— have been really progressive and really aggressively thinking about this and have been doing wonderful work around it. But I also think that the traditional ways that we approach policy development in LA has to evolve just like the construction market is evolving around green. There is cutting edge work being done by organizations like the CCA, groups like the Apollo Alliance and others. The young minds that we employ to do thinking around urban planning and social equity and social entrepreneurship put us in a very good position to provide thought leadership around how policy and projects should roll out in the greening of LA.*

Finally, from the stance of Teresa Sanchez and Jason Elias at SEIU 721,<sup>62</sup> the union representing Southern California public sector workers, the City had a clear role to play in the evolving field. In the words of Ms. Sanchez,

*When everyone's talking about shrinking the public sector, people in this city have been fighting contracting out and privatization for 30 years now. We've found that the public sector can be more efficient because we don't have to make a profit. We can do the same work at same costs or even cheaper than the private sector, especially on services and maintenance. On huge construction projects it doesn't make sense if the city doesn't have the equipment, but when it comes to our own services and maintenance it really makes sense for the city to do it.*

She referred to historical precedents, “We have a tradition or history of the City taking leadership in large ways around economic development. From stealing the water, to developing public power, which was a very progressive idea, in the late 19th and early 20th century, a public owned utility.” In fact, less than twenty years prior, Ms. Sanchez and other members of the Metropolitan Alliance had evoked the same civic tradition in advocating for the City to transition welfare recipients into public sector employment with livable wages and career advancement opportunities. As President Bill Clinton signed into law the 1996 federal welfare reform act as a fulfillment of his promise “to end welfare as we know it,” SEIU Locals 347 and 660 (the precursors to 721) partnered with AGENDA and a series of community-based organizations, faith-based organizations, and welfare advocacy groups, the latter united under the banner of the Metropolitan Alliance to advocate a policy

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<sup>62</sup> SEIU Local 721 encompasses workers previously represented by SEIU Locals 347 and 660.

alternative. In contrast to a “work first” approach, which pushed welfare recipients into low wage dead end jobs to increase economic insecurity in Los Angeles’ low-income communities of color, the proposed City Jobs Program served to transition qualified applicants, namely city residents receiving federal assistance or living under the poverty line, into civil service via six months of basic workplace/life skills training, tutoring, counseling, and other social supports. Where the traditional method of hiring and advancement relied on a written and verbal exam followed by a verbal interview, a process that rewarded test-taking ability while penalizing lack of literacy proficiency, the newly created “vocational worker” category, represented by SEIU, offered participants career advancement opportunities based on supervisor evaluation and demonstrated progress in the classroom setting.

Following extensive research, community mobilization, and policy advocacy by the alliance, the Los Angeles City Council unanimously voted in November 1998 to approve and fund (through a one time Welfare to Work grant followed by Workforce Investment Act monies) the development of the City Jobs Program (complete with a City Jobs Taskforce and Welfare-to-work Oversight Board to ensure public engagement in strategic planning and program oversight). By August 2002, the program had trained 237 participants for placement in seven different city departments with a 71 percent retention rate (Aaron et al. 2002). Still the task remained for policy advocates, in collaboration with city departments, to assemble the rungs of vocational worker career ladders. For instance, the construction and maintenance occupational series of the City of Los Angeles Civil Service classification system were not contiguous but rather bifurcated between highly skilled journey level craft classifications and entry-level “helper” trainee classifications. Where the vocational worker classification stood below the “helper” classification, the former could become maintenance and construction helpers after a two-year probationary period. In turn, a helper could theoretically accumulate enough training and work experience to move into journey level status. However, in practice, helpers rarely managed to do so given the difficulty of leaving civil service employment in order to participate in a state certified apprenticeship program. Hence questions arose as to whether civil service green construction and maintenance might provide a vehicle to formalize the transition from vocational worker status to careers in the building trades. Among the major challenges was the unprecedented task of driving

demand and developing the market as opposed to simply imposing demands on the “powers that be” to alter workforce arrangements in existing sectors.

### 5.3 Individual level enablers of agency

Still, the motives for engaging in the work of green retrofits and workforce development and green economic development more generally were not simply instrumental or situational. Biographical factors, reflective thinking, and human creativity were also at work as illuminated by a quote from Mike Massey of the Piping Industry Progress and Education Trust Fund, who recounted a formative experience that contributed to his in the Los Angeles Apollo Alliance and the Green Retrofit and Workforce Program:

*There were a lot of fights going on in the 1970s. I'd hear, 'Hey, there's this big project, and all the tree-huggers are going to stop it and put us in the unemployment line.' That's pretty inflammatory language, especially when you're coming out of an industrial craft and you're militant, because they're going to let you go when the job's over. You have a lot of 'I don't give a shit' factor. That's why we're so quick to strike in the pipefitters union. They'll fire us anyway. But then we began to notice something. We would support the industrialists and they wouldn't use us anyway. They would bring in cheap out-of-state labor. They'd take all our money, say there was going to be a refinery built or a big addition, while the enviros would say they're going to shut it down. And we'd side with Chevron or whoever. Next thing you know we'd still be unemployed and they'd have people working for half our wage from southeast Texas. So it became the scorched earth policy for us; the industrial unions started saying, 'No we're not going to support you anymore; you're not going to use us anyway. Watch this, we'll bring you to your knees!'*

Hence lessons gleaned from a series of traumatic betrayals by employer organizations helped orient Mr. Massey along with his colleagues towards collaborative partnerships with nontraditional allies as well as green workforce and economic development work. Sudden displacement and unemployment provoked breakage from “unconscious habits, routines, and accustomed perceptual modes” and redirection towards reflexive agency and an alternative approach to collaborative partnership around job creation (Joas and Knobl 2006: 528).



Kim Craft of IBEW Local 11 also underscored personal experiences as partly motivating his work in collaborative partnerships such as the Los Angeles Apollo Alliance geared towards promoting racial inclusion in the building trades, sharing,

*I came from the hills of West Virginia, where most people worked in the mines. My ancestors were coal miners; the oldest living relative was 63 because of black lung. When I came out here, my wife and I lived in Hawaiian Gardens in a 1000 square foot house for 25 years. We all shared one bathroom, my wife and two kids. I paid for my wife to go to nursing school. It's taken all my life to get to where I got now. Lucky for me, I had an opportunity if I was willing to work hard everyday I could get to where I was. I tell the young men, many of them are Hispanics, how far is Mexico City? I came from 2000 miles away, twice as far as you did, looking for an opportunity to provide for my family, same as you. I'm not different from anyone else. I went into the Marine Corps when I was 17, and they only had one color. If you're in a war situation, and you get hit, everyone bleeds red. You got to look beyond the color of a man's skin— you got my back I got your back. So I was fortunate in that in my life I had these experiences. Everyone just wants the same thing.*

In highlighting his sense of commonality with aspiring minority entrants, Mr. Craft related another anecdote about his own experience as an “outsider” within the building trades:

*I came out of the military in 1974, applied to the apprenticeship program but didn't get into Local 11 until 1979. By the time I got my journeyman ticket, I had 12 years experience. I've had some hands put in my face. I was on book five here. It wasn't just about only white people being taken it. Predominantly 80 percent of the people here were white. They had kids; they had son-in-laws. That's the thing with nepotism; it has negative connotations until you become a parent, and the first thing you want is to secure an opportunity for your children.*

Upon joining the Los Angeles Apollo Alliance, Mr. Craft would find added inspiration to advocate inclusive green workforce and economic development during a visit to South LA's Dorsey High School to participate in the Green Economy Forum in April 2008.<sup>63</sup> He described what he found to be a resounding incident:

*One young man got up about 15 years old, tattooed up, was wearing gang colors, had his hat on sideways—obviously in LA, a sign of possible trouble. Got up on the microphone and it was like a pin dropped. He said, 'everybody in here know what's the best way to stop a bullet?' We didn't know what to expect next. I'll never forget what*

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<sup>63</sup> Organized by the Los Angeles Apollo Alliance, SCOPE, and the AD47 Environmental Commission, the Green Economy Forum brought together state lawmakers and community/grassroots, labor, and environmental leaders to discuss how best to ensure inner city communities benefit from green jobs and new technologies.

*he said, 'With a job.' Here was a kid who experienced a lot of the bad sides of LA, and he was saying, 'Give me a chance to show you I can be a productive member of society; give me a chance; give me a job!' I've heard a lot of people say a lot of things, but I still think about it a lot. When I walked out, I said, 'Today was one of my lucky days.' What I saw is that everybody here is just like me; they just want an opportunity to show what they can do. They just want to provide a roof over their kid's heads.*

In the case of Jason Elias of SEIU 721, he traced his involvement in the Los Angeles Apollo Alliance and labor organizing and social justice movement building more broadly to formative experiences growing up in a working class household in LA's San Fernando Valley.

*My mom is a retired public sector worker. Though she was not involved in her union, she did bring home stories about helping people find access to housing and jobs through her work with the California Employment Development Department and the LA City Housing Authority. My dad was a salesman who made fairly good money working 16 hours a day before he had a breakdown from the stress of long hours. He worked way too hard, so I saw the impact of negative work environments. My family went bankrupt a couple times because they had overextended their credit. I was the first in my family to go to college. I grew up in the San Fernando Valley. There was a sense that something was missing from the experience, growing up in this 'anti-urban wasteland.' We'd go hang out in these new developments that were in the far reaches of the North Valley, looking out over the entire valley at these little planned communities so devoid of any organic structure, and we would dream about something more. I went to a public humanities magnet high school and in classes learned to think critically about everything. Instead of traditional history classes we had 'social institutions.' We had an art history class, a philosophy class, and as high school students we began to interrogate the world. I became an activist in high school, and then going to Berkeley in 1988, where students had just successfully organized UC to divest from apartheid-era South Africa in 1985, I naturally gravitated to the activist community up there, linking my critical thinking to the action that was happening in the world. Our struggles were defending the ethnic studies programs at Cal, supporting graduate students trying to organize a union, and protesting the first Gulf War in 1991.*

His subsequent trajectory spanning community organizing in Detroit and graduate studies in social work and public administration before arriving at electoral and labor organizing in Los Angeles, Mr. Elias garnered from the initial juxtaposition of a liberal high school education with a displeasing social context a methodology and penchant for problematizing and transforming privatist urban policy and planning processes.

For Cynthia Strathmann of LAANE, her participation in energy efficiency planning and the movement for green collar jobs at first appeared to be more conceptually motivated in partly stemming from what she found to be troubling inconsistencies in the dominant narrative about the economy and economic life. She explained,

*Another thing that I think is at the heart of this is Americans claim to value hard work but a lot of our structures of capitalism aren't set up to value work; they're set up to value capital, which is fundamentally opposed to the value of labor that goes into it. There's this inherent contradiction. I think the sort of forces of capitalism that have been hugely successful [have been good at] pitching their point of view as being valuable to workers even if it's not. I actually find it somewhat enraging [when I encounter assumptions that] private enterprises are more efficient when there's no evidence for it. It's just a fantasy world. Not that I don't like fantasy worlds, but they just have a time and a place. That's what brought me to energy efficiency. So I have an academic way of explaining it, but I come out of an academic background.*

She further underscored the link between biography and perceptions of social structures and class stratification before touching on her own background:

*I think a lot of people who grew up in homogenous insular middle class neighborhoods, it's easy for them to buy this rhetoric that poor people just don't work hard enough, and life is really fair. They don't see their own privileges. So I think when you come out of a background that's not like that, a lot of the contradictions are so stark in a way that they aren't for people who grow up, not simply privileged, but also in a homogenous environment where there's cultural agreement that this is just the way life is. This is, of course, what hegemony is, in a nutshell. I think the notion of privilege becomes key to this. Part of privilege is that you don't have to see it; you don't have to ever acknowledge that that's the case. When you come out of a background like mine where so many of my peers didn't have academic support, it becomes really obvious why people go to better schools than others. It's not to say you can't transcend it, but in all honesty I'm never going to be Bill Gates. I think that's probably where that comes from.*

Ms. Strathmann also spoke to the role of her biracial status and identity in elucidating the artificiality and tenuousness of class and race hierarchies as well as the nature of human agency. In her words, “Having my racial status change all the time, like every time I move to a different place. You realize a lot of the stuff is really arbitrary; it's not really the way it is, it's the way we make it, and if it's the way we make it we can change it.”

Likewise, Teresa Sanchez of SEIU 721 described a commitment to exploring alternatives to the dominant mode of economic development.

*I think a lot of times when people use the term economic development, the mainstream understanding of that is business development. There's nothing wrong with that per say but for me it's a much broader question... about quality of life, things like education, health care, and food policy. For me the key question is, 'What is going on in the economy?' as opposed to 'How do we get someone to build a building downtown; what kind of tax incentives do we give them; how do we get them access to capital?' It sort of ends there and you don't even think about who's going to work there, how are they going to get there, what's going on where they live so they can sustain themselves... So it's not just about living wages, all of these things we think of as economic development.*

In explaining the rationale for transformative workforce and economic development initiatives, she stated,

*I've always been interested in these issues, probably since I was a teenager, and I had different opportunities in my life to get involved with organizing efforts. So by the time I got to [SEIU Local 721], I already had a strong interest in workforce and economic development. Fortunately they let me explore a lot of those interests in addition to my day-to-day organizing work. I was lucky to have an organization that was able to share that mission and allowed me opportunities to work on that.*

Reflecting on the emergence of the Los Angeles Apollo Alliance and other sectoral policy campaigns waged by progressive coalitions alliances at the local and regional level, Ms. Sanchez further remarked on individual level enabling conditions of agency while drawing out the implications of LA's particular demographic attributes:

*I think people come to it from different background experiences, life experiences. We just sort of found each other after working on different things around LA. Maybe the fact that LA is such a diverse place that people come here from all over with different life experiences. And all the different campaign we've done over the years, we've developed a sort of network of folks who see things from that perspective.*

Other interviewees remarked on the transformative potential inherent in the fact that cities such as Los Angeles bring together actors reflecting considerable racial, ethnic, class, and cultural diversity. Going back to Jason Elias, he noted the shared experience of racial exclusion by the white majority as a binding factor for minority groups and catalyst for critical thinking:

*I'm a white Jewish guy from the Valley, so what was I doing in the struggle to defend ethnic studies? Well, my experience was that I grew up with a Filipino family on this corner, an African American family down the street, my neighbors were Thai and*

*Argentinian, my partner now is Argentinian. This was the multi racial experience that I had growing up, where the Valley was a bastion of whiteness, and I wasn't "white" to the white people, I was Jewish. So growing up, we 'others' congregated together, this multiracial group of friends asking what is this environment that we live in? This was the type of community I gravitated towards in college, and my hooking up with activists of color was both welcoming and empowering.*

As for Cynthia Strathmann, she contemplated the ways in which actors' marginal identities and multiplicitous locations in various fields might facilitate insights into systemic contradictions and tensions but also spur projective, inventive capacities, hypothesizing

*It could be that in places like Los Angeles, we get all kinds of people who come from [various] realms, and this mix of people calls into question the fact that, well these [dominant] narratives [about economic development and income and wealth distribution,] aren't coherent; they're narratives that don't match. And when you get people who are in these social spaces, where these things are more obvious, those are the people who reconcile by creating these alternative models that are for them more reasonable.*

#### **5.4 Building the Los Angeles Apollo Alliance**

Finding no shortage of willing partners, SCOPE pursued the task of building the Los Angeles Apollo Alliance methodically. As described by Elsa Barbosa:

*We did a lot of research type meetings and investigations around what the potential landscape could look like in terms of who would be interested in putting together an alliance of these non-traditional sectors that didn't usually work together. In SCOPE's history we've always built strategic alliances and have explored and tested and were involved and engaged in community labor relationships and campaigns. So we really did a lot of meetings with other organizations to see what their kind of theories were and what kind of issues they're working on, who their audience was, you know have they worked well with other organizations, really kind of put together the Los Angeles Apollo Alliance.*

Among the twenty-five alliance members that comprised the Los Angeles Apollo Alliance,<sup>64</sup> many of the community-based organizations shared a number of commonalities as noted by Ms. Barbosa:

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<sup>64</sup> Labor organizations in the Los Angeles Apollo Alliance include unions such as AFSCME District Council 36, IBEW Local 11, IBEW Local 18, Laborers Local 300, P.I.P.E. Trust Fund, Painters District Council 36, and SEIU Local 721, as well as the Los Angeles County Federation of Labor, the second largest central labor council of the AFL-CIO. Member organizations such as the Los Angeles Alliance for a New Economy, UCLA Labor Occupational Safety & Health Program (UCLA-LOSH), Black Worker Center, and California Construction Academy likewise advocate worker interests but largely operate outside union jurisdictions. On the other

*All of the community organizations are mature and have done lots of their own campaigns, whether they were [dealing with the] private sector or public sector, so there's a lot of experience under our belt. And they are all more mass based organizing community-based organizations... so not just advocacy.... And we have relationships. We have our own expertise; we all represent different communities within LA, but we also have a history together as well as with [some of] the labor unions.*

In terms of spatial and demographic focus, the majority focused on distressed inner city neighborhoods and low-income communities of color and other historically marginalized populations.<sup>65</sup> In some cases, overlapping organizational constituencies united community and labor interests. In the words of CBE Executive Director Bill Gallegos, “Many members of labor unions live in the communities where we work, and they're impacted by the environmental problems that we try to address... especially poor air quality, which affects the health of tens of thousands of our children and our residents. So we consider our alliance with labor a very important alliance.” Jason Elias of SEIU 721 related a similar perspective but from the stance of organized labor: “With union members and SCOPE, it's always been that our members, public sector workers in the city of LA are living in the communities that SCOPE organizes in, and whether its SCOPE, CBE, or Community Coalition... we have really bought into each other's bottom line.”

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hand, organizations whose work pertain to the environment, whether focusing on urban sustainability, clean energy, public health, environmental justice, or other issues, include Center for Energy Efficiency and Renewable Technologies, Coalition for Clean Air, Communities for a Better Environment, Environmental Defense LA, Green LA Coalition, Sierra Club, and Physicians for Social Responsibility - Los Angeles. Finally, community organizations include Community Coalition, East LA Community Corporation, Korean Resource Center, Legal Aid Foundation of Los Angeles, Strategic Actions for a Just Economy, and Strategic Concepts in Organizing & Policy Education (SCOPE/AGENDA).

<sup>65</sup> For instance, the Los Angeles Black Worker Center (BWC) strives to “change public policies and corporate practices in Los Angeles in order to advance economic justice for African American workers and the families and communities that rely on them” (BWC, 2012). On the other hand, “Community Coalition works to help transform the social and economic conditions in South LA that foster addiction, crime, violence and poverty by building a community institution that involves thousands in creating, influencing and changing public policy” (CC, 2012). Likewise, Communities for a Better Environment organizes in urban working class communities of color with disproportionate exposure to environmental pollution and toxins. Finally, Legal Aid Foundation of Los Angeles “is the frontline law firm for poor and low-income people” in Los Angeles County (LAFLA, 2012).



**Figure 4. Vacant lot in South Los Angeles**

On the other hand, the historical relationship between the building trades and community and environmental organizations was more contentious. Mike Massey of the Piping Industry Progress and Education (PIPE) Trust Fund reflected:

*I've been around long enough to remember when the environmentalists had to be destroyed because they were after us. I don't want to think that way, and I never felt that way. But the way we look at it is, as construction workers, we're often out of work. When we get a chance to work and the enviros want to shut it down, they say, 'Just crash the oil industry in the LA harbor.' We say to that, 'What about all my guys?' They tell us, 'I don't care. They'll get green jobs.' And our response is, 'Where are they going to get those jobs?'*

He also described the competitive dynamic among the building trades:

*There's natural competition in the building trades and always has been. Some groups historically have better relationships than others. The plumbers and pipefitters, we have our own problems inside our union. Sometimes the plumbers claim work and it's actually the pipefitters work or vice versa. Then you have air conditioning guys, and then you have underground, the sprinkler guys. We all squabble amongst ourselves sometimes.*

Therefore, SCOPE put forth significant effort, particularly in the first year, to establish a shared vocabulary among the disparate sectors and interests as well as bridge traditional differences. The Los Angeles Apollo Alliance also established the structure of organizational governance to feature a steering committee including a representative from each member organization and a planning committee comprising a representative of each sector as well as a system of collective decision-making based on consensus. Where the planning committee took the lead on crafting proposals for discussion, SCOPE helped ensure authentic dialogue among the alliance partners as they moved forward by asking each member organization to share their honest reflections on how the proposals would affect their sector and their self interest (Liu, 2009, p. 11).

Touching on the real politics of job creation and employment, Mr. Massey expressed his appreciation for the potential for mutual understanding and collaborative relationship building promoted by the Apollo Alliance's coalition-based framework:

*Something you have to remember through all of this is someone who might be your worst enemy at 9:30 in the morning might be your best friend at 1:45. You can't forget that. You can't fight these highly idealized partisan fights. It'd be nice if you could; that's not the way the world works. That's one of the great things about the Apollo Alliance. You get a chance to get out of your own silo and learn how others view things. It's a transition period, but it's good for us to hear other people's stuff. There's a really healthy exchange of attitudes, opinions, views, and perceptions. Because unless you know their perception, you cant work with them.*

Likewise, Sierra Club organizer Byron Gudiel underscored the importance of the personal relationships traversing Los Angeles Apollo Alliance member organizations in mediating organizational conflict:

*The activist network is pretty small. So I think it helps. For example, the Sierra Club is struggling with [one of our partners in the Los Angeles Apollo Alliance]. There's clearly some tension but we all go to the Apollo Alliance meetings and sit together and hang out. It helps that we know each other outside of our political roles. There's a bit of camaraderie that goes beyond the fundamental rift. It helps that there's a community of folks who've been working together for a while.*

Nona Randois, Senior Attorney in the Community Economic Development unit at the Legal Aid Foundation of Los Angeles, acknowledged SCOPE's skillful approach to managing divergent interests:



*The organizers of the Apollo Alliance do a good job of having individual meetings towards the beginning or key points in a campaign to get at [tense] issues. Every so often during a campaign, there will be a go around the room, how does this advance what you're working on, how does this fit with what you're doing, what is your organization getting out of it— this is a topic of conversation at key points. So I think that they do make efforts to build that into the conversation.*

Jennifer Ito described SCOPE's position, "For us, it was part of a long-term strategy in trying to change the nature of the conversations and the relationships around these sectors to build more common alignment on the broader progressive agenda." The inclusion of mediating organizations like the California Construction Academy also soothed potentially troublesome dynamics. Director Daniel Villao reflected on the CCA's interstitial location with respect to various stakeholders in the future of the green construction and maintenance sector:

*Community groups, religious organizations, and policy makers often don't care how the construction industry works. They don't necessarily understand the hurdles that have to be overcome to create entry into apprenticeship and create green policy development that meshes with the business design of the contractors association. And the construction industry doesn't necessarily understand how to interact with them. Yet it's critical for the evolution of the construction industry that these different worlds can actually interact together to move the conversation forward. That's where we can be the most help— marrying these different areas of thought, acting as an intermediary to create spaces that allow people to interact with each other and gain understanding in order to create and develop policies and agreements that hit the triple bottom line impacts of energy savings, reducing carbon impact and creating economic opportunity. This may not necessarily produce as many jobs as we want to create but really develops careers that are meaningful, that are true pathways out of poverty. I think our strength is our intimate understanding of the building trades, on the national, state, and local levels. Our ability to interact directly with the building trades and conduct conversations in a way that enhances understanding, I think is a value that we add to the discussion.*

While SCOPE valued the Apollo Alliance framework of bringing together organized labor, community-based organizations, the environmental movement, and private sector around a shared vision and leveraging public investments in facilitating the transition to a more equitable, green, and prosperous economy, it also tailored the right fit for the Los Angeles context. As described by Ms. Ito,

*We had a different model from a lot of the other Apollo Alliances. At that time, it was almost like a franchise model, we used to say. As long as you subscribe to some of the basic tenets, you can use this brand of the Apollo Alliance. So we were different in terms of being actually driven and managed by independent orgs. Some of the other alliances are more staffed by Apollo Alliance staff. Ours was anchored by SCOPE. It was much more of an organizing, base building strategy compared to other Apollo Alliances, which were more policy advocacy oriented.*

Another distinct attribute of the Los Angeles Apollo Alliance was the absence of the business sector. Far from happenstance, this intended feature was in part informed by CIPHER/SCOPE's background research on the growth possibilities of green building and manufacturing in Los Angeles as well as member organization strengths and capacities. As explained by Ms. Barbosa,

*What really rose to the top of the potential campaign was the issue of greening buildings, particularly those owned by the public sector... The public sector was where we really had leverage and the public sector was where there was potential for scope and scale because the large municipal buildings that the city of Los Angeles has. So we weren't starting with a campaign that was about private sector. We weren't saying that all of the private sector should retrofit their buildings, because that would have been an automatic flag for opposition. You have to build that kind of power to make that kind of mandate. So for us, the focus was on the public sector, and private businesses and companies weren't as relevant in this campaign because the city is the employer.*

In speaking to the longer run direction of the Los Angeles Apollo Alliance, she added:

*We thought that we needed to take some time to build the relationship [among community, labor, and environmental organizations] and have more of a joint shared regional analysis before we would even consider bringing the business sector on. Just overall, we're not all equal. Business has a lot more power in the outside landscape. So we didn't pretend like we were all equal. We thought we needed to take that time to educate ourselves and be politically aligned ourselves, the three sectors.*

As for Mike Massey, he shared an alternative perspective:

*I notice when I go to the [Apollo Alliance] meetings, its a bunch of college lefties more and more, rather than people that can really bring in experience, the money, the savvy, the know how of how to grease the wheels of government and stuff. I don't think it ever got to a point where it was a stool with three legs; the business component was lacking and labor's kind of been there. You go in there and see more community and enviros. I think it needs more energy. I'm not criticizing. I'm worried. I want to see it work and it needs to have more parts to it.*

He drew a connection between his position and past work experience.

*I'm a business as well as a labor guy. I work with my contractors all the time, on project acquisition. That's much more targeted and direct than idealistic. Let's say there's going to be a big project coming up and they need environmental issues addressed, labor issues addressed, they need financing for it, and political approval, I get involved with that stuff too. The thing is labor unions don't bid work.*

According to industrial relations scholar David Weil, comprehensive market recovery strategies by building trades unions grew out of the continuing erosion of union density in the construction industry from the late 1960s. Initially devoting more resources to organizing to increase the percentage of workers covered by union contracts, building trades unions have additionally incorporated market recovery strategies focused on increasing the percentage of work undertaken by contractors operating under a union agreement (Weil, 2003). Where close coordination between union efforts to ensure the supply of skilled workers and business activities such as finding and bidding work have proven most effective, such comprehensive market recovery strategies have gained traction among various building trades unions. Assistant Business Manager Kim Craft of IBEW Local 11 described related practices in his union:

*We put together a class for our existing members about how to become a contractor. And that goes from working as professionals, setting up your payroll, doing your estimating, meeting with the manufacturers and purchasing, your taxes, whether you become a self proprietor or incorporated. If a member goes through this class and becomes a contractor and hires one of our members, we contribute \$5000 to their business to buy ladders and tools, because in any construction industry business, the first two years are the toughest. What happens is a young man goes out and hires one member, maybe an apprentice, maybe two or three, so you have a small crew working together. You make it through that first year with some revenue. Now he's trying to move in and then there's that second growth spurt. Now when he moves into an office and sets someone up and hires more people, the question is whether he's going to be successful. So we try to help donate seed money, because if he goes from 1 to 5 to 10 to 50 to 500, that's the 'Bob Meadows' of the future. We just lost a great pioneer, one of the best contractors in the US.*

Daniel Villao of the Construction Careers Academy at the UCLA Labor Center offered yet another perspective. As a journey level electrician turned Business Agent for IBEW 11 and principal negotiator for the Los Angeles and Orange Counties Building and Construction Trades Council, he had extensive experience negotiating contracts and agreements with

public and private sector entities and major non-profit institutions. Therefore where Mike Massey and Kim Craft indicated a preference to include business partners within the boundaries of the green retrofit and workforce development field, he went one step further, directly to the source of labor market demand—private or public— to emphasize its centrality in developing the green construction and maintenance market.<sup>66</sup> He explained,

*The reality is that in everything that I do, I point to market development as the real key. In other words, investment in the work is what generates demand for training. If a government or private sector, whoever it is who is generating investment in the construction sector, if they would just focus on utilizing their dollars to create work projects, whether its doing the retrofitting of infrastructure or whether its greening buildings or building from the ground up, those investments generate work for workers and that demand generation for workers creates training opportunities. When you invest \$400 million in the extension of a train project for example, that creates work opportunities, and that then drives demand for apprentices, because the balance of journeymen workers to apprentices has to be met on those work projects. So that's what creates the training opportunities and the opportunities to engage disenfranchised communities.*

As it turned out, such differential experiences and knowledge with regards to what it takes to drive progressive *economic* development in addition to workforce development would prove consequential to the practical viability of the Green Retrofit and Workforce Program. In the meantime, the community, labor, and environmental partners of the Los Angeles Apollo Alliance pledged a common commitment to the general idea of retrofitting publicly owned buildings to improve environmental quality and public health while creating family sustaining jobs with career paths, particularly for low-income and other historically marginalized communities. Meeting regularly to discuss ideas and clarify campaign goals produced the effect of strengthening relationships and facilitating mutual learning among member organizations.

## **5.5 The Green Retrofit and Workforce Development Campaign**

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<sup>66</sup> Mr. Villao would additionally play a leading role in anchoring a Los Angeles-based initiative of the Emerald Cities Collaborative (ECC). ECC is similar to the Apollo Alliance, Green for All, and the Blue Green Alliance in offering a model for "greening" our metropolitan areas in high-road ways that advance equal opportunity, shared wealth, and democracy." However it is also distinct in encompassing businesses, major institutions, and development intermediaries with discretion over urban real estate.

In anchoring the Los Angeles Apollo Alliance, SCOPE coordinated policy research, coalition building, and program design with deep community engagement. For instance, in 2006, SCOPE mobilized 45 African American and Latino residents from South and Central Los Angeles to conduct door-to-door outreach and house meetings to discuss health conditions and contributing environmental and economic factors. Besides serving purposes of public education, the visits also yielded a total of 400 surveys, which in turn shaped the content of the Apollo Alliance campaign. Sectoral analysis also unfolded as a highly participatory and dialogic process, as told by Jennifer Ito:

*We researched I don't know how many different possible scenarios around how this could look like. We went through an iterative process of doing the surveys, getting feedback through one-on-one meetings [with SCOPE members], holding leadership team meetings... We came up with multiple versions... and for each one, we got input and feedback, coupled that with research on what's already out there, conducted power analysis and [considered] the political landscape, making sure it was feasible and it would be a valuable fight and all of that. We also got information by meeting with [Apollo Alliance partners]. In some cases, grassroots leaders [from SCOPE's membership base] were in those meetings as well... then we took the input and the implications from those meetings back to inform a specific policy proposal or update our strategy.*

Hence the process of program development held the experiences and perspectives of those most marginalized by the urban political economy, namely inner city communities of color, at the center. Thus harnessing their “double consciousness” or “second sight” into greater facets of the economic and workforce development system, SCOPE and the Apollo Alliance engaged in critical reflection and simultaneous expression, complete with mutual engagement, contradiction, contention, and debate, to sift through alternative program ideas.

As the public sector focus of the green jobs campaign became clearer in the course of 2006, SCOPE also began to set the foundations for political mobilization. They gathered over 5,000 signatures from South LA residents asking elected officials to create green jobs while also meeting with Council President Garcetti and Councilmember Wesson, both supporters of SCOPE's past policy initiatives, to garner political support for the emerging green jobs campaign. Such resourcefulness, democratic accountability, and coordination in collaborative problem solving proved invaluable when the mayor shortly responded by

asking the Los Angeles Apollo Alliance to submit a program proposal to the city (Liu, 2009). As the nascent coalition hurriedly met the mayor's request, Councilmember Herb Wesson (representing Council District 10, which includes parts of South Los Angeles, Koreatown, and Palms) introduced a motion on August 16, 2006 asking the City Attorney to work with the Apollo Alliance to translate their proposal into a city ordinance. Principally, the proposal called on the City of LA to "green" existing public buildings, adopt a project labor agreement to ensure high standards for contracted labor, to upgrade the skills of incumbent workers, and to hire low-income residents for new jobs created in green construction and operations/ maintenance sectors. Later that day, Mayor Villaraigosa, Council President Eric Garcetti, and Councilmember Herb Wesson gathered at a church in South Los Angeles with Apollo Alliance members and 500 residents to announce the city's commitment to leading the fight for energy independence and job creation by promoting a green, sustainable and equitable economy.

Following, SCOPE conducted research to further hone the policy proposal and encourage discussion among various stakeholders, policy-makers, and civic leaders. As an example, "Green Cities, Green Jobs," published in May 2007 (Lee et al., 2007), explored how the City of Los Angeles could: (1) address the need for clean inner-city communities and good jobs, particularly for low-income residents, by greening its physical infrastructure; (2) use local green building policies and standards to encourage local hiring and purchasing; and (3) fund capital improvements by leveraging State and Federal dollars, municipal bonds, private sector investments in future savings from energy efficient capital improvements. Besides its impact at the local and regional level, "Green Cities, Green Jobs" helped raise the visibility of the Los Angeles Apollo Alliance within the national green collar jobs movement.

Another publication, released in April 2008, spelled out the details of the targeted workforce development policy component for policymakers and other key decision makers. Entitled, "The Green Career Ladder Initiative: A Concept Paper and Proposal" (De Roy et al., 2009) it outlined three career tracks for participants, the first preparing low-income, less skilled individuals for apprenticeships in the private sector construction trades, the second preparing incumbent, underemployed city workers and new recruits for public sector positions in maintenance and operations of resource-efficient city owned

buildings, and the final providing intensive case management and other re-application support for those failing to meet the minimum requirements for the former two pathways. For the second career track, it built upon the foundations set by the Los Angeles City Jobs Program in conceptualizing a “green landscaping and maintenance pathway” beginning with the vocational worker classification.<sup>67</sup> Additional elements in the report that would subsequently find practical application included a first year goal of piloting three programs with 20 participants each as well as the recommended formation of a taskforce with diverse stakeholder representation to provide oversight, make strategic decisions, conduct long-term workforce development planning, and secure additional sources of funding.

Where the typical period between the introduction of a city council motion and passage of an ordinance lasts six months, in this case, almost two years after the introduction of the city council motion, there was yet no verdict on the ordinance. The general protocol for local legislation entails the city attorney creating an ordinance that then receives approval from relevant council committees before being put to a vote before the city council. According to Larry Frank, Deputy Mayor of Neighborhood and Community Services, the comprehensiveness of the program, namely its impingement on multiple issue areas including energy and environment, personnel and animal welfare, and budget and finance implicated multiple council committees, as to delay its legislation. On the other hand, an account related by Applied Research Center researcher Yvonne Yen Liu attributes the delay to political contention at the citywide level around local hire provisions including racial and gender quotas (2009). In her words:

*[What was originally a] 35-page proposal, authored by members of the Los Angeles Apollo Alliance, had to be condensed and simplified in order to pass political muster. The original proposal detailed equity mechanisms to get people of color and single mothers into green employment, similar to the policy recommendations found in SCOPE's 2008 report on green career ladders. Those specifications made consensus by city officials and stakeholders difficult to obtain. The city wanted minimal obligations spelled out in the ordinance...*

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<sup>67</sup> According to Jennifer Ito, “Once we landed on really looking at the public sector as a driver to really lead and stimulate the economy and kind of this [building energy efficiency retrofits] sector. It just made sense that the jobs would be in-house and could build off the City Jobs model.” Consequently, SCOPE hired environmental policy and planning expert Jane Paul to examine potential connections between the City Jobs program and green career ladders associated with energy efficiency retrofits of city owned buildings.

Ben Beach, an attorney who legally advised the Los Angeles Apollo Alliance and spearheaded the drafting of the ordinance language commented that while city leaders were ready to embrace the core principles of the coalition and their green jobs campaign, they were less prepared to obligate the city to undertake specific measures with respect to work volume and content as well as targeted employment opportunities.

In the interim, SCOPE ensured that the Los Angeles Apollo Alliance and the green jobs campaign carried momentum and stayed on the radar of city officials and other decision makers. While conducting research and sharing findings, SCOPE continued to “[galvanize] community support for green jobs, with grassroots members going door to door, engaging residents about the need for green jobs as a way to address both the environs and poverty, collecting thousands of surveys, sending postcards, and making phone calls to elected officials” (Ranghelli & Craig, 2010). Between October and November 2008, SCOPE completed a survey of 9,097 voters in South Los Angeles. The results, summarized in a report entitled “Growing a Grassroots Green Jobs Movement in South Los Angeles” released the following spring, indicated an overwhelming belief on the part of South LA residents that: (1) clean energy investments made at the local level could improve their community through job creation, cleaner air, and green and open spaces; (2) government should be the leader in reducing air pollution and funding jobs programs; and (3) green jobs would not reach their communities without targeted policies and programs (Lee and Ito 2009). According to Jennifer Ito, “All of this was toward demonstrating broad-based support for this ordinance, and continuing to put the pressure on. I would say it was both an inside/outside strategy.” She elaborated,

*The process of working with attorneys from the city to actually craft this ordinance [was] going on at the same time [as we were] trying to build political leadership among city council and the mayor. [All throughout, we were] trying to demonstrate that this was kind of a grassroots, you know, that there was broad base support from a diverse stake of stakeholders. Also, it was really around [showing] that this was coming out of the need to address some of the ongoing problems happening in some of the low-income communities of color around LA.*

Besides participating in the surveys, hundreds of South LA residents also formed delegations to attend council meetings and other public events (Lee & Ito, 2009).



Finally, in the early months of 2009, city officials communicated that the Green Retrofit and Workforce Ordinance would shortly see enactment. In turn, the Los Angeles Apollo Alliance began to shift from organizing and policy advocacy to consider the process of implementing the ordinance. The research, publications, and community mobilizations undertaken in the course of three years demonstrated that the ordinance was developed with wide citizen input, particularly from historically marginalized groups, and innovative, not only in integrating workforce development with demand generation and environmental improvements, but also in terms of its planning process. For the first time in the city's recent history, a coalition of community, environmental, and labor organizations, had come together in a positive or prescriptive sense to set the foundations for a new economic sector based on shared principles and values. Rather than taking a back seat to the private sector, civil society actors took the lead in structuring an emerging market and designating an active role for the city, not only as an owner and manager of urban building stock, but also as a normative influence and trendsetter with respect to the national green cities movement and the private sector. However whether the policy would actually operationalize in a way that upheld the aims of the Los Angeles Apollo Alliance when push came to shove was an altogether different question.

Having grappled with the disjuncture between "theory" and "practice" while implementing the City Jobs Program, members of the planning committee such as Elsa Barbosa (SCOPE) and Teresa Sanchez (SEIU Local 721) took precautionary measures to promote program sustainability and democratic accountability with respect to the Green Retrofit and Workforce Ordinance. As elaborated by Ms. Barbosa

*What we put in the ordinance was actually based on lessons learned from our past campaigns. So what was key in this ordinance was establishing the program in the LA City mayor's office and calling for the hiring of the director of the program to be housed in the City of LA Mayor's office as well as the creation of the LA City Green Retrofit Advisory Council made up of different experts and appointed by different leaders in the mayor's office and on city council so that it wouldn't be something that SCOPE or the LA Apollo Alliance had to implement... and also bringing together this task force of all these different departments of LA City to come together to develop a policy and eventually develop a large scale program.*

In other words, institutionalizing the Program Director seat along with the Advisory Council and Interdepartmental Taskforce placed the onus on the City of Los Angeles to

implement the ordinance while affording SCOPE and other members of the Los Angeles Apollo Alliance a sense of closure. Following a measurably successful campaign, alliance members could retreat to an advocacy capacity if they so chose to. They could further utilize their influence over the Mayor and City Council to influence the appointments of the Program Director and Advisory Council members. What remained to be seen was the extent to which such measures could ensure delivery of an actual program in accordance with the “heart and soul” of the alliance and its green jobs campaign.

## **5.6 Community Scholars**

As a first step in the transition towards playing a more auxiliary role rather than a leading one, SCOPE engaged the Community Scholars Program, a joint project between the UCLA Department of Urban Planning, Labor Center, and Institute for Research on Labor and Employment (IRLE),<sup>68</sup> to create a roadmap for policy implementation. Taking place over a two quarter period split between the UCLA campus and the Labor Center, located downtown, the program brought together urban planning, public policy and public health graduate students along with local community and labor leaders to conduct practical research on pressing issues at the intersection of social justice and economic development. The year prior, the class had focused on the topic of Project Labor Agreements (PLAs) with local hire provisions on large scale, publicly subsidized construction projects as a means to generate pathways to viable construction careers in low-income communities. It thus provided an effective segue into the topic of green retrofits with union jobs completed with a targeted hire component on city-owned buildings. The instructor for the 2009 course, Linda Delp, had worked with Teresa Sanchez and Elsa Barbosa on the SEIU regional campaign to organize homecare workers in the 1990s and was now the Director of the Labor Occupational Safety and Health Program (LOSH) at the IRLE.<sup>69</sup> In preparation, she

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<sup>68</sup> Community Scholars was established in 1992 by activist scholars Jacqueline Leavitt and Gilda Haas, both on the Urban Planning department faculty.

<sup>69</sup> As a popular education expert with an interest in occupational health and safety, Dr. Delp had previously worked with SEIU as the Western Region Director of Health and Safety, which entailed supporting union organizing efforts of homecare workers. While subsequently pursuing her Ph.D. at the UCLA School of Public Health, she took the Community Scholars class with Jackie Leavitt to develop a keen interest in using the underlying research and pedagogical model to explore issues at the intersection of urban planning, public health, and labor. Later, as the director of LOSH, Dr. Delp partly oversaw worker health and safety trainings,

met with Elizabeth Stewart from the UCLA Labor Center/California Construction Academy, along with Elsa Barbosa and Joanna Lee from SCOPE to clarify the objectives and structure course content.<sup>70</sup>

Among the goals of the Community Scholars course, entitled “Green Collar Jobs, Green Buildings & Social Justice: Pathway to a Sustainable City,” was that of researching and elaborating policy content for the Green Retrofit and Workforce Ordinance to accord with the overarching vision of the Los Angeles Apollo Alliance campaign. In delegating such a task to the Community Scholars, the Los Angeles Apollo Alliance obtained political insulation for the last leg of its green jobs campaign. As recalled by Clare Fox, then an urban planning graduate student:

*The Apollo Alliance hat is more about policy advocacy and movement building, whereas wearing the Community Scholars hat is about leveraging the resources of UCLA and communicating that this is a university-based research initiative to promote the best implementation of this ordinance we can generate... there's a certain level of credibility that comes with that relationship to the university. So the LA Apollo Alliance can come to the UCLA Community Scholars arena and says, 'OK university partners, will you look into this and come up with recommendations and best practices? Will you create a research document to support the new director and the committee as the ordinance unfolds?'*

Through the first quarter, the class elaborated on how the Green Retrofit and Workforce Ordinance might contribute to the prevention of climate change in Los Angeles, existing

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as well as a minority worker training module (that emerged as part of a broader federal response in the late 1990s to demands by the environmental justice movement to not only conduct hazardous waste clean up in communities of color but also employ local residents).

<sup>70</sup> As a university affiliated community-based center for research, education, and policy development, the UCLA Labor Center's aims to develop working partnerships between labor, community, the university, and students to advance the goals of creating good working standards and healthy workplaces as well as to develop economic strategies (Le, 2012). In staying abreast of emerging trends in the broader economy, the Labor Center had become involved in discussions at the national level with the founding leadership of the Emerald Cities Collaborative (ECC) since 2007. Like the Apollo Alliance, Green for All, and the Blue Green Alliance, ECC offered a model for "greening" metropolitan areas in high-road ways that advance equal opportunity, shared wealth, and democracy" through broad-based partnerships forged at national and more local scales (ECC, 2012). However, it was also distinct in encompassing development intermediaries with discretion over urban real estate. Also, they had gained unprecedented commitment from the AFL-CIO Building and Construction Trades Department to in the form of multi-craft core curriculum development and outreach to their state, regional, and local level constituents to allow young people and entry level workers from historically marginalized communities unprecedented access to career paths in any of the Building Trades in return for those communities contributing to the support for unions and labor standards. In parallel, the Labor Center had been working with the building trades at the local, regional, and state levels, through its California Construction Academy and Black Worker Center programs, to promote environmental sustainability, inclusion, and diversity through coalition-building, advocacy, research, and popular education.

landscape of workforce development programs, promotion of worker and community health, and democratic engagement and progressive movement building (Delp et al., 2009a).

In the process of convening on a weekly basis a diverse mix of students including UCLA graduate students from the departments of Urban Planning, Public Policy, Community Health Sciences and Mechanical Engineering, as well as representatives from local environmental and social justice organizations, service sector unions, and the building trades, the Community Scholars course additionally strengthened the multi-sector alliance at the heart of the policy campaign. In the earlier stage of coalition building, SCOPE helped distill shared concerns and forge a common alignment on the vision of green economic development and broader progressive agenda in Los Angeles among Apollo Alliance member groups. Now that the policy outlines and stakes were becoming more concrete, the situation called for continued buy-in and collaboration on the part of the multi-sector alliance. In particular, the task of forging a clear pathway from the vocational worker category, represented by SEIU, to journey level careers in the various building trades required a multi-trade agreement with the City. The fact that several of the unions were engaged in inter-trade jurisdictional battles over green construction and maintenance work only complicated the matter. Clare Fox later clarified the contribution of the Community Scholars course, "With the organizing to support the retrofit ordinance, there were unions that were part of that coalition, but the length and depth of the engagement with the trades maybe wasn't quite there yet. So I think the Community Scholars class was where that began to deepen." Besides the diverse mix of students, teamwork cutting across sectors and areas of expertise promoted an interactive and integrative dynamic.

A few weeks after the Community Scholars mid-term presentation at the UCLA Downtown Labor Center to a group of distinguished guests on March 18th, 2009, the Deputy City Attorney finally approved the Green Retrofit and Workforce Development Ordinance. Subsequently put up for vote before the city council on April 8, 2009, the initiative won unanimous approval. According to the terms of the ordinance, the Green Retrofit and Workforce Program would be housed in the Office of the Mayor and overseen by a Program Director, Green Retrofit Advisory Council, and Interdepartmental Taskforce. The goal of the program was to retrofit all city-owned properties that were over 7,500

square feet or built before 1978 to meet standards of LEED silver or higher.<sup>71</sup> The ordinance contained no formal Project Labor Agreement or Local Hiring Provision, stating only that “the proprietary interests of the City will be advanced by the use of project labor agreements, where the legal criteria for their use exists” and “to the extent feasible and permissible by applicable law, the Program will require the work performed under the Construction Contracts associated with the Program be performed by local residents,” meaning those residing “within the zip code containing at least part of one census tract with a rate of unemployment in excess of 150 percent of the LA County unemployment rate.” At the same time, it specified as part of the Interdepartmental Taskforce and Advisory Council’s responsibility the provision of recommendations on PLAs, memoranda of understanding, and local hire for all work required by the program as well as on how to promote green career paths and inner city economic development, the latter though “supporting small and disadvantaged green businesses.” It further required half of the first five years’ retrofits to take place on city facilities located in areas with relatively high levels of poverty and unemployment.

Where the language of the ordinance with respect to the scope and content of efficiency measures as well as workforce development was fairly ambiguous, the Community Scholars focused the second quarter’s research on specific steps to implement the ordinance in accordance with the ethos of the Apollo Alliance campaign and the framework laid out during the previous quarter (Delp et al., 2009a). As part of the research process, the student teams reviewed existing literature as well as conducted a detailed case study of the Vernon Branch Library, a future project site, auditing the building’s energy use using LEED criteria and interviewing building users. In conducting the building audit, they worked with a LEED Accredited Professional (AP) along with staff from the General Services Department, which was the city agency responsible for building maintenance and ultimately administering the Green Retrofit and Workforce Program. Through the course of the summer, the students shared their findings in two major presentations, the first

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<sup>71</sup> Toward this end, the ordinance required consideration of thirteen elements in developing the retrofit plan, namely water efficient landscaping and irrigation, HVAC systems, mechanical systems, water conservation systems, refrigeration systems, retrofitting lighting and electrical systems, retrofitting all energy consuming elements, improving indoor air quality, sustainable carpet, sustainable maintenance, titanium dioxide window treatments, solar, geothermal and other renewable energy systems, and cool roofs.

addressing an audience of 85 policy makers, labor and community leaders at City Hall. The second presentation took place as part of a community conference called “Working in Unity, Greening our Communities,” which drew over 100 attendees and focused on the question of how to move the ordinance forward in the given sociopolitical and economic environment.<sup>72</sup> Following, Linda Delp and Elizabeth Stewart summarized the results of the Community Scholars’ two quarter long research in a final report entitled “Green Buildings, Good Jobs, Safe Jobs: Social Justice Pathways to a Sustainable Los Angeles” along with a technical working paper entitled “Roadmap to Retrofits” (Delp et al., 2009b; Delp and Stewart 2009) Intended to guide the Green Retrofit Program Director, Advisory Council, and the Los Angeles General Services Department in their initial stage of “creating a model program that can be adapted in other cities, in the private sector, and beyond” (Delp & Stewart, 2009). The two documents stood more as a testament to the hopeful aspirations of the Los Angeles Apollo Alliance and Community Scholars than the thorny challenges that would accompany the process of implementation.<sup>73</sup>



**Figure 5. Program Timeline**

<sup>72</sup> Additional speakers at the conference included L.A. Deputy Mayor Larry Frank, Krista Kline from the Mayor’s Office, Romel Pascual of L.A. City, Andrew Westall from Councilman Wesson’s office, Elsa Barbosa and Gloria Walton of L.A. Apollo Alliance/SCOPE, Teresa Sanchez of SEIU Local 721, UCLA-LOSH Director Linda Delp, Jane Paul of the Green L.A. Coalition, UCLA Labor Center Director Kent Wong, and Daniel Villao of the California Construction Academy (CCA), Senior Labor Advisor to the CCA David Sickler, Richard Slawson of the L.A./O.C. Building and Construction Trades Council, Professor J. Phillip Thompson of MIT, USC Professor in American Studies and Ethnicity Manuel Pastor.

<sup>73</sup> In Ms. Fox’s words, the first report was intended to “[ensure] the retrofit advisory committee understood the full extent of the buildings, good jobs, all the potential within that but wasn’t as precise to energy efficiency building retrofits.” On the other hand, the latter document was “more technically precise around the building mechanics and the needs of energy efficiency retrofit and moments within the retrofit process that could be leveraged for social goals” (Fox, 2011).

## **5.7 Program implementation**

### *5.7.1 Funding challenges*

The Green Retrofit and Workforce Program built on some of the strengths and lessons of the City Jobs Program but also faced similar financial hazards in focusing on public sector employment. The City Jobs program initially relied on the Welfare-to-Work Grants Program to confront dramatic decreases in funding over the years before accessing Workforce Investment Act (WIA) funds (Aaron et al., 2002). Moreover, the program saw a decline in overall civil service job opportunities when the City placed a hiring freeze on all departments amidst the economic uncertainty of the early 2000s. In the case of the Green Retrofit and Workforce Program, the City Council passed the ordinance shortly after President Barack Obama signed the American Recovery and Reinvestment Act (ARRA) in February 2009.<sup>74</sup> By the spring of 2010, the City received \$34 million in Energy Efficiency Conservation Block Grants (EECBGs) of which \$13.8 million went to the General Services Department to cover initial material and labor costs for the Green Retrofit and Workforce program. In addition, the Community Development Department and Workforce Investment Board received WIA appropriations through the Stimulus Act and subsequently issued a Request for Proposals to solicit applications for a series of competitive grants totaling \$7 million.<sup>75</sup> In tandem, the same forces of economic recession that brought the Stimulus began to take a toll on the city's general revenue fund. Los Angeles and other Californian cities were particularly inclined towards budget challenges in the wake of the housing and financial crisis since Proposition 13 had constrained the ability of the state and local governments to raise revenue for basic services beginning in 1978.

The start of the Green Retrofit and Workforce Program unfolded in a general political climate of fiscal austerity within the city while overlapping with a temporary windfall brought on by the Stimulus. As the Community Scholars gave their final presentations in the summer of 2009, the City Council approved a plan to initiate early

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<sup>74</sup> In addition to \$500 million in WIA funding for green jobs training, the "Stimulus" allocated Energy Efficiency and Conservation Block Grants (EECBG) funds to states and cities to support initial planning processes.

<sup>75</sup> This included \$4 million to support development of vocational training/bridge programs to serve a total of 1,000 dislocated workers through the WorkSource System and \$3 million for training another 1,000 individuals in designated High Growth, High Wage employment sectors.

retirement for 2,400 workers and postpone raises for thousands of workers in order to “balance the budget without laying off workers or closing City Hall two days a month” (Zahniser & Reston, 2009).<sup>76</sup> Among the core recommendations of the Community Scholars had been that of beginning with a mix of ten to fifteen buildings (representing a range of building categories) in a pilot stage financed by public monies obtained through the Stimulus Act. The idea was to not only perform efficiency measures on the buildings but additionally document and track reductions in energy use and green house gas emissions, water conservation, job creation and enhancement, cost savings and improved health and safety conditions. Based on the quantified energy savings, the City could expand the scale of the program, partly by bringing in private sector funds from socially responsible investors for a municipal revolving energy fund. To the extent the program became self sustaining, with monetized energy savings covering future retrofit work and the cost of additional retrofit workers, it could expand public sector jobs in green construction and maintenance leading to building trades careers regardless of the city’s fiscal circumstance. The key was to maximize use of Stimulus funds in the pilot stage to emerge with the measurement and verification system, finance mechanism, and hiring and workforce development system in place.

### *5.7.2 Planning the Green Retrofit Career Academy*

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<sup>76</sup> As told by Jason Elias, Regional Coordinator at SEIU 721, in 2007, the Coalition of LA City Unions, representing 22,000 workers including librarians, 911 operators, traffic officers, maintenance workers, wastewater treatment operators, and others had negotiated a series of employment contracts with the City that guaranteed raises of five percent and other enhancements for five years. However, in 2008, the City Administrative Officer informed the City Council and Mayor of a \$200 million budget deficit looming on the horizon. In response, the coalition of unions supported the creation of the Early Retirement Incentive Program (ERIP), which would shrink the workforce and thereby offer structural relief on the deficit. When the Mayor showed an unexpectedly negative response, the unions offered a deal the following year that would defer for two years the raises negotiated as part of the previous contract to instead increase overall wages by 25 percent over 7 years rather than 5 percent per year over five years (essentially exchanging early retirement for pay raises). While an agreement was finally signed in October 2009 that guaranteed no layoffs or furloughs during fiscal year 2009 and 2010 in exchange for transitioning 2,400 employees into early retirement and union members paying off 1 percent of their respective retirement plans for 15 years, the City Council and Mayor reneged the following year by deciding to layoff 240 workers (the number went down from an initially proposed figure of 2,000 to 400 and finally 240) to save \$11 million. In fact, this move cost them \$98 million as a result of a clause reinstating the original terms (negotiated in 2007– of five percent raises for five years) in the event of failure to meet contract terms. Where the layoffs appeared as a political choice rather than a necessary action, the City provided affirmation in the form of vilifying public sector unions with the help of the media during the process.



From fall 2009, Teresa Sanchez and Elsa Barbosa began to convene stakeholders to plan the worker training component of the pilot green retrofit program. Despite the wide consensus among the Apollo Alliance and city officials early on about the suitability of Teresa Sanchez as a candidate for the Green Retrofit Program Director, the City took an entire year after the passage of the ordinance to make the formal appointment (interviewees repeatedly mentioned the challenges of operating on “bureaucratic time”). Aside from her work experience as the Policy Coordinator at SEIU 721 and Political Director at SEIU 347, Ms. Sanchez was an active member of the Los Angeles Workforce Investment Board. As one of the chief architects of the City Jobs Program and the Apollo Alliance campaign, she brought extensive expertise on workforce development models combining public sector leadership and union career pathways for low wage, unskilled workers of color. As delineated by the ordinance, she would bear the primary responsibility for development and implementation of the program, her tasks including convening and chairing meetings of the Interdepartmental Taskforce (cutting across 12 different City departments) and nine-member Advisory Council (which would only come together a year later).<sup>77</sup> To plan the “Green Retrofit Career Academy” in absence of the Advisory Council and even prior to her formal appointment, she worked with Elsa Barbosa of SCOPE and Linda Delp from the Labor Occupational Safety and Health Program at UCLA along with three workforce intermediaries— the Southeast L.A. Crenshaw WorkSource

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<sup>77</sup> The Green Retrofits Advisory Council took another year to come together for its first meeting. After hiring the Program Director, the City followed the terms spelled out by the ordinance in assembling the Advisory Council to encompass two labor representatives (one appointed by the Mayor and the other by the Council President), one LEED AP (appointed by the Energy and Environment Committee Chairperson), a representative of an environmental organization (selected by the Mayor), representative of an environmental justice organization (selected by the Mayor), workforce development expert (appointed by the HCED Committee chair), a representative of a community organization (selected by the Mayor), representative of an philanthropic organization (selected by the Council President), and academic in the field of architecture, engineering, or energy (selected by the Mayor). Among the Advisory Council members, Kim Craft from IBEW Local 11, Jason Elias of SEIU 721, Jane Paul from the Green LA Coalition, and Elsa Barbosa from SCOPE participated in the Los Angeles Apollo Alliance. Taking place once a month at City Hall, the Advisory Committee meetings additionally called in technical experts on an as needed basis in addition to receiving public attendees. As described by Teresa Sanchez, the committee structure was designed to encourage democratic accountability and control: “If you look at the ordinance, we built into it a transparent public process... the advisory council is a public meeting; we put up agendas everywhere and let people know to come. The advisory council meetings are in the daytime.” While the daytime meeting arrangement raises the question of accessibility, especially for low-income working families, Ms. Sanchez estimates public attendance as totaling up to 30 in some cases.

Center/UAW-LETC, Los Angeles Trade Technical College, and Worker Education and Resource Center, Inc. (WERC).

Where the initial conversations around the Green Retrofit Career Academy remained relatively abstract through the spring of 2010, it was only when the City of Los Angeles put out an open call for applications following its receipt of WIA stimulus allocations for green jobs that the group began to hash out logistical details. Following an initial rejection, Linda Delp from LOSH took the lead in putting together a second application. Learning of an opportunity to obtain funding through the National Institute of Environmental Health Sciences (NIEHS), Dr. Delp submitted an application for a minority worker training program that would “train individuals for jobs in the environmental field and construction industry with a focus on recruiting from underserved urban communities disproportionately affected by environmental exposures” (UCLA IRLE, 2011).<sup>78</sup> The proposal, which shortly won approval, assigned LOSH the responsibility of conducting worker health and safety from a popular education approach and put WERC in charge of basic skills training. Concurrently, Teresa Sanchez, occupying her new seat as the Green Retrofit Program Director inside the Mayor’s office from the summer of 2010, obtained supplementary Community Development Block Grant (CDBG) and Workforce Investment Act (WIA) funds through the Community Development Department. As a rule, the funding could not be utilized for research and planning but rather only for actual job placement or training, which in turn had to be completed within the grant period. Where the allocation required administration through a designated WorkSource center, the Southeast L.A. Crenshaw WorkSource Center/UAW-LETC stepped in to play the role. Los Angeles Trade-Technical College, on the other hand, offered training capacity in green certification and more basic, hands-on construction skills along with teaching facilities and other resources

### *5.7.3 From job creation to job retention*

Initially, the group had hoped to spend some time sorting out the curriculum, preparing the career ladder (going from the vocational worker classification into building trades apprenticeships), and working with the General Services Department to designate

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<sup>78</sup> The application was submitted in partnership with the University of Washington as a two-city program (in Seattle and Los Angeles).

the initial set of buildings to be retrofitted in the pilot phase; instead, the funding stipulations required direct advancement into training. The pressing need for practical action only intensified into the fall, as the City prepared to lay off 240 workers, 107 of them from the General Services Department (GSD). The layoffs fundamentally shifted the nature of the problem from one of job creation to job retention, posing questions about of continued pertinence and survival for the Green Retrofit and Workforce Program. In hindsight, the signs were there from the beginning when the city council approved the plan for the Early Retirement Incentive Program. However, it was only when GSD, the city agency that would be administering the Green Retrofit and Workforce Program moved to let go some of its own staff that the impossibility of hiring new workers, at least in the near future, settled in.

Approaching the Green Retrofit Career Academy planning team with news of the layoffs, Teresa Sanchez requested that they work together to train forty of the reassigned GSD workers for the Green Building Retrofit program.<sup>79</sup> The impending layoffs made the situation especially urgent, as the training program needed to proceed quickly in order to ensure reassigned workers had continued employment. Despite initial deviation from the original plan of creating new jobs for disadvantaged workers and residents of low-income and other historically marginalized communities, they could presumably create more green retrofit jobs down the line by running a successful pilot and raising private capital to expand the program to the citywide level. Deputy Mayor Larry Frank summarized the situation,

*Initially we hoped these jobs, especially the ones funded with these ARRA dollars, would be able to hire new folks from the community. But when the early retirement happened, it was premised on us not hiring new workers, because if we did, then our pension liability would be greater and then all the evaluation that went into figuring out the program would be undercut. So the only way to use these dollars to hire people in the city was to hire people facing layoffs.*

As it played out, staff from the Community Development Department (CDD) led the selection and hiring process, as the General Services Department appeared reluctant to assume ownership of the process. As Teresa Sanchez described the proceedings,

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<sup>79</sup> The number was based on the amount of available funding.

*They kind of focused on that group of 107 and let them know this opportunity was available. The workers had to go through an application and interview process. It wasn't just a transfer to another job. So there was a self-selection as well as an interview process. The interviews were done by [CDD staff], so they were hopefully technically neutral. Not everyone made the cut.*

Recalling the events two years later, Jason Elias of SEIU 721 addressed the failure on the part of the Program Director and himself, despite holding the most knowledge among Los Angeles Apollo Alliance members about the city workforce system, to exercise more oversight over the process. He commented, "I think Teresa had just moved from the union to work for the mayor, so she didn't want a perception that she wasn't being 'objective' or stalling the process. I wanted to be careful too... unions choosing people for jobs! But what's ironic is that we would've been more fair and objective in choosing participants for the program." Teresa Sanchez added that she had in fact represented some of the laid off workers while working for SEIU 721 and sought to avoid potential allegations of bias in selection and hiring. In hindsight, she indicated, "I should have brought my expertise. I could have better explained what the program was about and helped inform their choices to participate. CDD didn't really understand the full scope of the Green Retrofit Program and ended up getting some people who didn't want to do the kind of work involved."

As for the other coalition members, the occurrence of layoffs and reassignments internally within the system of city bureaucracy limited the extent to which they could exercise any discretion. For some, the developments came as a surprise. In the words of Clare Fox, who had moved into her new position as Project Coordinator of the California Construction Academy at the UCLA Labor Center following completion of her graduate studies at the UCLA Urban Studies Department,

*[The training program] was coming together. We had the funds for it. That was great. Then it became clear that we didn't really have space for community members, because how could you bring in new community hires when 240 city staff were about to be laid off? Then the focus became rerouting, saving people from lay off, at least 40 of them, rerouting them to a new career path in green retrofit and construction. In the end 40 people were selected. The pitch to them was, 'You won't be laid off if you go in this direction. Here's this great opportunity... you can apply for it.' There was a lot of transition so it wasn't always very transparent as far as what information workers were getting and how they were being selected.*

Understandably, the Program Director was undergoing a transitional process as a policy advocate entering city hall from the “outside.” The long-term viability of the program partly hinged on her ability to cultivate collaborative relationships with the General Services Department management and other city staff. However, being “objective” and respecting “the process” also carried consequences in the form of loosened democratic accountability and control over the policy implementation process. While the coalition had planned from early on to institutionalize the Green Retrofit and Workforce program within the administrative jurisdiction the city, which inevitably entailed working within its system of governance, whether formal or informal, some of its members were unprepared for such a sudden shift in dynamics or the lack of transparency.

Following the reassignment of incumbent workers, the Program Director took the bold step of assuming public accountability. Given the countless hours spent by the Los Angeles Apollo Alliance and its grassroots membership campaigning for employment opportunities for low-income communities of color, the divergent outcome placed a potential strain on relations between coalition members and the city. She described the experience,

*I've been going out to community public meetings with the Mayor when this comes up for discussion. So people want to know what's happening; why can't we hire more people; why can't we do it quicker? It's a challenging education process with the community in terms of what's happening but its worthwhile because the more people understand, the more they can help us.*

Deputy Mayor Larry Frank shared his perspective on the matter, “It was definitely a compromise for the community, in my opinion, in terms of what they got, but when they found out who these people were— that they live in their communities— it suddenly changed the feelings of those people working hard on this effort.”

Linda Delp also spoke to some of the overlaps between the demographics of the reassigned workers and the original policy aims in commenting, “It was very clear that certain percentages of the people are from the communities we want to be hiring from... we know what zip codes they came from.” In fact, the zip codes in which the Green Retrofit trainees resided had an average poverty rate that was 50 percent higher than the county

average.<sup>80</sup> Moreover, according to data collected by the City of Los Angeles, the forty reassigned were disproportionately African American and Latino, the racial breakdown being 30 percent African American (compared to the citywide average of 10 percent), 55 percent Latino (compared to the citywide average of 49 percent), 10 percent white (compared to the citywide average of 29 percent), and 5 percent Asian Pacific Islander (compared to the citywide average of 11 percent). The group was split between 24 men and 16 women, with the majority having worked as entry level Custodians, Clerk Typist and Messenger Clerks prior to their reassignment, although there was also a small number of journey level painters and other skilled workers. Based on self-reported data, we also know that six of the workers had criminal records, and the highest level of education completed by the median person was a high school diploma or GED equivalent. The median age was relatively high at 43, perhaps due to the city's particular approach to layoffs, which Deputy Mayor Larry Frank described in the following manner:

*Instead of laying off new workers, how about having people close to retirement retire early? So they're paying for the cost of early retirement, instead of laying off young people, low-income families. We laid off at the top. Instead of downward pressure, when we downsized city government, everyone had a chance to move up. And we didn't lay off at the entry level, which is where there's more diversity... so we made some headway on the bottom...*

All in all, the mode of incumbent worker reassignment might have been consistent with the ethos of the Green Retrofit and Workforce Program in prioritizing the most marginalized groups of workers. In their absence, the layoffs might have exacerbated the high rates of unemployment and poverty in the communities represented by the Los Angeles Apollo Alliance. While certainly plausible, such summations were largely rhetorical in the face of a significant setback with respect to new community hires, complete with a lapse of civil society engagement and oversight. Yet they served a valuable role in cohering and retaining community support, critical to the program's advancement.

#### *5.7.4 Structuring the training curriculum and Civil Service Apprenticeship*

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<sup>80</sup> This figure was tabulated using combined statistical data from the Labor Occupational Safety and Health Program at UCLA and <http://www.city-data.com>.

While the General Services Department and other internal city staff proceeded with the selection and hiring process, Teresa Sanchez and her partners at LOSH, WERC, UAW-LETC, and LA Trade Tech spent the month of August ironing out the structure and content for the training program. Having transitioned into a support role, SCOPE representatives were present at many of the planning meetings as the “eyes and ears” of the Los Angeles Apollo Alliance, but they did not actually work directly on the development of the training program (Fox, 2011). In designing the curriculum, the planning committee drew upon previous research by SCOPE and the Community Scholars while using the requirements posed by the NIEHS Minority Worker Training grant (i.e. so many hours of various subjects plus occupational safety trainings, etc.) as guiding posts. They additionally met with various city agencies that had a potential stake in program implementation, a process riddled with challenges as described by Vanna Tran of Worker Education and Resource Center, Inc. (WERC):

*In the city, everyone appears to have direct impact, which was so confusing to try to decipher who actually really has input that's valuable and who has the power to actually make some changes. [The Program Director] would find some person in the city that was willing to be able to work with us and give us good feedback and who was willing to help us. But someone who was their lateral partner would totally be on a different page. So she had to spend a lot of time trying to figure out who are our champions and who can help us, and getting them to escalate this to the top.*

Vanna Tran particularly struggled to adapt WERC's workforce development approach to her newfound context. WERC was initially established in 2002 by the Service Employees International Union (SEIU) Local 721 as part of an effort to provide training and education as well as promote high road job opportunities and career pathways in the health care sector for lower wage workers and job seekers in partnership with the Los Angeles County Department of Health Services. While not a member of the Los Angeles Apollo Alliance, WERC had received an invitation from SCOPE to participate in discussions about the Green Retrofit Career Academy given the latter's interest in replicating WERC's training model in the green retrofit sector. Where as work source centers like UAW-LETC tended to focus more on job placement and community colleges such as the Los Angeles Trade Technical College provided training oriented towards certification, the WERC training approach emphasized labor-management partnerships that began with addressing worker and

employer needs in setting educational pathways spanning family sustaining employment and progression up career ladders. Despite attempts to understand the needs of both employees and employers in designing the training program, Vanna Tran was only able to meet with representatives of GSD for the first time in early September. She recounted the meeting,

*We sat down and let them know we were doing this training for some of the workers that were being laid off. We asked, 'What do you envision them doing? Can you give us feedback?' No one really said anything. Everyone was just being coy. And finally the GSD representative said something along the lines of them not doing much work beyond what helpers do. So we said, 'Wow. O.K. Well can you explain to us what are day-to-day functions they could do?' They basically said sweeping, very menial tasks. So we said that we'll train them to know the basic concepts of what green construction is, what retrofit means, integrate some job readiness, expose them to skills that would allow them to prepare for a pre-apprenticeship. So that was tough.*

In the end, Ms. Tran felt the City's failure to share the details of the trainee selection and hiring process led to a lack of awareness about student background and expectations, which compromised her ability to prepare students for educational pathways and careers as opposed to providing simple training.

Where the trajectory of program participants beyond the Green Retrofit Career Academy remained unclear, Teresa Sanchez also enlisted the help of the California Construction Academy (CCA) at the UCLA Labor Center to research gaps in the existing workforce development pipeline for civil service construction and maintenance work and facilitate an agreement between the City, SEIU, and the LA/OC Building and Construction Trades Council around a Civil Service Apprenticeship to formalize the transition from vocational worker status to careers in the building trades. The Green Retrofit Career Academy embodied the first phase in training incumbent city workers and community residents in basic academic skills and concepts of green construction. The next phase of the workforce strategy entailed access to union pre-apprenticeships and apprenticeships enabling work in either the public or private sector. Therefore, CCA Project Coordinator Clare Fox uncovered various trade occupations related to the work of comprehensive building audits, green retrofits, and maintenance and operations. The intent was to essentially inventory specific trades in which vocational workers could enter pre-



apprenticeships with aims to “graduate” into apprenticeship. In concert, CCA Director Daniel Villao, a former business agent for IBEW Local 11 and a journeyman electrician, proposed the idea of the Civil Service Apprenticeship (CSA) as a pathway from entry level trainee to journey level craft positions along the green retrofit workforce development pipeline. Mr. Villao elaborated on the significance of this innovation,

*In most municipal environments across the country, apprenticeship programs don't exist. They only hire journey level workers or technicians and helpers, so the transition from a technician or helper position to a journey level position is sometimes impeded. Almost in all cases it's very difficult for a person who gets hired on as a helper or technician to move up. It takes years to move into a journey level role. There's no career track, and what the creation of Civil Service Apprenticeship does is allow for a career pipeline to be created and allows employers, or the municipality in this case, to control who moves into that process, as long they meet the criteria set by the joint apprenticeship training council, they can move bodies into those positions. They can hire workers as they need into each classification according to the skills they seek to fill. In the end, those folks are in a 40-hour workweek environment but they go to school with the building trades apprenticeship program according to their trade. So what the municipal employer ends up with now is a developed career track that moves workers from trainee positions to journey level worker positions, trained on their specific systems and generating savings along the way.*

The CCA helped clarify the mutual gains inherent in the Civil Service Apprenticeship for both the City and the building trades. For one thing, the City would accrue cost savings, as repairs on city infrastructure systems would no longer be performed by two journey level workers, as done previously, but rather by a journey level worker paired with a civil service apprentice for a fraction of the rate. The CSA would also help the city retain skill and knowledge with respect to its byzantine infrastructure, in turn alleviating burdens of the impending retirement of aging baby-boomers. As for the building trades, the CSA would enable quality control with respect to the hired workforce, which would represent a shift from the existing practice of representing municipal employees through memoranda of understanding without controlling how the municipality does the hiring. They would further benefit from increases in construction work and maintenance services undertaken by the City as a result of cost savings.

Despite significant progress on the part of CCA in gaining buy-in from both the City and the LA/OC Building and Construction Trades Council, the Civil Service Apprenticeship required a Memorandum of Understanding between the two entities, which would

inevitably entail rounds of back-and-forth between their respective teams of lawyers. On the other hand, the timeline for the Green Retrofit Career Academy was more immediate as to render its relation to the landscape of building trades pre-apprenticeship and apprenticeship programs ambiguous. According to Vanna Tran,

*They were like we have pre-apprenticeship training, what are you guys doing? So we made it clear that we are not claiming to be a pre-apprenticeship program. We value the pre-apprenticeship and apprenticeship programs that they have. We just want to make sure that people have basic skills in order to actually access these programs. Because [we know of] people who apply or try to take their exams and don't make it because they can't meet the 10th grade level [math and reading requirements].*

In other words, the Green Retrofit Career Academy went as far as becoming politically palatable without actually counting towards any of the pre-apprenticeship or apprenticeship requirements posed by the building trades.

### **5.8 Commencement of the Green Retrofit Career Academy**

In September 2010, the Los Angeles General Services Department hired 40 workers previously slated for layoff by the City under the vocational worker classification. The participants received a maximum salary of \$28,065 and had access to full family health benefits and the Los Angeles City Employees Retirement System (LACERS). As a first step, the participants registered for WIA services at the South Los Angeles WorkSource Center/UAW-LETC, where they also received skills assessments in math and reading levels. Following, they received classroom and “hands on” instruction in construction skills for forty hours per week for a total of ten weeks, the curriculum covering English, Math and Science, Computer Technology, Construction Technology, Green/Sustainability Construction Theory, Industrial Health and Safety, Occupational Health and Safety, and Environmental Justice. Basic skills training took place at the WERC Van de Camp campus and the remainder of the program, at LA Trade Tech, with the course instructors comprising faculty from LA Trade Tech, WERC, and UCLA LOSH. According to Vanna Tran, there were multiple instances of miscoordination, partly resulting from the rush to begin training combined with there being “too many cooks in the kitchen.” For example, students were subject to numerous orientations by various groups of instructors and administrators, the latter in some cases disrupting classroom instruction with human

resources protocol. On the LA Trade Tech campus, students were unexpectedly denied library access and other student services as well as relocated (after the first week) to old classrooms lacking air conditioning and surrounded by ongoing construction on the basis that not all of the instructors were adjunct faculty at the community college (Tran, 2011).

During the course of 10 weeks, students were exposed to a variety of epistemological frameworks and pedagogical styles ranging from direct instruction to popular education. The incorporation of the latter, despite its indirect relation to the practical execution of green retrofit work, to some degree resulted from the ample time frame afforded by the General Services Department's delay in lining up the initial set of retrofit projects. As described by Linda Delp,

*We had an opportunity to build in political education and activism into the class, partly because the City said, 'We need the training to take up this much time, because we're not quite ready for them to go in jobs.' Normally there isn't enough time to do what you would like to do. We could have just have easily been told, 'We want you to train them so they can get their 40 hour Hazwoper certificate, and get their lead certification and asbestos certification period. You have no more time.' Then we would have incorporated bits of that political education and activism into more technical certification classes, but we were lucky that we could do a week of environmental justice to give people a bigger picture.*

In what follows, we focus more on the content of the popular education component of the Green Retrofit Career Academy, given its relation to the theme of building civil society in the economic sphere to further economic democracy. As we discuss the implications in fuller detail in the final chapter, here we will provide more of an overview of the approach and content.

Among the trainers of the Green Retrofit Career Academy, one section led by Dr. Linda Delp and including other representing LOSH and WERC, believed that "job training program in general should not be just teaching people to do certain skills so they can get a job" but additionally about "consciousness raising, critical thinking, critical analysis, [and] cultivation of an ability to take action to influence [one's own life]" (Delp, 2011). Carrying her pedagogical approach into the classroom, Dr. Delp helped students situate the Green Retrofit and Workforce program in the context of broader environmental and economic

issues and the social movements, in part highlighting the role of collective action and human agency in engendering social change. In her words,

*We talked about the fact that these jobs didn't just drop out of the sky but that they were going into these jobs for a couple reasons. One is that we have an environmental crisis on our hands in terms of climate change and natural resources conservation and the conservation of our planet. At the same time we have an economic crisis on our hands. So green jobs is all about, bringing those together and addressing both of them. But that doesn't just happen. People are organizing around that. We did a whole timeline for environmental justice to make the links historically to the fact that nothing's ever happened without some kind of movement or without community or labor or both of them together organizing for some kind of change. And that's what the LA Apollo Alliance is all about.*

Hence the lessons helped dispel any sense of “phantom objectivity” that might surround the participants’ conception of the green retrofit jobs, underscoring the human actions that brought them into being. Moreover, they illuminated the broader significance of the work with respect to tackling global climate change and resource scarcity along with the economic recession.

To localize and concretize some of the discussed social trends, Communities for a Better Environment (CBE), one of the environmental justice organizations participating in the Los Angeles Apollo Alliance, took the students on a “toxic tour” around Los Angeles that exposed them to local sites of environmental contamination as well as groups that were organizing to improve to bring about improvements. A subsequent mapping exercise revealed the locations of environmentally hazardous sites around Los Angeles County to overlap with where many of the students lived. As recalled by Dr. Delp, “It was clear that environmental justice was not just an issue that affected other people. There were students who said, ‘Oh, I live right in the middle of the superfund site.’” Where the intent of the class was to go beyond presenting an ominous circumstance to additionally stimulate ownership of the issue and involvement in seeking solutions, the mapping exercise incorporated discussion about the various activist groups in the respective geographic areas to gauge familiarity with local activists along with willingness for engagement. Dr. Delp described, “So one guy was really involved in his kids' schools. He's been a little bit involved in environmental issues. He said, ‘I should take this to the activist parents groups at the school so they're more aware of stuff like this too.’” Where the Toxic Tour was paired with a visit

to Tree People, an environmental non-profit organization in Coldwater Canyon Dr. Delp recounted, "They [came back and] said, 'That was amazing! It's really nice to see that there's hope and that things can be done in a different way.' It was this feeling that through their jobs they would be contributing to improving the environment of the city."

Incidentally, the most difficult but perhaps resounding lesson came about unexpectedly at the eleventh hour. As the tenth and final week of training arrived, the General Services Department had yet to line up the retrofit projects for the trainees to begin work the following week. The second to the last day of training, a departmental representative met with the participants and when pressed to offer directions, conveyed a sense of uncertainty, intimating that some of the former custodians may even go back to their old jobs. Linda Delp recalled the response from the students, "They were absolutely demoralized. Some people showed up late [the following day]. Then people were just sitting there." In Clare Fox's words, "They were basically told, 'Welcome to your new career in green construction. This is a doorway into journey level trade work in the city system. You'll work on green retrofits.' For many of the re-hired city workers, this was an entirely new career path." Then suddenly, it appeared as though the green retrofit trainees would continue as vocational workers under the employ of the General Services Department, with the prospect of a civil service apprenticeship and green career in the building trades seemingly out of sight.

Rather than resign to defeat, Dr. Delp shifted the tone of the classroom by "[hosting] a process to get at the different concerns and anxieties" (Fox, 2011). As she described,

*We created a kind of power analysis on the board. We said we'd talked about 'the City,' which consists of different departments, the mayor's office, city council... The one person you met doesn't represent the whole city. We had just finished talking about environmental justice and how different groups in the community are players in making government decisions. So we said where did this program come out of in the first place and we drew a picture on the board. Now it's the Los Angeles Apollo Alliance that was the one pushing the ordinance to make this program happen. So what is the Los Angeles Apollo Alliance, what are the different organizations, and what's the status right now? We talked about representatives from the Apollo Alliance organization on the Green Retrofit Advisory Council established by the ordinance and meeting monthly to oversee this project. And what we did is broke them into groups and said what you're going to do is pretend that you're preparing to go to a city council meeting to talk about why this program should move forward and why you're interested in doing the work and why you're the best person to do the work.*

Asked about the response, Dr. Delp responded that she saw “a combination of hope and skepticism, kind of like, ‘We’ll believe it when we see it. We don’t *really* believe the City really has their act together for this.” At the visceral level, GSD’s cursory approach towards the Green Retrofit and Workforce program had broken the buoyance that affected the students through the course of the training. Yet as some of the trainers saw it, the students were also fortunate to have avoided layoffs and continued employment with the city regardless of the uncertainty surrounding their future career trajectory. They had not only gained classroom and hands on construction skills training but also undergone popular education as to access the preliminary means to deal with potential setbacks. At the conceptual level, the Green Retrofit Career Academy disrupted reifying tendencies that cast “the City” as monolithic and public policy as being handed down from above, pre-packaged and ready for implementation. The participants knew that the Green Retrofit and Workforce campaign and ordinance only came to bear through the hard work and coordination of the Los Angeles Apollo Alliance and its allies. In turn, they could expect the implementation of the program to demand concerted efforts by not only the General Services Department but also various other stakeholders, including the green retrofit trainees, as key beneficiaries of the program. Yet the fact remained that the trainees had only signed up for the green retrofit careers in order to avoid layoffs and never actively sought to become social activists or policy advocates on their own initiative. To what extent could strong buy in and willpower counter adverse practical circumstances?

**5.9 Taking the pilot to scale**

*5.9.1 From fifteen to fifty-two*

After months of delay during which the green retrofit workers performed basic building maintenance functions, the General Services Department worked with the newly appointed Green Retrofit Advisory Council and Program Director to finalize the list of 15 buildings for the pilot phase.<sup>81</sup> A few years prior to the Apollo Alliance campaign, the

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<sup>81</sup> The 15 buildings comprise the Lincoln Heights Recreation Center, Lake View Terrace Recreation Center, Fire Station 73/Reseda, Hollywood Police Station, Fairfax Senior Center, Van Nuys Recreation Center, Fire Station 91/Sylmar, St. Andres Recreation Center/South Los Angeles, Vernon Branch Library, Vineyard

department had hired a consultant to audit its building stock for basic retrofits. Of the entire sample of surveyed buildings, the group prioritized a set of one hundred and thirty from which it picked the initial fifteen. Following, the forty green retrofit trainees began executing green retrofits on the first fifteen buildings while gaining on-the-job training in the process and meeting with the Program Director every six weeks to check in about their status. Given the basic skill levels of the green retrofit trainees, GSD additionally hired five superintendents to manage the 40 vocational workers along with journey level workers and outside contractors to execute the higher-level work.

Eager to unveil the initial results of the landmark Green Retrofit and Workforce Program, the City planned a celebratory event for February 14, 2011. On this occasion, Mayor Villaraigosa and Councilmember Herb Wesson visited the Vineyard Recreation Center in the 10<sup>th</sup> district of South Los Angeles with over a hundred community, labor and environmental supporters in attendance. The Mayor announced, "With the support of the City Council, we are investing in a local economic stimulus program that addresses the challenges of long-term poverty and pollution through a comprehensive program that trains and puts Angelenos to work greening city buildings." Council member Wesson claimed, "The success of the city's Green Retrofit and Workforce Program is going to provide good jobs in low-income communities while facilitating the growth of the green economy. I'm proud that Los Angeles is the first city in the nation to develop this innovative program, and that we will be setting an example for other cities to follow our lead." The elected officials further acknowledged the unique contributions of civil society actors—namely the Los Angeles Apollo Alliance and the community-labor-environmental coalition at its core— in spearheading the green economic and workforce development program. SCOPE President Gloria Walton thanked the elected officials and hailed "the celebration of a model training program" that was "symbolic of what public investment could and should look like and really a prime example of how local and public ARRA dollars should be spent" (SCOPE, 2011).

In fact, the creation of "good jobs" had yet to materialize and the impending passage of House Resolution 1, which aimed to cut the federal budget for fiscal year 2011 by \$61

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Recreation Center, Brentwood Library, Platt Library, Cahuenga Library, Costello Youth and Senior Center, and Watts Senior Center.

billion, threatened the more immediate future of the Green Retrofit program. Where the bill was slated to rescind nationwide EECBG allocations, including the \$14 million that was supporting the Green Retrofit and Workforce program, SCOPE mobilized the Los Angeles Apollo Alliance to join with other civic groups and leaders in mass protest against the measure.<sup>82</sup> Despite eventually passing the house vote, H.R.1 underwent significant amendment as to leave LA's EECBG allocation in tact. Freshly reminded of the need for more sustainable sources of funding beyond Recovery Act funds, the Green Retrofit Program Director, Advisory Council, and General Services Department leveraged \$4 million of the \$14 million EECBG allocation to issue Qualified Energy Conservation Bonds (QECBs) for the second round of green retrofits.<sup>83</sup> To initiate the process, they hired third party auditor Partner Energy to glean from General Services Department's comprehensive list of energy audits on the city's building stock a subset of buildings for the next phase of green retrofits. In turn, Partner Energy recommended that the City take out an initial allocation of about \$12 million in QECB to retrofit a set of 52 buildings that would guarantee energy savings of at least 20 percent. Such savings were necessary to meet federal requirements for QECB issuance as well as demonstrate a return on investments for potential private sector investors for future rounds of green retrofits. In other words, it was the keystone to taking the Green Retrofit and Workforce program city wide towards the fulfillment of its

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<sup>82</sup> On March 23, 2011, thousands of Angelenos joined Mayor Antonio Villaraigosa, Councilman Richard Alarcon, Congressmembers Maxine Waters, Lucille Roybal-Allard, Karen Bass, Laura Richardson, and Judy Chu, and actor/activists Tim Robbins, Mimi Kennedy, and James Crowell in demonstrating their opposition to the proposed federal budget cuts. Local filmmaker Tess Cacciatore culled together images from the rally with photographs depicting the present widespread economic insecurity in America to produce a compelling seven-minute video entitled "Wake Up, Everybody!" which local activists widely distributed using email, websites, Facebook and other social media.

<sup>83</sup> As part of the Stimulus Act, the State of California received the authority to allocate \$381,329,000 in "tax credit bonds" to municipalities who could then use these sources of low cost debt to leverage private sector investment in energy efficiency retrofit projects. In August 2010, the Los Angeles City Council unanimously voted in favor of a resolution approving the issuance of up to \$37.7 million in QECB's (out of the \$39.8 million allocation made available by the State). According to Teresa Sanchez, "We started with a portion of the EECBG formula grant the city received from the DOE. Then we realized we could use a portion of that allocation to do a bond issue, which is also a part of the stimulus package the qualified energy conservation bond, which we have a certain allocation the city is allowed to access. We'll leverage that grant money into bond funds and that's at a subsidized interest rate and we are also exploring public private partnerships. As you know everyone across the country is figuring out how to make money on this stuff. So we are hoping to attract some private investment as well. We need to figure out how to measure their savings to roll that into an ongoing fund."



original aims to create new jobs for disadvantaged workers and residents of low-income and other historically marginalized communities in the process of greening city buildings.

Through the summer of 2011, the Advisory Committee drafted formal recommendations to the City on how it should proceed with a full scale, citywide implementation of the Green Retrofit and Workforce program (GRAC, 2011).<sup>84</sup> In particular, they recommended building retrofit and maintenance protocols, workforce development strategies, and long-term financing options. Their final report expressed concerns that “[hitherto] efforts have focused on low-hanging fruit—lighting retrofits, minor HVAC upgrades, and installation or tune up of energy management systems.” Lamenting “the limited scope [that] falls short of the comprehensive building retrofit program envisioned by the ordinance,” they recommended that buildings be analyzed for deeper energy savings and comprehensive water use audit as well as transition to indoor air quality management regimes emphasizing green cleaning and maintenance upon completion of the retrofits. In the area of workforce development, the Advisory Committee recommended more comprehensive and ongoing training for Green Retrofit workforce along with negotiation of two major agreements between the City and the LA/OC Building and Construction Trades Council to establish (1) the Civil Service Apprenticeship, and (2) a PLA to ensure any jobs outsourced through the Green Retrofit program are covered by a collective bargaining agreement and provide low-income community members access to local hire opportunities (GRAC, 2011). Finally, with respect to financing, the Advisory Committee’s recommended that GSD work with Partner Energy along with a subsequently contracted financial advisor, Justin Morehead of Seslia and Co., to establish a clear work plan for the 52 buildings (complete with a time line, list of prioritized buildings, and projected energy and cost savings) and institute a separate account for capturing monetized savings along with a measurement and verification program to ensure the long-term success and stability of the program. In what follows, we examine each of these recommendation areas more closely as well as the general dynamic between GSD and the Advisory Committee.

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<sup>84</sup> In part, they were following the letter of the ordinance, which charged them along with the Program Director and Interdepartmental Task Force with the responsibility of submitting to the City Council and Mayor for approval a plan to retrofit all city-owned properties that were over 7,500 square feet or built before 1978 to meet standards of LEED silver or higher.

### *5.9.2 Working with and around the General Services Department*

Among the major hurdles involved in deepening the scope of green retrofit work was the gap between the organizational culture inside the General Services Department and the holistic and creative thinking called for by the Advisory Committee and Green Retrofit and Workforce Program more generally. Where the nature of GSD's work was to manage city owned facilities and equipment, their strength was in consistency and reliability rather than pushing the envelope or thinking outside the box in any capacity. On the other hand, the Green Retrofit Advisory Committee consisted of various "trailblazers" whose myriad specializations included environmentalism, environmental justice, collective bargaining, community organizing, workforce development, LEED building standards, and climate change science and policy. Working on a volunteer basis, Advisory committee members not only attended monthly meetings but also met with council members, city staff, and other stakeholders on an as needed basis to advance the development of what they saw as a groundbreaking program at the nexus of sustainability, public health, and workforce and economic development. Among the unanticipated challenges was that of getting General Services Department to share their sense of investment and willingness for experimentation. Jane Paul, the Advisory Council member occupying the environmental organization seat, conveyed her perspective,

*It is difficult to institute new facility practices, to move away from what has traditionally been done. Instead you could look more deeply and comprehensively at the whole building – such as the building envelope, daily operations and maintenance to really make a difference for the building. If you go into a building and only look at four things, you're only going to come away with four ideas. But if you go in and also think about restoring the flooring, window film... and with that would come a different culture.*

Attempts to contact the General Services Department for comments on the Green Retrofit and Workforce program failed to generate a response. But Teresa Sanchez remarked on the challenge of mediating the dynamic between GSD and the Advisory Committee:

*I'm still trying to figure that out. GSD has a job to do, they have a certain amount of money that they have to spend, and that's what they want to do. Part of that's understandable, because they may not want to be responsible for making a mistake. Because I worked as the union representative for such a long time and have a*

*relationship with these folks, I can understand their problems. It's not that they don't want to do well; they just have other constraints. Then I've got these great GRAC members who want to do so much, and I have to help them understand what the constraints are in working with the City so they don't get frustrated and say why are we here, why are we wasting our time? I'm almost like a translator.*

Where the two sides appear to harbor different levels of commitment to the program, a key factor may have to do with the fact that the Advisory Council is a volunteer group that chose to participate in the initiative, while the management and staff of the General Services Department did not necessarily choose to administer the green retrofits of city buildings.

What might have been done differently to peak the enthusiasm of the latter to the level of the Advisory Council? Going back to the Los Angeles Apollo Alliance and its green jobs campaign, the focus of policy aims on enacting the ordinance rather than carrying out the entire Green Retrofit and Workforce program limited relationship building to focus on labor, environmental, and community organizations along with elected officials and less so on executing agents such as the General Services Department. As for the Community Scholars, some of the students met with staff from the General Services Department while conducting the energy audit of the Vernon Branch Library. However, as consistent with the objectives of the course, which centered more on a research and advisory capacity rather than policy implementation, the nature of interaction was transitory and transactional rather than being part of a long-term strategy of relationship building. Assistant Business Manager Kim Craft of IBEW Local 11 shared his insights as a participant in the Community Scholars class as well as the Green Retrofit Advisory Committee on the uneven understanding of the construction and building maintenance sector as relates to the city. He commented,

*I don't think people in the [Apollo Alliance] really understood how things functioned or took place in the city. A lot of the people hadn't dealt with GSD. I had through MOUs. On a lot of the jobs that were contracted out [by the department], we weren't doing that work, so we had some adversarial dynamics with GSD. So I understood and knew going in that it wouldn't go as easily or smoothly as everyone else thought.*

Asked why he failed to actively intervene within the dialogic space of the Community Scholars class to change the relational dynamics between policy advocates such as the Los Angeles Apollo Alliance and the General Services Department, Mr. Craft responded,

*I would have to be cautious because I didn't want to seem like I was negative and I didn't want to quell the hopes and aspirations of the younger people in the class who wanted to think out of the box. It was like, 'look, don't tell us what [we] can't do,' because no one wants to hear that... Some see obstacles others see opportunities about how to improve on how things were done in the past. A lot of the young people who had come through [the university], only a few had bought into the philosophy of the building trades and organized labor or even knew much about us. Not only did we have to start and create a program, we had to educate people why it has to be union jobs, why does labor have to be involved?*

In other words, Mr. Craft's past experiences working with the General Services Department had led to a particular understanding of its construction workforce arrangements that differed with that of the larger group of Apollo Alliance members and Community Scholars. At the same time, he was privy to an internal culture within the Community Scholars course that prioritized positive thinking and inventiveness. He also noticed a sense of ambivalence on the part of some of the members towards the employment relations and workforce development models embodied by the building trades and organized labor more generally. Therefore Mr. Craft felt hesitant to push the dialogic exchange from mutual engagement towards contradiction, contention, and debate. In the final chapter, we will revisit the significance of this position, which poses a contrast to the traditional dominance of organized labor in their partnerships with community organizations and other civil society actors in the final section. More immediately, Mr. Craft established a working relationship with the General Services Department in the course of serving on the Advisory Committee, during which he noticed a positive progression. In June 2012, he acknowledged, "The leadership of the GSD has come a long way. Before this ordinance was passed and this committee was formed, GSD pretty much did what they wanted to do, and no one had influence over what they did. So there's been a lot of improvement on that." At the same time, he injected a dose of realism, "Sometimes we have to be more aggressive; we have to apply more pressure here and there. Everyone likes to be nice, but sometimes nice guys finish last."

### *5.9.3 Setting green retrofit career paths*

With respect to the workforce development component, the contract language for the Civil Service Apprenticeship had been completed in the fall of 2011. The next step was for a city council member to introduce a motion instructing the personnel department and other relevant city agencies to operationalize the Civil Service Apprenticeship. Consequently, two of the Labor Representatives on the Advisory Council, along with representatives of the LA/OC Building and Construction Trades Council, approached Councilmember Bernard Parks with a request to introduce the motion. An African American former police chief now representing the 8<sup>th</sup> district, which covered a large portion of South Los Angeles and parts of Watts, the Councilmember Parks, carried a reputation for allying with downtown growth interests in the city. Consequently he had a tenuous relationship with many of the environmental, environmental justice, and community-based organizations on the Los Angeles Apollo Alliance, who often took oppositional stances on questions of corporate-led economic growth.<sup>85</sup> On the other hand, the building trades, given their more cordial relationship with the councilman's office, sought to extend him the opportunity to introduce the motion to create the Civil Service Apprenticeship program, which offered widespread gains among Angelenos. As explained by Green Retrofit Program Director Teresa Sanchez, "Our allies can have different relationships with different policy makers, and we can mobilize the coalition to get policy makers to work as an alliance." Where cultivating council members could help strengthen relationships over the long term, Green Retrofit and Workforce program advocates were strategic about dispersing the use of political capital among Apollo Alliance member organizations.

After almost nine months of inaction on the part of Councilmember Parks' office, the group decided to ask Councilmember Paul Koretz, chair of the personnel committee and representative of the 5<sup>th</sup> District, encompassing the City's West side and parts of the San Fernando Valley, to introduce the motion. Finally on June 6, 2012, Councilmember Koretz

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<sup>85</sup> For instance, Council member Bernard Parks helped bring Walmart into the 8<sup>th</sup> council district and later opposed a proposed ban to keep a Walmart supercenter out of Inglewood. He also received campaign donations from the retail giant.

introduced the motion calling for “the City Administrative Officer and the Department of Personnel to meet with the Los Angeles and Orange County Building Trades Council and craft a Letter of Agreement with regard to the establishment of a Civil Service Apprenticeship program and procedures” (City of Los Angeles, 2012). As part of the agreement, the City would be authorized to utilize the services of building trades apprentices along with journey level workers on maintenance and operations work on its facilities. Among the bases was to “offer and create pathways for local residents desiring entry into a skilled career with the City of Los Angeles” as well as “facilitate significant cost savings not currently being realized” (Ibid.).

Earlier in the year, Teresa Sanchez and the Advisory Committee members had arranged an orientation for green retrofit trainees to gain a more in depth understanding of building trades apprenticeships. Kim Craft described the “open house,” which took place at the IBEW Local 11’s Electrical Training Center in the City of Commerce, “We had all the different building trades come over and do presentations, an all day event, ‘this is what our apprenticeship program is all about,’ to see if the original group of forty would be interested in moving in to the different bldg. trades. Some of the problems you have with that, there are minimum requirements for different building trades.” He specifically referred to the requirement for a high school diploma and one year of algebra or equivalent. Mr. Craft also spoke to challenges posed by older aged workers, stating:

*It was amazing; a lot of people who came here said, ‘my son, my daughter... now that I’m familiar, I would love to get them into it, but I’m at a point in my career where I don’t have the time or energy to put into it.’ I think GSD will do a parallel position [to the civil service apprenticeships]; I don’t think that out of the 40, even 25 percent will move into the building trades. A lot of them are older, and when they look at the physical aspects of the work, they want to work maintenance, and don’t want to work construction.*

Jason Elias, Regional Coordinator at SEIU 721 and now Green Retrofit Advisory Committee member affirmed, “This program is good but we only created 40 jobs and 20 are going back to their old jobs.” As it turned out, GSD restored twenty civil service occupations, and Teresa Sanchez and Jason Elias met with the green retrofit workers to offer the option of returning to their old jobs, which half accepted. He added,

*Teresa and I realized that we allowed management to choose the people to go into the program, and they bullied a lot of people to go into the program without giving thought to who were the most qualified or likely to succeed. Management said, 'You'll get laid off if you don't take it.' And some of the workers were already vocational workers, and they didn't have a choice... they needed to move some folks out and into this program to mitigate the layoffs. The problem was the way they did it. The top said, 'Just find me some people.' It funneled down, 'You have to go to this program or you'll be laid off,' instead of, 'Who is interested?' So out of the people we got, about half of them were ready to go to a craft job.*

Hence the green retrofit trainees might have completed applications and interview processes after receiving solicitation from management, but this was a fundamentally different mode of engagement than one beginning with active interest and consideration on the part of applicants. The warning signals initially appeared during the Green Retrofit Career Academy when the General Services Department haphazardly handled worker reassignment towards the end of the training. However, the newfound energy and commitments radiating from the completion of the popular education module together with the continuing momentum of the Green Retrofit Program, despite its deviance from the original plan, partially muted signs of trouble. With the consequences of the selection and hiring process much more apparent, the task now was to ensure that the twenty remaining workers entered Civil Service Apprenticeships. According to Teresa Sanchez, the reduction of the Green Retrofit workforce was, in some ways, a “blessing in disguise,” as she doubted that the program could support more than 20 full time Civil Service Apprenticeship positions at the current stage. Next steps would include the General Services Department deriving a schedule of continued manpower with respect to green retrofit work and ensuring that apprentices have adequate hours of work along with a well rounded training experience to successfully complete the apprenticeship program. A critical piece of that would be implementing green retrofits at a deeper scope and broader scale.

The final component of the initiative’s workforce development framework had to do with instituting a Project Labor Agreement to cover green retrofit work outsourced by GSD in areas of lacking in-house capacity. Recently, the Public Works Department had adopted a PLA modeled after the landmark CRA/LA Construction Careers and Project Stabilization Policy. The policy compelled publicly subsidized developers and contractors on projects

exceeding a certain threshold to partner with the Building Trades Council and community-based organizations to ensure projects get completed in a timely and economical manner and create jobs for members of surrounding low-income and other historically marginalized communities. Where GSD projects including the green retrofits were smaller in size, the plan was to execute projects in aggregates of 25 to exceed the minimum size and budget threshold to warrant a PLA under the discretion of the Board of Public Works. In addition to the challenge of raising more funds was that of gaining buy in on the part of GSD management. As described by Kim Craft,

*We've been in several conversations, and we're running into opposition with the GSD structure. One of the problems in GSD is that they have people controlling the contracting and are not used to having anybody monitor them. Now we're saying there should be a PLA and that the board of public works should monitor those projects. Then comes in compliance; they have to pay a certain level of wages and benefits. So they say are saying, 'if it comes in on time and on budget why do we have to do all this other stuff? We don't want to get into it, we never had to.' It's the middle managers right now, because that's where the buck stops. The people at the top are told this is what you have to do. And middle management says we have all these restrictions, and all these relationships we've established, here's all these reasons why it won't work for us.*

Again citing the organizational culture of GSD as a barrier to the program's advancement, Mr. Craft highlighted the importance of balancing education with more coercive measures to help managers conduct their work to as a public service and maximize the "true benefit to the community." He posed the following questions as a guiding post for GSD, "Did we in fact expand a service to the community by building this? Yes we did. Did we benefit by putting people in the community to work? No. But under this new ordinance we suggest you are responsible for that." Beyond arguing on the basis of political correctness, Mr. Craft assured that the Advisory Committee was pursuing the channel of political demands.

#### *5.9.4 Long-term financing*

In the area of project financing, the City Council first issued a resolution to approve a plan of issuance for Qualified Energy Conservation Bonds around the start of the Green Retrofit and Career Academy. Following, the City hired Partner Energy, which recommended an initial issuance of about \$12 million in QECCB to retrofit a set of 52



buildings that would guarantee energy savings of at least 20 percent. With the bond issuance finally complete in December 2011, the City immediately sold \$12 million in QECCB to Wells Fargo. At the same time, the General Services Department looked to the Los Angeles County to help implement a measurement verification system to meet QECCB criteria as well as demonstrate program viability to potential private sector investors. In an effort to define major areas of energy use and improve energy management, the County had launched the Enterprise Energy Management Information System (EEMIS) project in the late 2000. Now the City of Los Angeles obtained contract agreement from the County to incorporate the former's building stock into the EEMIS system for a set fee.

In addition to measurement and verification, the Green Retrofit and Workforce Program required a revolving loan fund in which to deposit monetized energy savings in order to finance citywide retrofits beyond the first two phases supported by ARRA dollars. Following the sales of the QECCB, the Program Director and Advisory Committee learned of a program run through the California Public Utilities (CPU) Commission based on the public goods charge that would enable issuance of an additional \$27 million in bonds. Submitting an application in the summer 2012, the group waited to hear back from the CPU Commission on whether they might immediately qualify for an additional \$3 to 5 million in funds over the next fiscal year. Either way, the revolving loan fund would enable monetized savings to feed back into future retrofits as explained by Teresa Sanchez,

*The idea is you wall off a certain amount of money, you generate money in a certain way and you try to separate it out so it can be used for a specific purpose. Otherwise the problem you face is as you generate savings in dollars, that money would go back to the general fund, just cutting down what we have to pay in utilities. But we want to generate the savings and actually fund future investment, which is why we set it up that way.*

With dozens of Special Revenue Funds already existing in the city for various other projects, the Green Retrofit and Workforce Program could build on a number of helpful precedents including an existing energy efficiency and water conservation fund set up for the Department of Water and Power. Instructed by a city council motion, GSD staff worked with the city attorney to prepare an amendment that would restructure the fund to receive monetized savings through the Green Retrofit program to receive city council vote in

August 2012. Given the broader context of economic recession and public budget deficit, Kim Craft again maintained a pragmatic stance,

*I don't believe the city political system will allow all the funds generated to go back into the fund. But give us 50 or 60 percent of it. I think 100 percent ought to go back, but in the real world they won't give us 100 percent of anything. The [deputy mayors] will have to get in there. They have the biggest clout with the mayor's office and city council. You'll need one of them to really push to say, 'Hey, if we really want to give this thing the opportunity it deserves, 100 percent of the funds need to go back.'*

Teresa Sanchez was more optimistic particularly in light of the fact that the initial monetized energy savings would be no more than thousands of dollars as to temper incentives to divert their flow away from the special revenue fund. She also expressed confidence in Councilmember Paul Krekorian, the new chair of the budget and finance committee, who had a record of supporting progressive policy initiatives. As for Deputy Mayor Larry Frank, he related a stance of combined optimism and pragmatism:

*It's a very powerful argument to say this is a one-time opportunity to create the infrastructure for us to actually save residents money in terms of energy efficiency, and if we walk from the special revenue fund, we probably walk away from the program. It's a chance to take a one-time fund and turn it into permanent benefit for the city of LA. If the economy starts coming back, it's the perfect time to create the special revenue fund. But the deeper question is whether we can convince all the critics that the savings are there. So having the pieces in place to do so is in my mind an even deeper question. That question will go before council, but they have the perfect person—we are working with the council member of the 10th district, who happens to be the president of the city council, in developing this. So it's perfectly positioned as it could be.*

Besides connecting the special revenue fund back to the measurement and verification system as different pieces of the same puzzle, he also spoke to the role of the Program Director in ensuring the program's sustainability past the expiration of Villaraigosa's mayoral term. He stated, "Having Teresa [Sanchez] is the key to continuity. I'm gone in a year. The council president is here till 2019, which is very fortunate. Teresa could survive the transition, because she's paid off the mayor's general fund. She's not on the mayor's general fund." Simultaneously, the Advisory Committee and Program Director also explored the prospect of hiring a designated staff person to ensure deeper financial

expertise in monitoring the monetization of energy savings and manage the Special Revenue Fund.

#### 5.9.5 The Los Angeles Apollo Alliance

Lastly, SCOPE and the Los Angeles Apollo Alliance continued to see an evolving role with respect to the green jobs campaign and enactment of the Green Retrofit and Workforce Development ordinance. Upon transitioning into a support role in the implementation of the ordinance, they continued to convene on a monthly basis. On these occasions, SCOPE delivered regular reports on the status of the Green Retrofit and Workforce program and holding “educationals” on various issues related to progressive movement building and other overlapping longer-term objectives. Green Retrofit Advisory Council member Jane Paul described the division of labor and coordination of efforts between official policy leaders (i.e. Program Director and Advisory Committee) and alliance members, “We’ve been working with the Apollo Alliance to look at communications, education, and outreach around the green retrofits. We want to raise the visibility of the program, build people’s understanding and knowledge around it. We’re working on a one pager that the member organizations can put in their newsletters about the program.” In other words, where widespread public awareness and support of the program stood to advance the program in its current stage, the coalition began with its constituent base in working towards such an outcome.

Teresa Sanchez explained the compelling nature of the community engagement model at the heart of the Green Retrofit and Workforce Program,

*You don't see too many programs in the city where you have an outside constituency for a program, especially not something like this. In community development, for example, there are programs in the non-profit sector and they have a community constituency. But [elected officials are] definitely not used to something like this. Here they're not getting any money. They're the organizers saying we want you—the City—to do something for the city. So it's not a patronage model at all. With the elected officials, they see their constituency demanding something but it's not in the context of an electoral campaign per say or any kind of quid pro quo. It's more of a 'we're expecting you as city leaders to do something to benefit the create jobs and environmental benefits for the community.' So when we need to have a council meeting or a meeting with the mayor, it's very helpful to be able to call the troops who say this is what we want, this is what we need—to be able to show community support.*

In other words, the fact that civil society groups were proactively framing a community-based green economic development model as opposed to demanding social programs or other political patronage enhanced the program's appeal to elected officials. As for the Green Retrofit Program Director and the Advisory Committee, their ability to mobilize community presence at public events and hold city agencies and leaders democratically accountable translated into significant social and political capital in the policy realm where they otherwise lacked the upper hand. For instance, on February 7, 2012, SCOPE organized a Lobby Day where some of its members approached City Council members to underscore the importance of creating a Special Revenue Fund for the sustenance of the Green Retrofit and Workforce program and broader aim of job creation, environmental improvement, and economic development particularly in low-income and other historically marginalized communities. Following, the actual drafting of the ordinance claimed additional "bureaucratic time," complete with back and forth between the program advocates and various city agencies about the portion of cost savings due to accrue in the allotted fund as opposed to the city's general fund (still ongoing at the time of this writing). At the same time, if there was any question as to whether the passage of the ordinance appeased the Los Angeles Apollo Alliance and anybody was left to follow policy discussions on policy details as specific as the Special Revenue Fund for energy savings on retrofitted public buildings, Lobby Day eliminated potential ambiguities; policy makers could be sure that at the least, many of their constituents in South Los Angeles, were watching.

As for SCOPE, it maintained its commitment to advancing the Green Retrofit program while also pursuing broader organizational directions. Elsa Barbosa stated,

*In terms of the Los Angeles Apollo Alliance and the direction we're going into, one is again still having in front of us the larger vision of the Green Retrofit program in large scale as an economic engine for unionized jobs and entry level jobs for community people. So that's on the horizon. What's also on the horizon is that at the end of the day, there is also a feeling in terms of resources, that we could pass all the policies we want but there are less and less resources available to put these policies into place. So we really want to update our regional analysis as well as start to expand our thinking around the green economy and public investment to try and shape a future campaign that would strike at both the green economy as well as tax and fiscal reform.*

She elaborated on the connection between the organization's economic program and newfound commitment to tax and fiscal reform:

*What's great is that the innovative financing strategies for the Green Retrofit program is a possibility, but if we didn't have the federal stimulus dollars and this new market that still needs to be shaped, then there is no money, and in fact there is going to be less and less money when it comes to city, county, and state budgets. So it's something we really need to do, something about taxes, bringing more revenue into cities and states. It's no longer the case that the money's there and being put somewhere else. There really are less and less resources for the kind of changes that we'd like to make.*

In particular, SCOPE aimed to organize a statewide alliance to undo proposition 13, partly by mobilizing 30,000 low-income voter households in Greater South Los Angeles, which they had completed over a period of a year and half from 2010. Rather than viewing the tax and fiscal reform as a departure or progression from its economic program, SCOPE approached it as a foundational component of its ongoing work to restructure the local and regional economy. Likewise, green retrofits was just one iteration of coalition building, collective problem solving, and attempts to improve democratic accountability and control around economic policy and planning of which more would follow. In the words of Ms. Barbosa,

*LA is a large urban city. It has a huge building stock. So that's why we've engaged around energy efficiency. I don't think that just in and of itself, energy efficiency can automatically be good paying jobs, an economic engine, etc. As we've seen in other cities, it can be short term work, work for a smaller number of people than we'd really like. But the potential is there. We certainly did not plan to and we won't always do that. We will certainly move onto other potential areas, whether that's green manufacturing, renewable energy... but we're not, we just didn't come together on the energy efficiency tip.*

For SCOPE, energy efficiency was just the tip of the iceberg.

## CHAPTER 6: Conclusion

In this final chapter, we draw out theoretical and practical implications from our comparative case studies on the potentials of economic democracy as a “recipe for collective problem solving” in the economic sphere (Briggs, 2008; Dewey, [1927]1954). Various planning scholars have put forth the idea of building progressive civil society capacity in the economic sphere to broaden stakeholder control and accountability of capitalist markets. Management scholars like Michael Porter and Mark Kramer have also proposed “the big idea” of reinventing capitalism to create “economic value in a way that also creates value for society by addressing its needs and challenges” (Porter and Kramer, 2011). Below, I list elements of their conceptual framework as a point of reference before offering a critique based on the empirical evidence from my case studies. Following, I build on DuBois’ notion of double consciousness and Bakhtin’s formulations on dialogic exchange as well as draw from the case studies to lay out an alternative theoretical formula for shared value creation that focalizes the perspectives and experiences of inner city communities of color and considers terms of shared governance and collective problem solving as well as issues of program longevity and scale.

### **6.1 Reinventing capitalism through shared value creation**

#### *6.1.1 Porter and Kramer’s “big idea”*

According to Porter and Kramer, “business is caught in a vicious circle” in that it approaches “value creation narrowly, optimizing short-term financial performance in a bubble while missing the most important customer needs and ignoring the broader influences that determine their longer term success” (Porter and Kramer, 2011, p. 4). Negative ramifications include compromised customer wellbeing, depletion of essential natural resources and key suppliers, and economic distress of communities in which they produce and sell. In turn, they advocate a solution that “lies in the principle of shared value, which involves creating economic value in a way that also creates value for society by addressing its needs and challenges” (Ibid.). They see three distinct ways to create shared value, the first related to reconceiving products and markets to penetrate not only developing countries but also poor urban areas in advanced economies, where the

concentration of purchasing power offers substantial profit potential for companies. The second has to do with redefining productivity in the value chain, which might entail reexamining energy use and logistics, resource use, procurement practices, distribution models, employment and work arrangements, and corporate locational policies. The final component of shared value creation centers on building supportive industry clusters or geographic concentrations of firms, related businesses, suppliers, service providers, and logistical infrastructure. Each of these strategies “represents a new way of understanding customers, productivity, and the external influences on corporate success. It highlights the immense human needs to be met, the large new markets to serve, and the internal costs of social and community deficits—as well as the competitive advances available from addressing them” (Ibid., p. 15). Hence the co-authors outline an approach to capitalism that appears to share some overlap with the modes of green economic and workforce development embodied by the Evergreen Cooperative Initiative and Los Angeles Green Retrofit and Workforce Program in being long term, holistic, and socially and spatially embedded. A final point of convergence has to do with their observation that innovation often comes from the margins of society, Porter and Kramer noting, “Ironically, many of the shared value pioneers have been those with more-limited resources- social entrepreneurs and companies in developing countries. These outsiders have been able to see the opportunities more clearly” (Ibid.).<sup>86</sup>

A major point of divergence has to do with their conceptualization of the division of labor and needed commitments on the part of business, which remains steeped in philosophical liberalism. Acknowledging the importance of multi-sector partnership to shared value creation, the scholars state, “The most successful cluster development programs are ones that involve collaboration within the private sector, as well as trade associations, government agencies, and NGOs” (Ibid., p. 4). Yet they also uphold the premise of private sector primacy in asserting, “Companies must take the lead in bringing business and society back together” (Ibid.). Where governments and NGOs purportedly “see success solely in terms of the benefits achieved or the money expended” (Ibid.), they prescribe an

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<sup>86</sup> While they fail to delve any further, such observations interestingly accord with the notion of double consciousness, or the capacity of marginalized groups to perceive multiple facets of a system including its limits and constraints by virtue of experiencing their reality through their own eyes as well as being conscious of the perspective of the dominant group.

alternative whereby the former promote “well functioning markets” by highlighting societal objectives and creating a level playing field for companies and the latter handles “precompetitive issues” or the “softer” side of economic development work such as improving public education, reducing gender or racial discrimination, upgrading transportation infrastructure, and alleviating poverty as to boost the productivity of a cluster or location. They also envision “forward thinking foundations” serving the role of “honest brokers” that “mitigate power imbalances between small local enterprises, NGOs, governments, and companies (Ibid., p. 13). In addressing an ostensibly hard-hitting audience largely based out of business schools, they assure that “there is nothing soft about the concept of shared value” (Ibid., p. 17), at least not for the business side of collaborative partnerships. Further, their conception of shared value creation does not require reexamination of personal values as they relate to market exchange and production or redistribution of “the value already created by firms.” Rather it simply entails expanding the size of the pie, with companies absorbing profit increases and government and civil society benefiting from the positive externalities (Ibid., p. 5). While Porter and Kramer make passing reference to the power imbalances and oppositional interests at play in developmental politics, they pay less attention to practical dilemmas such as to what extent the co-production of economic value can render truly “shared” value if business remains in the driving seat with government and civil society organizations relegated to support roles. They further neglect the question of how corporations and communities might overcome historically contentious dynamics and find common cause without working through divergent values or issues of redistribution.

In short, Porter and Kramer move beyond the narrow limits posed by neoclassical theory and related premises of the invisible hand of the market and methodological individualism in contemplating the interrelations between corporate profits and social well being and prescribing multi-sector collaboration around creating shared value in the form of economic success and social progress. Still, their formulation on the ingredients and procedures for collaborative partnership formation, while potentially lending itself to buy-in from private sector interests by minimizing inconveniences, comes across as short on logical consistency and practical effectiveness. Aside from overlooking the importance of sharing power and working through divergent values and issues of redistribution, they



approach the task of creating shared value with a sort of means-ends rationality premised upon a process-outcome dualism that assumes that the methodical deployment of certain inputs on the part of business will yield pre-set goals. Meanwhile, they consign the actual process by which actors might forge collaborative partnerships and pursue shared value creation to a black box. In what follows, I look to my case studies to illuminate the different conditions and collective resources driving co-creation of shared value among collaborative partners. Simply stated, a combination of field and organizational level conditions, manifested as problematic situations; individual-level biographical and situational factors; and available resources, appear to shape actors preferences and their “ends in view” rather than the latter prefiguring the use of efficient means. In particular, many of the field and organizational level conditions enabling agency grow out of historical contingencies specific to a place including the particular trajectory of capitalist urbanization and economic development as well as oppositional struggles as to underscore the importance of understanding local history and institutional context. This in turn raises the question of whether companies truly have what it takes to lead shared value creation, which I explore more extensively by focusing on the varieties of capital deployed in the Evergreen Cooperative Initiative and LA Green Retrofit and Workforce Program. On the flipside, the deficiencies of business highlight the value-add on the part of civil society actors with respect to driving economic projects that align successful economic and workforce development with social progress.

### *6.1.2 Multi-level conditions enabling agency*

Whether in Cleveland or Los Angeles, many of the participants in the respective programs derived a sense of agency from problematic circumstances where routines no longer sufficed and so, required reflection, creativity, and adaption. In Cleveland, anchor institutions like University Hospitals felt compelled to participate in the improvement of the surrounding neighborhoods in order to recruit and retain staff members, who brought demands for public safety, urban livability/local housing, public transportation, and environmental sustainability. They also faced legislative mandates related to health care reform, which required greater attention to community benefits provided by publicly subsidized institutions. As for the City of Cleveland, it grappled with the shortcomings of

the privatist economic development model in terms of the high rates of poverty, unemployment, and crime prevailing in many of its neighborhoods, while the pockets of economic progress and prosperity in the downtown and University Circle areas sustained a base of commuters, who spent their money in the outlying suburbs where they resided. Moreover, its participation in the Green Cities movement brought questions about how to institutionalize sustainability with respect to the economy and shared wealth generation. Like some of the largest anchor institutions in University Circle, the Cleveland Foundation received a new executive director who restructured the organization's approach to grant making and program administration. In addition, its accomplishments in reviving Cleveland's downtown, stimulating the development of the local biomedical technology sector, and improving the city's cultural and education institutions stood in stark contrast to the economic and social crises faced by the east side neighborhoods. Where the foundation had invested in affordable housing production in the area over several decades, the housing and financial crisis had wiped out much of the gains, in turn underscoring the need for an alternative approach to individual and community asset building. Finally, the Democracy Collaborative had recently emerged from a conference with the Aspen Institute with a charge to find practical applications for their anchor procurement/community wealth building strategies.

In Los Angeles, the building trades came to the Apollo Alliance and resultant Green Retrofit and Workforce Program in the midst of the economic recession, which had especially negative impacts on Southern California's construction sector. But more generally, many of the building trades unions were exploring comprehensive market recovery and expansion strategies after falling victim to an employer-led anti-union offensive in the early 1970s and losing significant union density, especially in the residential sector (Milkman 2006: 92-93). While reluctant to speak directly to their troubled histories of racial exclusion, they also struggled with the resulting problem of declining membership as to require new approaches to member recruitment and retention. Many of the environmental justice organizations also worried about the economic recession and general trend of blue-collar job loss in LA's inner city as to reconsider their traditional approaches of trying to shut down polluting industries and instead clean up polluters and create green jobs. As for environmental organizations like the Sierra Club,

they faced similar circumstances as the building trades in terms of declining organizational relevance and power as a result of their aging white male membership, in this case predominantly middle class, in a broader context of shifting demographics. The prevailing culture and campaign foci further discouraged communities of color from joining the organization. In the case of policy research and advocacy organizations like SCOPE, LAANE, and CCA, the emergence of the national green collar jobs movement and temporary availability of state, federal, and foundation funds for innovative planning and program development, particularly around energy efficiency, helped rupture organizational routines and peak their interest in operationalizing models of green retrofits and workforce development. The relatively abstract and theoretical nature of discussions within national progressive policy and planning networks regarding green jobs, along with the relative openness of policy structures, further cemented their desires to get at the forefront of defining green economic and workforce development standards and practices. Similarly, SEIU 721 converged on the green economy in following policy discourse and trends around expanding public sector employment and creating career paths for unskilled entry-level jobs amidst continuing privatization and public budget deficit. The City Jobs Program having created the vocational worker classification, the question now was how to create linkages to formal job training and promotion opportunities in the area of construction and building maintenance.

Aside from problematic circumstances and other situational imperatives confronting their organizations, many of the interviewees referred to biographical factors as shaping their predisposition towards alternative economic development initiatives like the Evergreen Cooperatives and the LA Green Retrofit program. In Cleveland, India Pierce Lee had a formative experience during her time working with the city's Empowerment Zone in which she realized the minimal amount of gains accruing to the community from corporate subsidies for job creation in the inner city. Steve Standley of University Hospitals spoke of his dual identity as an artist and the fact that he had worked his way up in coming from a working class family as shaping his commitment to racial inclusion in the politics of job creation and distribution. As for longstanding Cleveland residents like Mayor Frank Jackson and Medrick Addison of Evergreen Cooperative Laundry, they remarked on their deep ties to the inner city Cleveland neighborhoods in which they grew up and their desire

to see their regeneration. Ted Howard, on the other hand, traced his engagement in the Evergreen Cooperative Initiative and interest in community wealth building strategies more generally back to his upbringing in Southern California where he gained hard lessons about “corporate loyalty” while growing up in a working class family to become involved in the open housing ballot campaign, antiwar movement, and a project about workplace democracy. For John Logue and Gar Alperovitz, witnessing the closing of the Youngstown Sheet and Tube steel mill in 1977 and its devastating effects on the city and its residents left a deep impression that carried over into their work with the Ohio Employee Ownership Center and Democracy Collaborative respectively. Hence for many of the above actors, cities not only formed the backdrop of their biographical trajectories but also gave rise to place-based attachments and commitments, which fueled their desire to improve urban environments and their political economies. Moreover, for Ted Howard, John Logue, and Gar Alperovitz, the university provided a setting to crystallize insights and lessons about the hazards of laissez faire capitalism gained from definitive personal and professional experiences and in turn build learning communities and networks to deepen and broaden the potential for transformative policy and planning initiatives.

In Los Angeles, Mike Massey of PIPE identified as a major milestone in his movement towards collaborative partnerships with nontraditional allies a series of seminal experiences during the 1970s in which his union membership suffered betrayal at the hands of employer organizations after partnering with them against environmentalists. Kim Craft also touched on his personal background in explaining his participation in the Los Angeles Apollo Alliance and promoting racial inclusion in the building trades more generally. He referred to his upbringing in the coal mining hills of West Virginia, the forging of interracial bonds with fellow soldiers while in the military service, and the barriers posed by intra-union nepotism as he tried to join the building trades. Even after becoming involved with the Green Retrofit program, he experienced an inspirational moment while hearing an inner city youth speak at Dorsey High School about the need for viable work opportunities among his peers and in his community. Similarly, SEIU 721’s Jason Elias traced his involvement in labor organizing, social movement building, and progressive policy advocacy back to formative experiences growing up in a working class household in LA’s San Fernando Valley. In his case, attending a humanities high school and learning to

think critically, as well as finding solace in a multiracial group of friends sharing experiences of social marginality with respect to the dominant white majority, enabled him to make the most of his teen years in what he found to be an “urban wasteland.” He further referred to student activism during his undergraduate years at UC Berkeley and graduate studies in Michigan along with experience in community organizing as important events in his personal and professional development. Likewise, LAANE’s Cynthia Strathmann’s early insights on the structure of class stratification in the United States enabled her to see the contradictions of individualist cultural ideology about hard work sowing economic rewards, while her shifting racial status illuminated the inherent transience of social categories and structures. She, Jason Elias, and Teresa Sanchez all spoke to a particular quality about Los Angeles as a major urban node that brought together diverse people with rich life experiences and enabled them to affirm their respective observations about the falsity of dominant narratives about economic development and income and wealth distribution and in turn co-create alternative policy and planning discourses as well as related practical initiatives.

### *6.1.3 Varieties of capital and their uses*

If problematic circumstances broke organizational routines and situational factors and biographical trajectories predisposed individuals to supporting such initiatives, the Cleveland Foundation and SCOPE, given their location within intervening spaces between various sectors and issue areas, were essential to bridging different organizational circumstances and biographical trajectories and establishing common cause among various stakeholders. Both organizations received wide recognition as honest brokers, the Foundation, from the private and public sector as well as civil society actors, and SCOPE, from community, environmental, and labor organizations along with elected officials. Their reputations followed a proven record of effective participation and leadership in coalitional work, the former having provided financial administrative stewardship to wealthy donors and convened high profile business interests around urban remaking projects over numerous decades. As for SCOPE, their leadership in the form of extensive community organizing and base building along with coalition building was integral to the success of the City Jobs Program and comparable broad-based sectoral initiatives aimed at creating living

wage jobs and career paths in the health care and entertainment industries. It also helped that in the course of past policy initiatives, SCOPE had established a good working relationship with Council President Garcetti and Councilmember Wesson in addition to building an impressive network of inner city residents and voters ready to conduct door to door outreach in their neighborhoods, make phone calls to elected officials, and attend council meetings and other public events. Consequently the Cleveland Foundation played a pivotal role in bringing together the anchor institutions of University Circle with the City of Cleveland, community development and employee ownership practitioners, and university-based policy innovation centers like the OEOC and Democracy Collaborative. In Los Angeles, Vanna Tran of Worker Education and Resource Center, Inc. (WERC), Nona Randois of the Legal Aid Foundation of Los Angeles (LAFLA), Bill Gallegos of Communities for a Better Environment (CBE) attributed their initial involvement in the Los Angeles Apollo Alliance to their longstanding relationship with SCOPE. Hence both wielded considerable amounts of what Pierre Bourdieu calls “symbolic capital,” referring to the “positive recognition, esteem, or honor by relevant actors within the field” (Emirbayer and Johnson 2008: 12).<sup>87</sup>

On a more practical level, the Cleveland Foundation and SCOPE thoughtfully convened disparate organizational actors under a concrete agenda of working together on a mutually beneficial project, which would be collectively determined upon further research, discussion, and negotiation. In the first year of the Greater University Circle Initiative, the Cleveland Foundation convened the anchor institutions on a quarterly basis to coordinate physical expansion and improvement projects. In the process, the partners

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<sup>87</sup> Bourdieu generally distinguishes between four forms of capital— economic, social, cultural, and symbolic. The first two concepts are perhaps the most conventionally used, economic capital having to do with the command over economic resources such as finance capital, and social capital referring to “the sum of the resources, actual or virtual, that accrue to an individual or a group by virtue of possessing a durable network of more or less institutionalized relationships of mutual acquaintance and recognition” (Bourdieu and Wacquant 1992: 119).” (Joas and Knobl 2006: 387). On the other hand, Bourdieu evokes the term cultural capital to refer to attitudes, knowledge, and other markers of bearing or advantage obtained by actors through earlier processes of socialization. Cultural capital comes in three forms: embodied as long-lasting dispositions of the mind and body, objectified in the form of cultural goods such as books and machines, and institutionalized as academic qualifications or certificates of competence. Finally, symbolic capital is “something of a generic term emerging from the interplay of the economic, social, and cultural types of capital; all three ‘original’ capital types lay the foundations for an individual’s overall standing, good reputation, renown and prestige in society, thus determining his place in the hierarchy” (Joas and Knobl 2008: 379).

gradually established mutual trust and rapport in addition to a shared understanding of the conditions in the surrounding neighborhoods and purpose as far as finding additional crosscutting issues around which to collaborate. In Los Angeles, SCOPE/LA also spent about a year investigating strategies for green economic and workforce development and connecting low-income communities of color to green jobs and career pathways as well as meeting with potential partners to explore potential synergies with respect to issue or problem areas, target demographics, theories of change, and collaborative dynamics.

These leading organizations additionally drew upon their extensive knowledge of local institutional structures and politics to selectively summon the leadership of particular partner organizations and the varieties of capital at the disposal of their respective coalitions according to the stage of the program. In the LA case, SCOPE realized the tendency for “symbolic authority often (but by no means always) [to attach] to the most venerable establishments within the field rather than to the newcomers, challengers, or upstarts” (Emirbayer and Johnson, 2008, p. 12). Therefore, while preparing for the policy campaign, they approached the Sierra Club to join the Los Angeles Apollo Alliance and thereby put its lengthy tenure and overwhelmingly professional white male membership in the service of tempering potential suspicions among elected officials and other key decision makers that might derive from the trailblazing nature of the initiative. In describing the underlying process, Byron Gudiel stated, “The Apollo Alliance needed the name of a mainstream organization. We lent the name and reputation and support.” SCOPE further invited the participation of the building trades unions, which were adept at preparing entry level workers for lifetime careers through pre-apprenticeship and apprenticeship programs and providing opportunities for journey level workers (Weil 2005). Still, where the building trades stirred controversy in majority minority districts around Los Angeles given their history of racial exclusion, the presence of partner community-based organizations claimed greater public trust with respect to the prospect of generating gains for residents of low-income communities surrounding green retrofit projects. Building trades members such as Kim Craft of IBEW Local 11 referred to a previous campaign for the CRA/LA Construction Careers and Project Stabilization Policy, which testified to the complementarity and prospect for mutual gains inherent in forging a collaborative relationship with community-based organizations. He recalled,

*We were at the CRA, [and our community partners] had 50 ministers from all over South LA get up and say why we ought to have project labor agreements because people need not just jobs but good quality careers. And what we've done, the building trades as a whole got together and said any project we do in LA County under a PLA, we will guarantee at least 30 percent local hire from that direct community.*

In this case, community-based organizations were not only effective at convincing elected officials and other decision makers to enact the PLA complete with a Local Hiring Agreement but also left a deep impression on labor partners. This is not to say that the unions did not bring their own social capital to the Los Angeles Apollo Alliance. In the words of Bill Gallegos of Communities for a Better Environment, "They have a lot of members, resources, and political influence. So they can be very decisive in a campaign at the city or county or even statewide level. They can be a really decisive force for change. So we see them as an important sector to build relationships with." Beyond the building trades, the Los Angeles County Federation of Labor was also a valuable political ally, the organization's Economic Development Director John Choi stating:

*Everything that we're able to do in terms of policy is generated from the political capital that we have through our political program. In terms of electing folks into office, we run member programs where we have outreach to our existing union members throughout the county, and we also do programs for the general public. We have an infrastructure, a well refined and structured political program. We have the ability to make calls, raise money, knock on doors, send out mail...because of all these things, we are able to effectively reach out to and work with elected officials. So that gives us an ability to at least get meetings.*

In Cleveland, the Cleveland Foundation harnessed the status of the OEOC and Democracy Collaborative as outsiders and "neutral" observers related to their base outside of Cleveland in universities. In affording them an appearance of objectivity and rationality, these qualities enhanced the responsiveness of the various stakeholders to the community wealth building roundtable along with the pre-assessment, pre-feasibility, and market assessment studies. In addition, they leveraged the financial capacity of University Circle anchor institutions as embodied by their annual purchasing and procurement expenditures to develop a strategy of import replacement, creating livable jobs, and community wealth building. The Foundation further built upon the existing Neighborhood Connections program, with relationships to community groups, to deepen and expand their community



engagement strategy. Similar to the OEOC and Democracy Collaborative, UCLA Community Scholars Program and the Construction Careers Academy at the Labor Center lent the LA Apollo Alliance and their green jobs campaign, mostly through their affiliation with UCLA, a renowned institution of higher learning and scholarly research. The university affiliation and tendency to maintain an arms length distance from community organizing activities (i.e. marginal field location) set LOSH and the UCLA Labor Center apart from the other members of the Apollo Alliance. In part, this allowed them to uniquely further the progressive policy campaign by providing research and policy analysis, spelling out program details, and gaining buy-in from stakeholders under the guise of technical neutrality.

Among the key difference between the uses of capital in the Evergreen Cooperative Initiative and the LA Green Retrofit and Workforce program, one had to do with the orientation towards the private sector. Given their extensive experience setting urban policy and economic development agendas in Cleveland (i.e. urban renewal, incubation of the local bio-medical tech hub), the Foundation incorporated business professionals and key institutional administrators into their coalition from the very beginning. At its core, the Greater University Initiative was predicated on the notion of leveraging a series of physical development projects (totaling billions of dollars) by private and not-for-profit anchor institutions to develop catalytic strategies for the improvement of the surrounding neighborhoods. Hence a critical ingredient was the financial resources at the disposal of Cleveland's largest and most enduring organizations, the driving question being how to create more integration between and Cleveland's best-resourced corporate or organizational citizens and most marginalized communities. The Cleveland Foundation additionally convened community development and employee ownership professionals in the community wealth building roundtable to cull their expertise in the service of the "economic inclusion" strategy. Following, they continued to bring in experienced business professionals (e.g. Jim Anderson, Steve Kiel, Mary Ann Stropkay, Ron Jones, Robert Sorin, Cliff Wood, Mary Donnell) to spearhead tasks including market assessment, business planning, and operations management. While these "hired guns" temporarily lead the development and operation of the cooperative businesses along with the network

infrastructure, the worker owners continue to undergo training and leadership development.

On the other hand, SCOPE convened twenty-five community, environmental, and labor organizations under the banner of the Los Angeles Apollo Alliance without including business partners. The rationale was twofold: that the three sectors needed time to establish a strong, working relationship and the aim of the coalition was to get the city to take leadership in retrofitting its building stock and creating vital construction careers that put Angelenos back to work beginning in the poorest neighborhoods as to render private sector participation unnecessary. In hindsight, the initiative's core premise that the City possessed economic capital to potentially invest in greening its building stock was far from given, particularly in the face of public budget cuts. As elaborated by Uyen Le of the UCLA Labor Center,

*Just because the city wants to retrofit a thousand buildings doesn't mean they have the resources. Theoretically, the city as an employer is in a unique position to leverage other kinds of public sector dollars for these projects, which is why the focus is on the city in the first place. There's more room to say what's in the public good and access those kinds of resources. But the city's economic situation is mirroring what's in the private sector. So that hasn't necessarily panned out.*

Nor did the Los Angeles Apollo Alliance cultivate a meaningful partnership with the General Services Department, the agency that would ultimately implement the Green Retrofit and Workforce Ordinance, from the onset of the policy campaign, rather focusing its efforts on winning commitments from the mayor and key city council members. Of course, Apollo Alliance's primary policy aim, which built upon lessons from past sectoral campaigns, was to enact the ordinance and place the onus of carrying out the entire program on the city. Its primary safeguard for ensuring the implementation of the policy would stay true to the intent of its initial architects and advocates was to legislate a system of democratic governance, complete with a publicly appointed Program Director seat and Advisory Committee. Similarly, the Community Scholars largely focused on research and spelling out the technical dimensions of the policy rather than relationship building. Subsequently, the Program Director and Green Retrofit Advisory Committee made a more concerted effort to establish a working relationship with the General Services Department and bring in business partners in order to obtain the private investments necessary to

intensify the scope and scale of the program. However, by then, the program was already a year into implementation, and the General Services Department, while assuming primary responsibility for administering the green retrofits of city buildings, did not share the same level of commitment or excitement with respect to the program. To their credit, the Program Director and Green Retrofit Advisory Committee, mostly consisting of civil society actors whose specializations range from workforce development to building science, have made major strides in working with consultants to issue Qualified Energy Conservation Bonds, set up a Special Revenue Fund along with a system to measure and verify energy savings, and take other steps to establish long-term financing mechanisms, partly through the private sector.

#### *6.1.4 Local contingencies*

Some of the striking differences between the Evergreen Cooperative Initiative and LA Green Retrofit and Workforce Program originate from historical contingencies specific to the local contexts, including the particular trajectory of capitalist urbanization and economic development as well as oppositional struggles. We just touched on the two initiatives' divergent orientations towards the private sector. Additionally, the problem focus of the Evergreen Cooperative Initiative was defining markets, businesses, and a sustainable economic model, while the LA Apollo Alliance focused on a policy campaign around which to organize and mobilize its constituency, and even the implementation phase centered on navigating internal city politics and institutional structures. The tools for analysis in Cleveland included feasibility studies, business plans, and market assessments, while the LA Apollo Alliance engaged in political analysis and strategized around policy campaign development. The methods and mobilizations in Cleveland largely took place behind the scenes in contrast to Los Angeles, where they were more up front and apparent. The critical drivers of the economic and workforce development strategy in Cleveland were both private and not for profit institutions, where as in Los Angeles, it was the public sector. Finally, in both cases, unanticipated challenges arose in the process of program implementation, but the key player taking leadership and assuming accountability varied between the Foundation in Cleveland and the Program Director within the Office of the Mayor in Los Angeles.

With respect to the historical factors underlying some of these differences, in Cleveland, the leading role of the Cleveland Foundation in Evergreen and the Greater University Circle Initiative more generally goes back to the enormous concentrations of wealth created by the shipping, mining, iron and steel, manufacturing, and oil industries and relative stability and cohesiveness of the city's economic and political elites, who supported the institutional fortunes of the Cleveland Foundation. The vitality of University Circle and its anchor institutions can also be traced to the deeply embedded tradition of noblesse oblige in Cleveland by which the city's first families endowed a series of cultural and educational institutions including the Cleveland Museum of Art, Cleveland Play House, Cleveland Orchestra, and Cleveland Institute of Music in the city's uptown district during the early decades of the 21<sup>st</sup> century. The Cleveland Foundation had a record of working with business professionals and key institutional administrators in past urban revitalization projects. In terms of the absence of involvement on the part of grassroots organizations and labor unions representing inner city communities of color, historical factors include the cooptation of an independent, vital black civil sphere by political machines, the demise of the neighborhood-based community organizing movement and replacement by a network of professionalized community development corporations specializing in low-income housing production, along with the absence of a strong labor movement with a connection to inner city communities of color.

With the LA Green Retrofit and Workforce Program, the leadership of the community-labor-environmental coalition and the City can be traced back to the important role played by tourism and real estate speculation in the historical development of the Southern California economy, which concentrated employment and unionization in the transportation, construction, services, and government sectors traditionally affiliated with the AFL (Milkman, 2006, p. 32). In turn, AFL affiliates experimented with community unionism amidst dispersed spatial patterns of employment, with frequent anti-union offensives and labor casualization efforts helping further such nontraditional labor organizing strategies. Mass immigration after the 1965 immigration reform act, which brought in large numbers of immigrants particularly from Latin America with prior organizing experience was another critical factor in the reinvigoration of the labor movement. Where the racial structure in Cleveland was more of a black white dichotomy,

in LA, the presence of Latinos, African Americans, and Asian Pacific Islanders led to a situation where Latinos assumed a more favorable position with respect to the mainstream labor movement as to mediate the incorporation of immigrant newcomers and their movement repertoires. If the Watts Rebellion in 1965 precipitated the initial convergence of the labor movement and the community development movement (Soja, 2011), insufficient government response to the 1992 uprising seeded community-based efforts at racial reconciliation and transforming the structural conditions leading to pervasive poverty, unemployment, and violence in the inner city. Among the organizations established during this period, SCOPE and LAANE, both of which combined policy research and advocacy with coalition building among various community and labor partners (as well as environmental partners in due time), would play a leading role in the LA Apollo Alliance and other progressive economic and workforce development initiatives. Then Proposition 187, a ballot initiative intended deny the use of public resources including schools and hospitals to undocumented immigrants, sparked Latino voter registration and mobilization, which together with grassroots labor organizing and unionization, helped bring progressive economic policy victories at the city level that set political and institutional foundations for the Green Retrofit Program.

#### *6.1.5 Discussion*

Referring back to Porter and Kramer's conception of shared value creation, our cases demonstrate that the private sector is not alone in possessing leadership capacity to bring business and society back together; rather, community and civic organizations offer unique assets that might enhance the scope and scale of shared value creating efforts, particularly when carefully combined with private sector resources. Beyond commanding positive recognition and other symbolic resources as well as extensive social networks, organizations like the Cleveland Foundation and SCOPE possess significant cultural capital in having good knowledge of local institutional structures and politics. Therefore, they can effectively summon leadership from partner organizations and employ the varieties of capital at the disposal of their respective coalitions to advance policy and program goals in ways that might be less feasible for companies and other private sector interests with less knowledge of local history and institutional arrangements. In addition, the broad reaches of

civic coalitions into different communities (and the power and resources that come along with that) potentially translate into a certain level of democratic responsibility and accountability. Where a corporation might be entitled to maximize shareholder value from quarter to quarter, non-profit community and civic organizations typically have broader mandates and longer time horizons. In the case of university-based centers of policy innovation, to the extent they maintain an arms length distance from community and civic politics while engaging in research and policy discourse with an eye towards developing practical applications serving a public purpose, they appear well poised to facilitate data gathering, critical reflection, and dialogic exchange processes informing economic policy and program design. Thus civil society leadership of shared value creation, rather than succumbing to impasse as a result of deliberative processes, appears to lend itself to conversations about divergent values among different stakeholders and issues of redistribution. Thus clarifying the terms of collaboration can in turn promote mutually beneficial outcomes, given the role of hegemony and the structure of opportunity attached to uneven resource spreads and power dynamics in only worsening existing inequities in the absence of focused attention and redress (and thus constraining the sharing of co-created value). At the same time, the private sector offers considerable value to green economic and workforce development initiatives by progressive coalitions in the form of business expertise and financial capital among others. Where future efforts at coalition building and shared value creation will likely follow Evergreen and the LA Green Retrofit program, the Cleveland case stands as an example of how civil society actors might play a leading role in building collaborative partnerships with business professionals and institutional administrators that are truly beneficial to all parties involved. In turn, the LA case symbolizes an iterative attempt at civic organizing, mobilization, discourse, and debate that sharpens the capacity of community and civic organizations to frame and carry out prescriptive economic programs and better equips them for future attempts at shared value creation with public and private sector partners. We examine this issue in further detail in the following section.

As far as the actual process by which actors might forge collaborative partnerships and pursue shared value creation, our account of multi-level conditions enabling the Evergreen Cooperative Initiative and LA Green Retrofit and Workforce Program stretches

neoclassical economic theory to its descriptive and analytical limits. The premise of rational choice theory whereby actors choose courses of action that best allow them to maximize utility or profits fail to hold. Far from weighing means and ends, actors appeared to respond to problematic situations that broke routine functioning, with whatever available means guiding ensuing reflection, creativity, and adaptation. Even in cases where interviewees referenced field level conditions (i.e. the economic recession, economic and political restructuring, emergence of social movements, and demographic shifts along with high degrees of racial stratification, economic inequality, and social polarization stemming from privatist urban policy and economic development practices) as enabling action, they couched them in terms of practical dilemmas posed at the organizational level. Moreover, given the continuity of human activity, previous goals of action such as the City Jobs Program and the Vocational Worker Category, in the case of Los Angeles, became means to achieve “ends in view,” or a civil service career ladder for green building maintenance and construction. Aside from the preexisting program and occupational category, past “ends” such as the precedents set by the campaigns around Community Benefits Agreements and Project Labor Agreements on the part of community-labor coalitions, comprehensive market recovery strategies by building trades unions, and political power consolidated by minority communities over numerous decades also helped actors “expand the scope for possible goal setting” to “discover” policy goals (Joas, 1997, p. 154). Likewise, in Cleveland, the relationships cultivated between various University Circle anchor institutions and the Cleveland Foundation through the initial stages of the Greater University Circle Initiative later became the means for pursuing an anchor-based strategy for community wealth building. Nor did individual-level conditions enabling agency confer with the rational choice expectations whereby *homo economicus* is a self-interested, outcome driven individual with set preferences of which he or she is aware. When probed about factors motivating their engagement in the respective green workforce and economic development initiatives, a number of the interviewees referred to seminal experiences, whether related to their childhood upbringing, experiences of betrayal by corporate employers, or participation in various social movements, crystallizing awareness or moral outrage at present contradictions or tensions in the social order. Hence beyond serving purposes of self-interest, their work demonstrated an inclination to cooperate and connect with

different others, which appeared as fundamental to their personal tendencies and values as any individualistic impulse. Further, some articulated place attachments to Cleveland and made references to Los Angeles as an urban node that brought together diverse people with rich life experiences and enabled them to affirm their respective observations about the falsity of dominant narratives about economic development and income and wealth distribution and in turn co-create alternative policy and planning discourses as well as related practical initiatives. In doing so, they highlighted the nature of cities and urban economies as not simply agglomerating utility and profit maximizing actors and firms but rather providing vehicles for reciprocal exchange, interdependence, complementarity, and political society.

Beyond these shared overlaps, the cases also illuminate the locally contingent nature of shared value creation as a practice. Evergreen and the LA Green Retrofit and Workforce Program were marked by a series of differences including their orientations towards the private sector, problem foci, tools for analysis, methods and mobilizations, drivers of green economic and workforce development, and the entities handling unanticipated challenges arising in the process of program implementation. In turn, some of these differences could be traced back to the historical trajectories of capitalist urbanization and economic development and oppositional struggles in Cleveland and Los Angeles; so could many of the field and organizational level conditions identified by interviewees as enabling or propelling their engagement in the respective initiatives. Thus from the theorists perspective, this not only undermines the argument that companies and other private sector interests, which might possess less knowledge of local history and institutional arrangements than civic and community organizations, should necessarily lead multi-sector-based efforts at shared value creation; it further challenges the basis of universalistic prescriptions offered by those like Susan Fainstein, which are grounded in a dualistic understanding of processes and outcomes. As indicated by the cases studies, such dualisms, along with the general guiding principles or analytical frameworks that accompany them, have little practical applicability for actors engaged in shared value creation at the local level given the transient, complex, and historically contingent nature of societal conditions, complete with their inherent tensions and contradictions. Rather, historical and institutional factors appear to integrally shape the terms of collaborative



partnership along with their ensuing policy and program accomplishments. Hence, in theorizing shared value creation or economic democracy, planners might instead tease out which strategies result from what sets of contingencies to conceptualize learning and movement building processes towards greater collective economic problem solving or democratic control and accountability of markets. In other words, even when players have similar goals (like prioritizing low income inner city residents in job creation and economic development) their history, culture, biography, and situations cause them to move in very different ways (trajectories) that embody blind spots. This is inevitable given human fallibility and the fact that environments are never identical. Rather than trying to formulate ideal processes and ideal outcomes that will supposedly generate similar results, an alternative is for scholars to help actors compare their trajectories with others doing related work, become aware of the natural tendency for work to proceed with blind spots, and address these blind spots. This is different from a mechanistic application of models from one place to another (replication) because it entails addressing personal identities and local cultures.

## **6.2 Race, place, and economic democracy**

### *6.2.1 An alternative analytical framework for shared value creation*

Zooming out from the mechanics of collaborative partnership formation and shared value creation, I now turn to the substance of challenging the neoclassical hegemony in the practice of urban policy and local economic development. In particular, I focus on the practical opportunities and challenges presented by race and place in activating civil society-based efforts towards economic democracy. In their “Creating Shared Value,” Porter and Kramer frame the imperative for shared value creation in terms of the capitalist system being “under siege” (Porter and Kramer, 2011). Their argument is that as businesses have pursued an approach to value creation that optimizes short-term gain while neglecting their social embeddedness and factors related to long run viability, they have elicited protective measures on the part of government and civil society that undermine competitiveness and economic growth. Likewise, this dissertation builds on the premise that the contemporary American economy is undergoing severe crisis. However, in this case, the problem is not so much the diminished legitimacy of business or the presumed tradeoffs between economic efficiency and social progress, but rather centers on

the gap between the potential for democratic control and accountability of capitalist markets and the present reality (whereby American workers see the dissolution of their hard earned retirement savings at the hands of pension fund managers and private financiers, record levels of income and wealth inequality, oligarchic influences shaping economic policy and regulations, falling employment standards, dissolution of labor market institutions such as labor unions, and rupture of internal labor markets and career paths). Therefore, where Porter and Kramer's approach to pursuing shared value creation for the purpose of "reinventing capitalism" and "unleashing waves of innovation and growth" upholds private sector primacy and neglects cultural-ideological consideration such as those relating to economic and social values and distributional questions, I prescribe an alternative method of recourse that goes to the deepest root of the problem, namely the issue of race as it relates to capitalism and democracy. Borrowing from DuBois' notion of double consciousness, I emphasize the transformative potentials inherent in tapping into the capacities of inner city communities of color and other historically marginalized groups to perceive multiple facets of the economic system including its limits and constraints by virtue of experiencing reality through their own eyes as well as being conscious of the perspective of the dominant group. Additionally, I incorporate Bakhtin's considerations of dialogic exchange to contemplate what sorts of governance structures might best encourage a plurality of voices, styles of discourse, and points of view among civil society actors and their partners along the lines of economic collective problem solving. In rejecting the "top down" vs. "bottom up" dualism prevalent in planning accounts of distributional issues, I protect against potential idealizations of any particular section of society by highlighting the importance of coalition building and multiple bases of knowledge and expertise operating in concert. In addition, I interrogate the prevailing segmentation of community organizing and democratic power building from economic programs as spheres of engagement for civil society actors and "bottom up essentialism" or "grassroots glorification" that limits community and civic groups from broadening their approaches to coalition building and urban problem solving to encompass different bases of knowledge and expertise. Hence we not only problematize the reification of the economy on the part of civil society actors but also the reification of organizing and movement building repertoires, whether through institutional inertia or narrow ideological views and

boundaries (e.g. exclusive focus on collective bargaining by labor organizations at the cost of more comprehensive market recovery strategies that might increase the percentage of work undertaken by contractors operating under a union agreement). Finally, I explore questions of program longevity and scale, particularly in the face of a protracted economic recession, federal and state budget cuts, election cycles, and the political economy of philanthropy.

### *6.2.2 Race and space as diagnostic mechanisms*

The historical analyses conducted in Part One of the dissertation illuminated how race and racism played a historical role in managing the tensions and contradictions between capitalism and democracy at the local level. Both Cleveland and LA's modern economies relied on extensive public subsidies and other interventions on the part of government to fuel processes of expansion. In turn, their thriving industries gave rise to great fortunes along with legitimization crises related to inequitable distributions of gains and daily experiences of alienation and degradation borne by the vast majority of democratic citizens whose taxes and labors sustained the economic order. Still most chose to embrace a cultural ideological stance of racial separatism, maintaining systems of racial stratification and privilege and seeking personal redemption through fleeting material achievements and condemnation of lazy and undeserving "others" rather than forming alliances with workers of color to challenge the capitalist system. Where racial minorities disproportionately absorbed the negative externalities of capitalism, including undesirable jobs, unemployment, poverty, environmental degradation and public health hazards, and degenerated building stock and other physical assets, they prolonged "a larger legitimacy crisis of democracy" (Thompson, 2008, p. 201). At the same time, conditions of racial discrimination and subordination also triggered campaigns and movements for racial justice and equality, not all of which necessarily challenged privatist urban policy and economic development. For instance, efforts ranging from building an independent ethnic civil sphere and economy to boycotts and picket lines protesting racist white owned businesses demanded minority inclusion in jobs distribution and wealth creation but failed to challenge capitalist modes of production and class stratification. In the aftermath of the civil rights movement and urban uprisings in the 1960s, local electoral politics became a

dominant channel for racial empowerment, and African Americans, in particular, experienced a series of political victories in electing black mayors across major American cities. Yet such developments failed to generate sustained material gains for poor inner city residents of color, with black elected officials in many cases partnering with local growth interests to champion privatist urban policy and economic development.

In time, the Evergreen Cooperative Initiative and the LA Green Retrofit and Workforce Program used race as a starting point for addressing core urban economic problems and posing alternative modes of economic production and exchange. In Cleveland, the Greater University Circle Initiative and its ensuing “economic inclusion” component in the form of the Evergreen Cooperative Initiative began by carving out a spatial target consisting of six low-income, disproportionately African American neighborhoods immediately surrounding the thriving University Circle complex. Similarly, in Los Angeles, SCOPE and other members of the Los Angeles Apollo Alliance explored the question of how green economic and workforce development might benefit LA’s inner city communities of color, largely located in South Los Angeles, along the Harbor Gateway corridor connecting downtown Los Angeles with the LA and Long Beach Port complex. More specifically, the anchoring organizations—the Cleveland Foundation and SCOPE—problematized and explicitly sought to redress the historical marginality of area residents with respect to the processes and gains of local and regional economic development, particularly over the past several decades. In Cleveland, the Foundation focused on the economic disparities and social polarities between the thriving cultural, educational, and health care institutions of University Circle and most residents of Glenville, Hough, Fairfax, Buckeye-Shaker, Little Italy, and the eastern part of East Cleveland. In LA, SCOPE and the Los Angeles Apollo Alliance referred to the structure of regional economic inequality and the fact that “even before the current crisis in global capital, the housing market, and government deficits, inner city residents were struggling to keep food on the table, maintain a roof over their heads, and get quality medical attention” (Lee and Ito, 2009, p. 2). They pointed to the soaring poverty rate in South Los Angeles, which totaled two times the county average, given the tendency of area residents to work in low wage, low skilled, less stable industries and occupations (i.e. maids and housekeepers, construction laborers, gardeners, cooks, childcare workers and personal/home care aides), along with the fact

that half of adults ages 25 and older in the area lacked a high school diploma. Apollo Alliance members like Byron Gudiel and Bill Gallegos additionally evoked the example of Silicon Valley to question whether the emerging green economy might draw on public resources to generate benefits for a small section of society that is disproportionately white, affluent, and based in the suburbs or create a variety of jobs, trainings, and education opportunities for poor people of color.

In Cleveland, operationalizing the “double consciousness” of the Greater University Circle inner city communities illuminated business and market development opportunities attached to the procurement capacities of the local anchor institutions. In the case of University Hospitals, incorporating a black community representative into the board of directors helped bring to light the shortcomings of the hospital’s existing procurement and purchasing approach (with respect to construction), which started a chain of conversation and steps that led to the procurement strategies at the center of the “Cleveland Model.” Further, as the Evergreen leadership team partnered with Towards Employment to conduct focus groups and outreach sessions with Greater University Circle residents, they gained a second sight into the mechanics of program design such as the need to make special health care benefit arrangements to accommodate Medicaid structures. Following, job solicitations by 500 applications for the dozen openings at the Evergreen Cooperative Laundry illuminated the dire need for good jobs and alternative approaches to economic and workforce development (meaning those resulting in shared wealth creation rather than conferring with privatist models) in Greater University Circle. Then, as the workforce was hired and businesses went into operation, the daily challenges faced by worker owners and probationary workers including limited math skills, the lack of a driver’s license, inflated housing costs, the need to pay fines and child support, and parole issues underscored the importance of creating effective worker support systems and incorporating personal and leadership development. In Los Angeles, viewing green economic and workforce development from the perspective of low-income inner city communities of color helped unveil LA City’s untapped potentials as an employer of last resort and owner of a large inventory of urban building stock in need of energy efficiency upgrades, the lack of training and advancement opportunities for entry level workers in civil service construction and maintenance, and the historical exclusion of workers of color,

particularly African Americans, from the local building trades and the importance of their future inclusion to institutional preservation.

Spatial thinking and discourse facilitated attention to racial inequities in urban policy and local economic development as well as overlooked opportunities around shared value creation. As the conservative resurgence over the past several decades has been accompanied by the proliferation of a free market or “laissez faire racism,” the United States has seen a rise in “persistent negative stereotyping of African Americans, a tendency to blame blacks themselves for the black-white gap in socioeconomic standing, and resistance to meaningful policy efforts to ameliorate America's racist social conditions and institutions” (Bobo et al., 1997). In California, Proposition 209 “prohibits the state, local governments, districts, public universities, colleges, and schools, and other government instrumentalities from discriminating against or giving preferential treatment to any individual or group in public employment, public education, or public contracting on the basis of race, sex, color, ethnicity, or national origin” (State of California, 2012). Following its passage in 1996, Proposition 209 inspired Republican legislators in the state of Ohio to submit constitutional amendment proposals modeled after the anti-affirmative action measure but failed to pass political muster. Still such events along with a slew of anti-affirmative action lawsuits have caused elected officials and other policy decision makers across the country to err on side of caution in pursuing targeted hiring. Given the spatial manifestations of racial discrimination and stratification in the United States, including overrepresentation of low-income communities of color in the urban core, many have turned to local hiring provisions or set-asides for “disadvantaged workers” on publicly subsidized construction projects. Thanks to concerted policy organizing and advocacy efforts by the local progressive community-labor coalition, a number of departments in the city of Los Angeles observe local hiring targets, which prioritize Angelenos whose residences fall within a particular distance from a given construction site or are located in select zip codes throughout the city with high unemployment rates, as well as “disadvantaged workers,” defines as those having a household income of less than 50 percent of the Area Media Income or facing at least one of the following barriers to employment: being homeless; being a custodial single parent; receiving public assistance; lacking a GED or high school diploma; having a criminal record or other involvement with

the criminal justice system; or suffering from chronic unemployment or underemployment. Likewise, Cleveland's Fannie M. Lewis Resident Employment Law requires 20 percent of the work hours performed on publicly subsidized construction projects to be reserved for City of Cleveland residents, and 4 percent of that 20 percent to be reserved for low-income Clevelanders. While neither the Evergreen Cooperative Initiative or LA Green Retrofit and Workforce Program formally deployed such measures, their architects and advocates strategically drew upon more race-neutral rhetoric about spatial inequities to solidify public support for their efforts at racial mediation.

### *6.2.2 Dialogic exchange*

A key difference between the two cases, which we touched on earlier, had to do with the ways in which advocates went about the process of forging collaborative partnerships and co-creating shared value. In Cleveland, the Evergreen Cooperative Initiative grew out of the leadership provided by various middle class professionals, the vast majority of whom were not native to the targeted neighborhoods, including staff from the Cleveland Foundation, the OEOC, Democracy Collaborative, and major anchor institutions, as well as "experts" in community development, employee ownership, and other areas of relevance to community wealth building. Residents of the targeted neighborhoods only found engagement in the initiative during the recruitment and screening phase, which took place four years after the launch of the Greater University Circle Initiative and almost three years after the Community Wealth Building Roundtable in Cleveland. As the Evergreen Cooperative Laundry and Ohio Cooperative Solar launched in October 2009, there were clear demographic differences between the workforce and the Evergreen leadership team and founding CEOs. Jim Anderson and Steven Kiel planned to lead the respective companies for the first three years while keeping an eye out for successors within the ranks of the worker owners and offering leadership training to enable them to eventually step in as maintenance CEOs. In addition to cultivating internal leadership, the Evergreen leadership team prioritized efforts to build a cooperative model of shared governance and decision-making. Besides participating in weekly meetings, employees received training on how to elect coworkers into the cooperative, cooperative leadership skills, and how to elect members to the board of directors as well as serve as a board member. Worker owners like

Medrick Addison took the place of Towards Employment in helping lead recruitment and hiring. In the case of the Evergreen Cooperative Laundry, the process of resolving the conflict between the temporary manager and worker owners appeared to have strengthened the relationship between the “rank and file” and the leadership team, at least from the perspective of India Pierce Lee. As for OCS, it completed the transition over to “indigenous” leadership in hiring Cliff Wood, a resident of one of the targeted neighborhoods with over thirty years corporate management experience, while the laundry prepared to make a similar leadership shift. The addition of Ron Jones, an African American entrepreneur and corporate executive who lived right outside of Greater University Circle, as the acting president and CEO of the Evergreen Cooperative Corporation, brought progress on setting up the cooperative organizational structure but also helped shift the racial dynamic among the ranks of the Evergreen leadership. The commencement of the network organizing strategy as part of the community engagement component further propelled the transition of the Evergreen Cooperative Initiative from an initially top down orientation to ownership and control by residents from some of Cleveland’s poorest and historically marginalized neighborhoods.

In Los Angeles, beginning in 2005, SCOPE organized South LA residents and tapped into their social networks and political power to conduct surveys, raise public visibility around the issue of green collar jobs, and gain the attention of elected officials in order to set the stage for a vital policy campaign. Following, the data collected and discussions conducted through multiple iterations of community surveys found incorporation into the content of the LA Apollo Alliance’s policy proposal to the LA city council. As the campaign reached its final stage, Community Scholars convened to research and elaborate policy content for the Green Retrofit and Workforce Ordinance to accord with the overarching vision of the LA Apollo Alliance. In the process, the class brought together into a direct working relationship additional policy constituencies including members of the building trades and community and environmental organizations. As far as the degree of simultaneous expression, complete with mutual engagement, contradiction, contention, and debate, which transpired over the two quarters, interviewees like Kim Craft expressed a sense of hesitancy to fully express his concerns over the terms of policy implementation amidst the general optimism that pervaded the classroom environment, particularly



emanating from the graduate student participants. With respect to the mechanics of ordinance enactment, elected officials and other city leaders, despite their support of the core principles at the heart of the Los Angeles Apollo Alliance campaign, were hesitant to legislate specific measures obligating the city to undertake a certain volume or combination of green retrofits or create targeted employment opportunities. Program implementation brought additional changes, as the General Services Department was slow to assume responsibility, initially of assembling the inventory of buildings to be retrofitted and working with the incoming Program Director and other policy advocates to design the Green Retrofit Career Academy. Meanwhile the Los Angeles Apollo Alliance transitioned to playing a more auxiliary role, as the City carried out layoffs amidst budget crises, the result being the diversion of the Green Retrofit program towards serving worker re-assignment purposes as opposed to those of community hire, with little discretion exercised on the part of the program's grassroots constituency. Although, in the aftermath of the events, some interviewees justified that many of the reassigned workers represented the targeted neighborhoods and communities and the Program Director fielded questions at public and community meetings about the temporary hiring freeze and consequent change in the program's ability to proceed with community hiring as originally planned. The Green Retrofit Career Academy and 15-project pilot faced continued challenges, in part due to the General Services Department's initial indifference towards the program and the time needed to establish a collaborative partnership between the department and the Green Retrofit Advisory Committee. Still, the latter was internally cohesive and collaborative and enjoyed a productive working relationship with the Program Director and with SCOPE and the Los Angeles Apollo Alliance. Besides "Lobby Day" in which SCOPE mobilized its base to advocate the creation of a Special Revenue Fund and continuation of the Green Retrofit and Workforce Program, its regional analysis and community organizing on the issue of tax and fiscal reform continued to serve broader goals of restructuring the local and regional economy towards greater democratic control and accountability.

According to the planning scholar Xavier de Souza Briggs, debates about democracy and public problems over the past generation have favored "bottom up" approaches, displaying skepticism about the "quality and legitimacy of solutions proposed by trained experts, higher status groups, or those with special access to power, such as bureaucratic

insiders in government, business, or nongovernmental organizations” (Briggs, 2008, p. 308). However, whether transformative planning projects are top- or bottom- led is less significant than whether those who are initiating change are taking into consideration the stances and motivations of different others and “whether there are productive routines for getting things done together across the sectors and across levels of decision making and power” (Ibid.). Upon initial glance, the Evergreen Cooperatives Initiative appears to be governed by a “top down” structure and the Los Angeles Green Retrofit and Workforce Program, by one that is “bottom up.” Yet even as staff from the Cleveland Foundation and other “grass tops” initiated the Evergreen Cooperative Initiative, they focused on the economic and social conditions facing the residents of their target neighborhoods in developing the anchor-based, green workforce and economic development, community wealth building initiative as to operationalize the “double consciousness” of the latter group. Further, the initiative transitioned towards a model of shared governance and decision-making by worker owners, making concerted efforts to institutionalize a culture of shared ownership as well as deepen community engagement. As for the Los Angeles Apollo Alliance, they began with the “grassroots” in conducting community surveys and pursuing public education on the topic of green economic and workforce development. However, as the policy campaign met victory, the initiative shifted towards more “grass tops” leadership on the part of the General Services Department and the Mayor’s Office, with the Community Scholars, community-labor activist turn Program Administrator Teresa Sanchez, and the Advisory Committee, some of whose members derived from the LA Apollo Alliance, playing a mediating role.

The fact that the Evergreen Cooperative Initiative originated as a “top down” effort did not necessarily make it less democratic than the Los Angeles Green Retrofit and Workforce Program in the sense of enabling transparent and inclusive processes of collective problem solving (Briggs, 2008). For instance, where the Evergreen leadership team handled the conflict between the temporary manager and worker owners at the Evergreen Cooperative laundry through open dialogue with the latter group and counterbalancing uneven power dynamics within the cooperative business, the diversion of the Green Retrofit and Workforce Program towards purposes of worker reassignment failed to incorporate as much group discussion and collective trouble shooting on the part

of its community constituency. Moreover, as touched on earlier, the Cleveland Foundation made a point of tapping into different bases of knowledge and expertise in pursuing the “economic inclusion” component of the Greater University Circle Initiative. It incorporated business professionals and key institutional administrators into the coalition from the very beginning in addition to culling the expertise of community development and employee ownership professionals in the community wealth building roundtable and bringing in experienced business professionals to spearhead tasks including market assessment, business planning, and operations management. On the other hand, SCOPE brought together 25 community, environmental, and labor organizations under the banner of the Los Angeles Apollo Alliance to establish common cause and shared civic capacity among sectors that had previously stood on opposing sides with respect to issues of development and gains distribution. Among various Apollo Alliance chapters, Los Angeles was exceptional in excluding the business sector; nor did they include the General Services Department in the coalition. Certainly, the focus of the Apollo Alliance policy campaign on the public sector and the importance of building a trustful and productive working relationship between the three civil society sectors are unquestionable. That the LA Apollo Alliance would build on past sectoral campaigns undertaken by SCOPE and other community, environmental, and labor partners also unsurprising and perhaps highly sensible. On the other hand, one might play devil’s advocate to contemplate instances of reification with respect to the private sector on the one hand and organizing and movement building repertoires on the other. For the civil society advocates presently engaged in the implementation of the Green Retrofit and Workforce program, they are effectively negotiating the terms of effective mutual engagement and shared value creation with the General Services Department and private sector partners. In part, such a move relates to the practical necessities of establishing a self-sustaining program, including the Enterprise Energy Management Information System (EEMIS) for energy efficiency measurement and verification purposes, special revenue fund where monetized savings can accrue and then feed into a revolving loan fund to get through all city buildings in need of retrofits, and a Civil Service Apprenticeship to ensure green workers have a career path in the building trades that goes beyond retrofitting citywide buildings. As for those LA Apollo Alliance members whose participation in the Green Retrofit and Workforce program

dissipated upon the passage of the ordinance, they appear less poised to overcome institutional inertia including ideological and normative patterns segmenting community organizing and democratic power building from the administration of economic programs, the latter in partnership with nontraditional but complementary allies. While taking into consideration the inevitability of campaign or issue fatigue and necessities of organizational maintenance, which render sensible the decision of SCOPE and the LA Apollo Alliance to transition to an auxiliary role with the passage of the ordinance, an alternative might be to set a larger table that includes a broader base of knowledge and expertise from the get go to co-create and synergize community organizing, democratic power building, and economic programs.

### *6.2.3 Program impacts*

With respect to the substantive outcomes of the respective initiatives, the results might initially appear modest when measured by the number of jobs created or amount of income and assets accumulated by participants, especially in light of the considerable costs. While the start up costs for the three initial businesses of the Evergreen Cooperative Initiative amount to about \$20 million (although to their credit, the leadership team largely relied on tax credits and low cost, patient capital), the Evergreen Cooperative Initiative has so far created less than 50 jobs for worker-owners and probationary workers (not including managers and executives). Likewise, the Los Angeles Green Retrofit Program has budgeted \$26 million for the entire pilot phase (also largely financed by low cost, patient capital in the form of QECB), encompassing the initial set of 15 buildings and a subsequent set of 52 buildings. At the time of this writing, the Los Angeles Green Retrofit and Workforce Program has twenty workers left after twenty transitioned back to their old jobs with the City. Therefore one might ask whether the benefits of such programs justify their costs or more fundamentally, if program impacts are even quantifiable or measurable by traditional indicators such as the number of jobs created. For one thing, two companies that produce the same number of jobs and revenue might vary significantly in terms of their approach to hiring and workforce arrangements as well as their level of place attachment. From the perspective of Tracey Nichols, Cleveland's Director of Economic

Development, the companies' deeper ties to Cleveland communities render Evergreen a sound economic investment for the City. In her words,

*One of the things in economic development is that you help develop a company and then ten years later, they're like, 'We don't have any more economic benefits; where do we go now?' And in some cases, they'll up and move, because they don't have any real ties to the community. It occurred to me, an employee owned cooperative has ties to the community. It's unlikely that every member is going to say let's move to Arizona. It's possible, but far more unlikely than a company where an owner just decides to move.*

In speaking to the broader benefits of Evergreen, Ms. Nichols also underscored the net savings in social welfare service costs realized by the City through its investment in Evergreen, stating:

*You have to realize, we may have invested in this operation, but we would have invested in these people anyway, even if it were indirect. We have a lot of safety net organizations here in Cleveland. Urban communities have higher numbers of returning felons than other communities. If I lived in rural Lima and I committed a felony, they wouldn't send me back there but here, because we have all the half way houses, parole officers, all of that. So people come back here and when they get through their parole, although there is a lot of recidivism, when they're done, they stay here. Now they're here in the city, they have to find a place to live. So when they end up in the homeless shelters, we're paying for them. We have a lot of dollars spent on that. If they end up at Metro Hospital, we pay for them out of county taxes. If they go to a food kitchen, we pay for them. And you have to realize, if ex-felons can't find an opportunity to start over, we're going to pay for them one way or another.*

Extending this logic to the situation confronting Los Angeles, one might imagine that had the 40 city employees simply been laid off, the result would have exacerbated circumstances of high unemployment and the demand for social services in the inner city neighborhoods where many of them reside. Further, going back to the point about the long-term benefits of investing in locally rooted companies, city departments and other agencies of local government count among the most place-based purchasing and procuring agents as well as employers in this day of hyper globalized modes of economic production.

Another set of program impacts has to do with addressing the historical trajectories and patterns of racial discrimination and segregation in the two cities. Earlier we discussed the centrality of racial separatism and individualism as American cultural ideological traditions helping manage the tensions and contradictions between capitalism and

democracy at the local level. In turn, the Evergreen Cooperative Initiative is forging webs of interdependence and mutuality between the city's anchor institutions, which are the beneficiaries of generations of prosperity of Cleveland, and the neighborhoods, which absorbed the worst of industrialization and urbanization from the 1800s. In Los Angeles, the Apollo Alliance brought together the building trades with various community, environmental, and labor organizations with deeper ties to inner city communities of color. In the case of IBEW Local 11's Kim Craft, he spoke to how participating in the LA Apollo Alliance and the ensuing green jobs campaign yielded a revelatory, transformative experience with respect to South LA residents. Recalling a speech given by an inner city young person of color at the Green Economy Forum at South LA's Dorsey High School in April 2008, Mr. Craft reiterated the valuable takeaway, "Everybody here is just like me; they just want an opportunity to show what they can do. They just want to provide a roof over their kid's heads." In other words, he began to relate to the tribulations and aspirations of those previously conceived as disparate within the dialogic spaces provided by the LA Apollo Alliance and the Green Retrofit and Workforce Program.

Beyond such contributions to the surrounding locales and targeted inner city neighborhoods, the respective green economic and workforce development initiatives additionally offer viable models for people and places grappling with similar problems across the country. In the case of Evergreen, the "Cleveland Model" has inspired similar efforts at anchor-based shared wealth creation in Pittsburgh, Pennsylvania; Washington D.C.; Atlanta, Georgia; Richmond, California; and Amarillo, Texas among others. Where the recent foreclosure crisis wiped out much of the gains produced by the affordable housing production model prevailing in the community development field over the last few decades, Evergreen offers a fresh new approach to neighborhood revitalization by way of community wealth building and empowerment. It further contributes to the American movement for employee ownership and shared capitalism, which tends to be dominated by white, middle class concerns such as Employee Stock Ownership Plans and questions of economic efficiency and competitiveness to the general exclusion of considerations such as job creation and social inclusion. More specifically, it offers an innovative model that connects firm level efforts towards shared capitalism with broad-based coalition building, racial reconciliation, and green economic and workforce development to both deepen and

widen the potential impacts of employee ownership, particularly in urban areas including America's "forgotten" cities. Therefore, moving forward, worker cooperatives might generate greater traction among progressive civil society actors and others undertaking work along the lines of transforming privatistic urban policy and the capitalist economy.

In the case of the Los Angeles Green Retrofit and Workforce Program, the deep, race and place-based approach to shared value creation led to an unprecedented effort to create a direct linkage between an entry-level position represented by a SEIU, a service sector union with a disproportionately minority, immigrant, and female membership, and a career in the building trades, the latter comprising one of the most visible and largest sections of America's labor aristocracy with its disproportionately white, male, suburban membership. As described previously, SEIU has stood at the helm of the community-labor alliance that made Los Angeles the center of labor movement resurgence from the 1990s. On the other hand, the building trades abandoned the local progressive movement in the 1950s to do business with the city's growth coalition for over half a century before rejoining with community, environmental, and other labor organizations in recent years to win a series of collective policy campaign victories around project labor agreements with targeted hiring programs. These programs incorporate community hires into building trades apprenticeship programs, and separately, SEIU 721 represents a number of civil service feeder classes to the building trades that typically supplement the work performed by skilled journey workers without providing the training or advancement opportunities inherent in a building trades apprenticeship. However, the Civil Service Apprenticeship growing out of the Los Angeles Green Retrofit and Workforce Program signals the first attempt at creating formal training and advancement opportunities for entry-level workers represented by SEIU 721 in the course of performing green retrofit work on city-owned buildings. While LA/OC Building and Construction Trades Council, the City Council, and other key decision makers and stakeholders have yet to finalize the terms of the Civil Service Apprenticeship, it therefore represents an important milestone for community unionism and the American labor movement. Where the unionization rate in the U.S. presently sits at a 70-year low (at 11.8 percent in 2011 compared to almost 14 percent in 1998 and a peak of 35 percent in the mid 1950s), the impending retirement of white baby boomers along with the growingly minority majority demographic, particularly in

American urban areas, exerts considerable pressure on the building trades to integrate and innovate for the purpose of organizational survival and relevancy in the coming years. Among the persisting problems is that of African American underrepresentation, as remarked by Nona Randois of the Legal Aid Foundation of Los Angeles:

*One of the issues we're seeing and trying to address in our work is the underrepresentation of African Americans in the building trades. Latinos have broken in somewhat, but African Americans are struggling to get in the door and once they're in, continuing to get work. All these different Community Benefit Agreements and Project Labor Agreements we've been working on throughout the city are very much intended to bring in underrepresented people and people of color into the building trades. I don't know if it's too early to see the results or what, but we just haven't seen as much progress as we'd like to see in terms of African American representation in the building trades or on these projects.*

While it remains to be seen whether the LA Green Retrofit and Workforce Program will effectively spin off new jobs, it contributes to the broader aim of improving racial diversity in the building trades by building institutional bridges between the building trades and public sector employers and unions, which have a better record on black inclusion. Moreover, along the lines of an earlier point made by Daniel Villao of the California Construction Academy, the Los Angeles Apollo Alliance and the Green Retrofit and Workforce Program incorporated a new contingent of thought leaders into the local policy and planning arena on union innovation. Where the LA County Federation of Labor and LAANE hitherto played an invaluable role in driving community-labor coalitions and particularly improving conditions in the lower wage, less skilled sections of the labor movement and improving Latino union density and leadership more generally, organizations more attentive to low-income, inner city, African American communities and their interests such as SCOPE and the California Construction Academy were pivotal to this iteration of green economic and workforce development. Hence some of the most resounding effects of Evergreen and the LA Green Retrofit program might result from their recasting worker cooperatives and labor unions as community-based institutions that further economic democracy by creating shared wealth, regenerating local economies, and activating collective economic problem solving in the workplace as well as at the local and regional level. And for all the challenges related to operationalizing effective collaborative partnerships and shared governance as well as spinning off a sizeable number of living



wage, career path jobs, it is questionable whether either set of program advocates could have undertaken the institutional innovations that they did had they not tapped into the “double consciousness” of poor inner city communities and race as a diagnostic, dialogic, and democratic power building mechanism.

#### *6.2.4 Longevity and scale*

Finally, in contemplating how to address the paradox described at the outset, which is the gap between the democratic potentials inherent in market democracy and the reality, we consider issues of longevity and scale. Given the respective coalition building and planning processes for the Evergreen Cooperative Initiative and LA Green Retrofit and Workforce Program began in 2005, both programs are only about seven years out. In that time, which also overlapped with the housing and financial crisis along with the Great Recession, the two initiatives have managed to plant their institutional foundations, Evergreen having set up the cooperative network structure under the Evergreen Cooperative Corporation and launched its third business and the LA Green Retrofit program having enacted an ordinance, found a home in the mayor’s office along with a Program Director and Advisory Council, and entered the second phase of the pilot project. While the number of jobs created and income/revenues generated thus far remain relatively modest, considerations of longevity and scale have found incorporation into program designs for maximum potential impact. In Cleveland, the Evergreen leadership team conceived of the Evergreen Cooperative Corporation (ECC) as the holding company that would act as an umbrella organization for the cooperative businesses along with the cooperative bank, R&D entity, and land trust. To insure against cooperative attempts to exit the Evergreen network, ECC will maintain a 20 percent equity state in each of the businesses. Additionally, the land trust will acquire land and lease them out to businesses in order to protect against temptations to “demutualize” as well as potential business failure related to operational costs. As for the cooperative development fund, it is designed to provide low interest, long-term financing for cooperative start ups as well as identify new lines of business. Among the actual businesses themselves, each firm will allocate 10 percent of its retained earnings in the Evergreen Cooperative Development Fund to invest in new products and start-ups. Therefore, while the initiative presently relies on significant

philanthropic and public funding, these are being leveraged as long-term investments that will yield a financially vital and independent cooperative complex as well as generate thousands of jobs in Greater University Circle, which in turn trigger multiplier effects and regenerate the local economy. Further, where the Evergreen Cooperative Initiative attributes a large part of its early successes to the phenomenal level of commitment and leadership demonstrated by the Cleveland Foundation, University Circle anchor institutions, and the City of Cleveland, the community engagement strategy is intended to enhance a sense of ownership and creativity on the part of Greater University Circle residents with respect to the task of advocating and launching similar community wealth building initiatives. As the network organizing strategy unfolds in parallel with the cooperative self-governance and leadership training among Evergreen worker owners, the idea is that the social and political dynamics of target neighborhoods will shift towards greater civic participation, democratic control, and accountability. In short, the community engagement strategy stands as a core component of cultivating Evergreen and its neighborhood constituents' political power and independence apart from the Cleveland Foundation and the University Circle anchors, which is hardly a zero sum equation but may rather enhance the terms and dynamics of their reciprocal exchange as well as sense of interdependence, complementarity, and political society. The abandonment of Cleveland's community organizing movement (1975-1985) by foundations in the aftermath of the former's clash with local corporate leaders (along with the defunding of Mayor Stokes' community programs in the aftermath of the Glenville shootout) stands testament to the importance of inner city communities of color and other historically marginalized groups maintaining an independent, democratic power base. As concerns the task of building citywide and other bases of political support for the likes of Evergreen, in the words of Bill McIntyre of the OEOC, "the good news is that both the Democrats and Republicans like employee ownership." The more important question has to do with commanding the social and political capital necessary to compel support on the part of elected officials and other public decision makers.

In Los Angeles, members of the Apollo Alliance knew from past policy campaign experience that simply proposing a citywide green retrofit program to the City would fail to ensure its successful implementation, while legislating the ordinance might seal a deeper

level of commitment through implication of democratic accountability. Yet simply relegating the responsibility of ordinance implementation to the General Services Department rendered the risk of program cooptation by managers and bureaucrats unaware of or unconcerned with the original aims of the Los Angeles Apollo Alliance and other policy advocates. Here, the creation of the Program Director seat along with an Advisory Committee, both publicly appointed (on the recommendation of the LA Apollo Alliance), promoted democratic control of the Green Retrofit and Workforce Program. The administrative location of the Program Director in the Office of the Mayor further heightened visibility of the program within the City, eased the process of forging collaborations across departments, and provided access to key decision making points. At the same time, tying the position to the mayoral administration jeopardized the program's longevity, given Mayor Villaraigosa's extended term would expire in 2013, and mayoral appointees typically vacated their posts along with the mayor. Therefore program advocates with bureaucratic administrative expertise in City Hall explored payroll options that would enable the Program Director to survive the election cycle. Built-in program features such as the energy efficiency measurement and verification system, special revenue fund, revolving loan fund, and Civil Service Apprenticeship further promoted fiscal independence and self-proliferation of the initiative. The integration of popular education into the LA Apollo Alliance's policy campaign and the Green Retrofit Career Academy additionally enhanced political economic efficacy on the part of South LA residents, organizers and activists, and program participants.

For Program Director Teresa Sanchez and other members of the Los Angeles Apollo Alliance, the Green Retrofit and Workforce Program represents only the beginning as far as potentials for green economic and workforce development. Ms. Sanchez stated,

*The goal really is to generate more green economic activity in LA. We have plans for a green tech corridor. The idea is that the public sector can lead on this stuff and do something of scale. Obviously there are many contractors and vendors that do business with the city in the process of implementing this program, so the more work we generate, the more investment will come into LA in terms of the manufacturing and suppliers that can come into LA. We just had a discussion with the General Services Department and the city attorney about purchasing policies and figuring out what we need to do, whether its legislative, to advantage local businesses and suppliers.*

Larry Frank spoke to a number of green, civil society led, shared economic value creation initiatives already underway within the city. These include a recently negotiated Project Labor Agreement between the LA/OC Building Trades (with the help of community, environmental, and labor partners) and the LA County Metropolitan Transportation Authority, which requires that 40 percent of the work hours performed on most MTA projects will be done by people who live in economically disadvantaged communities across the county (Weickel, 2012), along with the collaboration between the Coalition for Clean and Safe Ports, an alliance of labor, environmental, and community welfare groups, and the Port of Los Angeles to undertake infrastructure expansions and energy efficiency improvements in a way that benefits surrounding inner city, low-income communities. Still, many of these prospects are contingent on the public sector's continued leadership, which in turn depends on the fiscal health of federal, state, and local governments. Hence SCOPE has turned to community organizing, voter mobilization, and coalition building for the purpose of tax and fiscal reform. As with the Evergreen Cooperative Initiative, such an approach synergizes collective problem solving in the civic and political realm with civil society-based efforts at shared value creation in the economic realm. Likewise, Clare Fox of the California Construction Academy emphasized the importance of community organizing and democratic power building to reinforce progressive, civil society led efforts at shared economic value creation, stating:

*Something the green jobs movement will need to face in terms of the question of building power is whether this is just about getting people employed and getting jobs or is it about changing the way power works in this country and wealth distribution happens in this country? I think that gets a little confusing along the way when you have a campaign and then an ordinance, you have a policy, you want to get it done and say, 'We did this.' You want to have victories along the way. That's really important. And you know this policy can be transformative in peoples' lives. But somewhere along the road of policy implementation, the risk is to get bogged down in the minutiae of implementation, and lose sight of the spirit of movement building that drove the ordinance in the first place. The key is to always balance the perspective of practical implementation with deep social transformation.*

Her colleague Uyen Le elaborated on challenges related to funding availability and the practicalities of organizational maintenance:

*Most foundations don't do anything to fund movement building, so it's hard to get enough resources and capacity to build that up. This is why it's in spurts. When you're organizing for a campaign, you have steps, a clear goal, an end time, and it's boom, lets go! That's a totally different organizing strategy than a movement building organizing strategy, where you build trust, build relationships, brainstorm with each other about what are the goals and the outcomes, and what is this vision we have and our long-term plan. It employs totally different competencies, requires a whole different set of commitments. And it requires different time frames and resources. There's less immediate quid pro quo type thing. There's less of that. Folks are like, 'If we pass the ordinance, we'll retrofit a thousand buildings.' That's a big motivator for people to keep going to the meetings. But if we're like let's build this better world together, all of us— I'm not saying that's all what movement building is, a lot of it is this shared vision, this trust, long-term thing—that's much harder to get at.*

While the unique relationship between Evergreen and the Cleveland Foundation has provided the former with access to philanthropic dollars for network organizing, although for relatively neutral purposes of civic engagement and neighborhood improvement, independent community and civic organizations pursuing a more radical approach to community organizing and democratic power building lack such funding opportunities. Yet their capacity to make policy demands and frame alternative approaches to economic and workforce development hinge on the continuation of such activities.

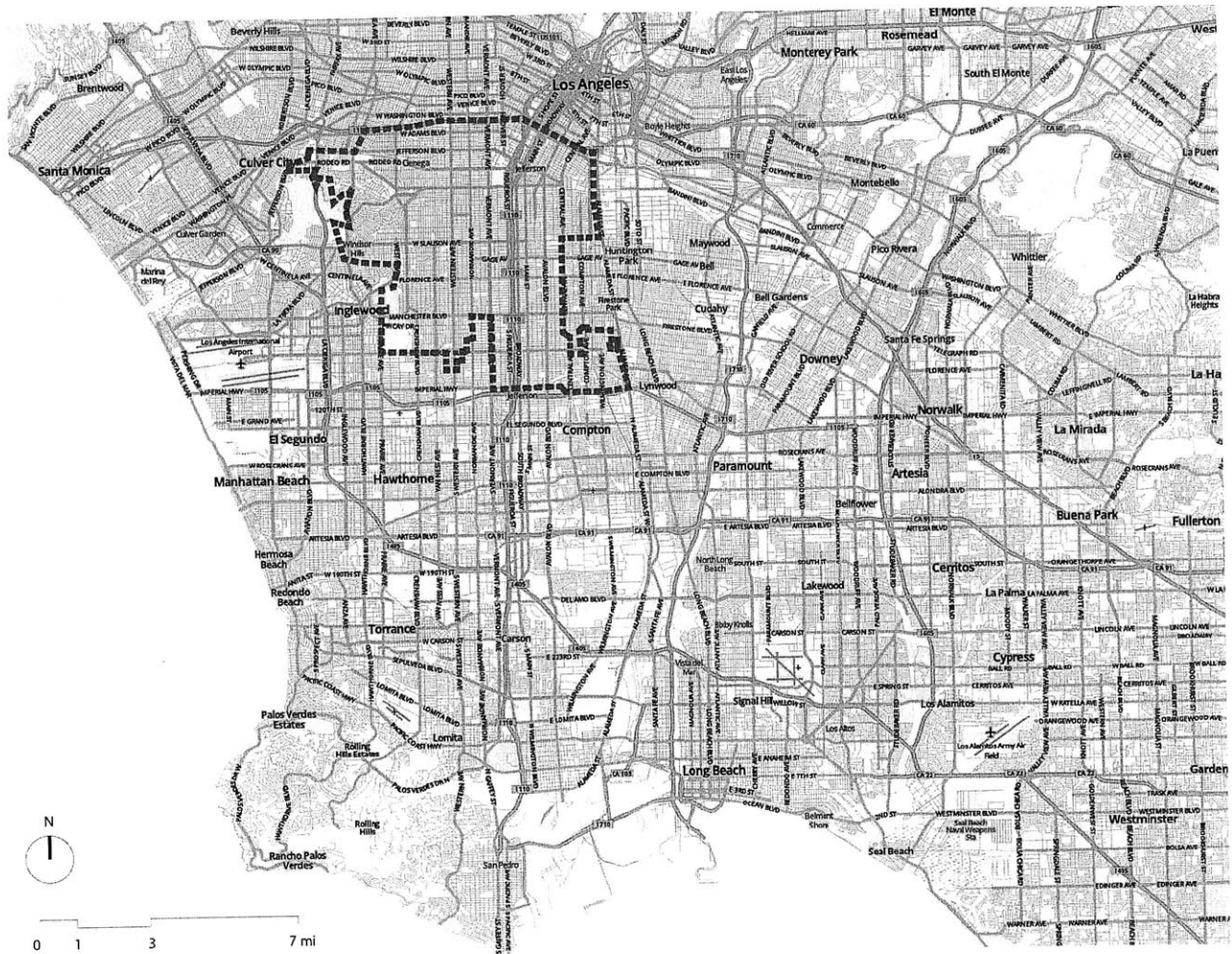
Aside from built-in program features, leadership development, popular education, grassroots organization, and democratic power building, what of program replicability in amplifying the impacts of initiatives like Evergreen and the LA Green Retrofit and Workforce Program for the purpose of furthering democratic control and accountability of capitalist markets? In the case of Evergreen, the Democracy Collaborative is providing outreach and advice to civic leaders and other local stakeholders intent on extending the lessons of the “Cleveland Model” to their locale. The initiatives are uniquely tailored to each place but the idea of placing inner city communities at the center of local economic development and shared wealth creation and building collaborative, multisectoral partnerships with anchor institutions and other local stakeholders is gaining wide traction. As for Los Angeles, being part of the Apollo Alliance brand (or the Blue-Green Alliance, following the 2011 merger) offers connectivity with a nationwide network of like organizations and multi-sector coalitions. Going back to my theoretical approach, which incorporates Locke and Thelen's contextualized comparison method; analytical framework,

which builds upon DuBois' notion of double consciousness and Bakhtin's formulations on dialogic exchange; and empirical evidence from the two case studies, I would argue that the concept of replicability, despite making for neat theorization with respect to the project of social transformation, carries minimal relevance or applicability in actual practice. While the theorist might draw conceptual distinctions between process and outcome and offer prescriptions along either end, in actuality, planners and other social actors operate in historically and locally contingent circumstances and define and redefine their scripts for action in the field of practice. Hence formulas like the "Cleveland Model" or the "Apollo 10 Point Plan" are perhaps most useful as provisional guiding posts and tools that are best revisited and revised as people find their own way. On the other hand, cities, as staging grounds for capitalist urbanization and economic development and racial stratification but also places that bring together diverse groups of people within close vicinity and relations of interdependence—both willful and unwitting, offer a range of local assets for their inhabitants to understand and address specific dilemmas. Granted, the extent to which actors create inclusive, transparent, but also flexible spaces to overcome their respective conceptual limitations, weave together different issue areas, approaches, and resources, and thereby enhance democratic governance and accountability can highly vary. Therefore in alternatively conceptualizing economic democracy as a learning continuum as opposed to an idealized process or outcome, I invite practitioners to put to test the practical utility of double consciousness and dialogic exchange in context. This entails acknowledging the inevitable condition of human narrowness and fallibility but nevertheless learning from comparative cases why different groups pursue different paths while looking internally (within one's own personality and local culture and institutional context) to contemplate whether one's own path is too narrow and driven by internal forces or external pressures and in turn develop strategies for redress including personal and cultural transformation as well as structural and organizational change.

# Appendix I. Map of Greater University Circle (Cleveland, OH)



# Appendix 2. Map of South Los Angeles (CA)





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