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Abstract

Equity is a crucial goal of American urban policy. The *means* by which it is pursued via the liberal approach to urban policy—augmented redistribution—is problematic, however. What is needed, therefore, is an alternative means to advance equity. Broadening ownership (of productive assets) can be the basis of such an alternative. I discuss how the liberal approach to American urban policy can be transcended by supplanting its Redistributive Paradigm with an Ownership Paradigm.

Keywords

urban policy, redistribution, ownership, equity, localism

“... growing disillusionment with traditional after-the-fact policy ideas has set the stage for a much deeper and ongoing reassessment. If the old ways no longer work, is there any other option?”

—Gar Alperovitz (2011, p. 26).¹

“Equity Is Not Optional”—so declares the striking title of an inspiring recent article on American urban policy by long-time poverty warrior Angela Glover Blackwell (2011, pp. 1-2). “If America is to have a bright future, the equity agenda must become the nation’s agenda,” writes Blackwell, founder

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and CEO of PolicyLink—a leading research and action organization dedicated to advancing this agenda. Equity is “inseparable from economic growth and competitiveness,” she points out, as “research shows that communities, cities, and [urban] regions that pay attention to equity grow stronger.”

I begin my analysis with the assumption that Blackwell is indeed correct—Equity in America’s communities, cities, and regions is, in fact, not optional. What I contend, however, is that the *means* by which equity is pursued by its most ardent advocates—political liberals—is exceedingly problematic. Specifically, the set of urban programs advocated over the past half century by liberals—that is, Liberal Urban Policy (see Imbroscio 2012a, 2012b)—has heavily relied upon what I call a *Redistributive Paradigm* to aid ailing cities and their inhabitants. Put simply, to realize equity, Liberal Urban Policy seeks to augment the transfer (or redistribution) of resources from those who have more to those who have less, whether this be individually (people-oriented redistribution) or spatially (place-oriented redistribution). Yet, as I shall argue below, this approach to realizing equity comes with significant drawbacks, of both a political and normative nature.

Therefore, if equity is not optional in America’s cities, but the Redistributive Paradigm of Liberal Urban Policy is an unsatisfactory path for its achievement, then another, alternative, equity-advancing path for urban policy must be found. After setting out the basics of the Redistributive Paradigm and proffering a critique, I develop a sketch of what such an Alternative Urban Policy might look like. Its essence, as I will detail below, involves supplanting (partially, at least) the Redistributive Paradigm with efforts to restructure urban economies so that the ownership of productive assets is more widespread (via what I call an *Ownership Paradigm*).

Overview of the Redistributive Paradigm

People-Oriented Redistribution

First, to enhance equity, Liberal Urban Policy has been heavily based upon the idea of taxing the wealthier segments of the U.S. population (either directly or indirectly via their ownership of business corporations) at relatively high and progressive rates and then transferring (redistributing) the additional monies to economically-disadvantaged *people*. Such transfers commonly come in the form of tax subsidies (especially refundable tax credits like the Earned Income Tax Credit [EITC]), direct cash support programs (such as Temporary Assistance for Needy Families [TANF] or “welfare”), or the in-kind provision of goods and services, most notably housing (such as the Housing Choice Voucher or “Section 8” Program), health services (via

Medicaid and related programs), and nutrition (via the Supplemental Nutrition Assistance or “food stamps” program). Because resources are redistributed to individuals and families regardless of where they happen to live, these people-oriented programs are not *urban* policies per se. Yet, with almost 85% of the American population now living in cities and their suburban extensions, including approximately the same percentage of the nation’s poor, the policy impacts of such measures are highly urban in nature.

Illustrative of the people-oriented side of the Redistributive Paradigm in Liberal Urban Policy is the equity-advancing program set out by the urban scholar Rachel Bratt (2006, pp. 415-16). To conclude her coedited book, *A Right to Housing* (where housing, as the book’s subtitle indicates, is understood in broad terms as the “Foundation for a New Social Agenda”), Bratt advocates several people-oriented redistributive measures. These include a proposal to “create a truly progressive income tax system,” as well as recommendations to (1) “expand the [EITC], and encourage all states to adopt their own such programs,” (2) “provide welfare payments . . . to support a decent level of living,” (3) “adopt a comprehensive set of ‘safety net’ programs that support families and children,” and (4) “develop ‘self-sufficiency’/economic security programs that are of high quality, are well funded, and assume long time frames.”

Along these same lines, Peter Dreier, John Mollenkopf, and Todd Swanstrom’s (2004) quintessential statement of Liberal Urban Policy, while mostly advocating for the augmentation of place-oriented redistribution to advance equity (see below), nonetheless also prominently includes calls to expand people-oriented programs (such as the EITC and in-kind programs like health and child care services). Similar recommendations for enhanced people-oriented redistributive measures are commonly found in other important statements of Liberal Urban Policy as well (see, for example, Euchner and McGovern 2003; Goldsmith and Blakely 2010; Wilson 1987, 1996).

Place-Oriented Redistribution

Urban policy is, of course, most fundamentally about *places* (or spaces)—that is, urban settlements. It is unsurprising then that the main thrust (programmatically, at least) of Liberal Urban Policy’s Redistributive Paradigm is spatial (or place-oriented) in nature. Place-oriented redistribution comes in two main varieties—policies that seek to (1) revitalize (or at least stabilize) declining places suffering disinvestment and (2) those designed to redistribute the benefits of thriving places by connecting poor(er) individuals to them.

Place stabilization/revitalization efforts. First, to advance equity, Liberal Urban Policy seeks to augment the redistribution of (especially financial) resources

from affluent to less affluent places. The primary purpose of this redistribution is to ameliorate the ill effects of uneven development patterns and, more ambitiously, counteract these patterns by fostering economic and social development in less vibrant areas. Such resources, normally in the form of revenues, are, once again, collected via progressive taxation,² which ensures that much of the funds redistributed to poorer places will be drawn from those places endowed with larger concentrations of wealth and affluence.

Illustrative of this variety of the Redistributive Paradigm are elements of Anthony Downs's (1994) "policy strategies for large cities," set out in his highly influential book, *New Visions for Metropolitan America*. In this major statement of Liberal Urban Policy, the long-time Brookings Institution scholar advocated that "significant economic resources . . . be transferred to city governments that have disproportionately high concentrations of low-income residents" (Downs 1994, p. 114). This transfer of resources is needed, Downs (1994, p. 113) explains, to "help city governments compensate for the loss of revenues from falling populations and economic activities" (what Downs called "the adjustment strategy") and also to "improve the [social and economic] environment in inner cities" (what Downs called the "area development strategy"). "The money," he added, "must come from state and federal taxes that collect revenues from suburbanites and others" (Downs 1994, p. 114).

Such compensatory revenue-sharing programs, either in the form of general funds or aid earmarked for development or schooling, are a staple of Liberal Urban Policy. Political scientists Paul Kantor (1995) and Paul Peterson (1981, p. 219), for example, both call for intergovernmental redistributive schemes that "equalize per capita fiscal resources available to each . . . local government." In Kantor's (1995, p. 239) plan, compensatory revenues would be targeted to so-called "loser communities" that "undergo disinvestment" via "federal tax formulas that spread the burdens onto business, winner communities, and even the general public" (also see Ladd and Yinger 1991). The trend in more recent statements of Liberal Urban Policy is to advocate that compensatory revenues be redistributed on the regional (metropolitan) level, such as in the case of metropolitan tax-base sharing (see, for example, Dreier, Mollenkopf, and Swanstrom 2004; M. Orfield 2002; Rusk 1999). Another recent trend is to devise ways to transfer federal revenues to cities via programs not explicitly urban-focused—such as those designed to combat crime, tackle environmental or energy problems, or strengthen homeland security—but that nonetheless result in significant resource redistribution to help counter the ills of urban disinvestment and underdevelopment (see Sapotichne 2010).

Yet, despite its frequent advocacy of efforts to develop poor places by redistributing resources to them, Liberal Urban Policy has nonetheless

maintained a profound skepticism about the effectiveness of such efforts.³ Downs (1994, p. 103), for one, offers tepid support at best, citing “many drawbacks” to inner-city development strategies (also see the liberal journalist Nicholas Lemann’s (1994) prominent exposition of this argument). In Downs’s (1994, p. 103) view, “at least some inner-city development must be included in any viable overall strategy” for urban policy, but this is only because its exclusion would be “politically impossible.” Rusk’s (1999, p. 329) support for regional revenue sharing is similarly half-hearted. It has some “undeniably positive outcomes,” Rusk writes. But it fails to address urban problems because it gives wrong-headed inner-city development efforts (what he disparagingly calls the *inside game*) “more money” (see Imbroscio 2006). This practical skepticism is underlined and reinforced by a deeper philosophic proclivity strongly embedded in liberal thought. For liberals, it is individual *mobility*—of all kinds—rather than, for example, place attachment, that is understood as key to enhancing individual welfare and human flourishing. “Liberalism is, most simply, the theoretical endorsement and justification of . . . movement,” writes the eminent political philosopher Michael Walzer (1990, p. 12); mobility not only represents “the enactment of liberty” but also the “pursuit of . . . happiness” itself.

Thus, Liberal Urban Policy has maintained a deep ambivalence regarding place-stabilizing/revitalizing efforts. It, instead, has favored, on both practical and philosophical grounds, enhancing the individual *mobility* of those negatively impacted by uneven development—that is, finding *new places* rather than fixing (developing) old ones (see Imbroscio 2012a). This stance among Liberal Urban Policy analysts helps explain why past urban policies to aid underdeveloped places have been mostly “small-scale,” “modest,” and “inadequate” vis-à-vis the policy challenge (O’Connor 1999, p. 79). In short, mobility efforts have, and continue to be, the main thrust of the *place-oriented* component of Liberal Urban Policy’s Redistributive Paradigm.

Place mobility efforts. Employing the conventional people–place distinction, scholars have often, wrongly, categorized mobility policies as people-oriented because they involve the movement of individuals and families (i.e., people). Yet, such efforts are best understood as place-oriented in nature. This is because mobility policies allow people to change places—that is, exchange one *place* for another.⁴ What is redistributed here is the advantage of place itself: Disadvantaged individuals and families living in poor places are linked to wealthier places (so-called “opportunity areas”), affording them the ability to tap into (and benefit from) the many positive attributes of such areas. The key (redistributed) attributes of place include strong quality of life features (including low crime rates and high-quality public services and

private amenities), high-performing schools, and robust job markets (see Briggs 2005; Turner, Popkin, and Rawlings 2009).⁵

Liberal Urban Policy efforts designed to advance equity by redistributing the advantages of place come in two key forms. Weaker forms include measures to connect residents of poor places (often inner cities) to the robust job markets of “opportunity areas” (often in suburbs) via enhanced transportation linkages and related social services (what Downs 1994, p. 111, calls the “worker mobility strategy”; also see Hughes 1995).⁶ Stronger forms actually relocate (i.e., disperse or deconcentrate) residents of poor places to “opportunity areas,” typically via some form of housing policy (what Downs 1994, p. 106, calls the “household mobility strategy”). Measures can increase the *supply* of affordable housing in “opportunity areas,” which in turn facilitates movement into them (by lowering the price of entry). Here, Liberal Urban Policy’s most common line of attack is to limit exclusionary zoning practices, perhaps as part of a “fair share housing” mandate stipulating all local communities must house their “fair share” of a region’s poor (see Bollens 1997). Alternatively, measures can bolster the level of *demand* of the disadvantaged for housing in “opportunity areas.” For example, Liberal Urban Policy frequently advocates stronger enforcement of antidiscrimination (or “fair housing”) measures, allowing minorities to relocate to such areas unburdened by racial bias (see Goering 2007). Another key demand-side strategy of Liberal Urban Policy seeks to enhance the portability (and monetary value) of housing vouchers (see Katz and Turner 2001), so recipients can use them to “move to opportunity” (see Briggs, Popkin, and Goering 2010). The Gautreaux program in Chicago and the federal Move to Opportunity program took this approach a step further, providing counseling, relocation assistance, and support services to voucher holders relocating (or dispersing) from inner cities. Emboldened by the (supposed) success of Gautreaux, some prominent Liberal Urban Policy analysts advocate a massive, nationwide expansion of dispersal programs in an attempt to redistribute the advantages of place to hundreds of thousands of disadvantaged families (see Fiss 2003; Polikoff 2006).⁷

The Critique of the Redistributive Paradigm

So, to advance the goal of equity, Liberal Urban Policy clearly has favored the augmentation of various redistribution efforts, that is, the Redistributive Paradigm. What, then, is so wrong with that?

On one hand, arguably nothing—as there are, without a doubt, many positive consequences that would result from augmented redistribution. Perhaps most crucially, it helps alleviate the plight of those who suffer true

disadvantage (often through no fault of their own). And, because Liberal Urban Policy advocates that efforts be funded via strongly progressive taxation, the Redistributive Paradigm can be understood as establishing a kind of rough justice between the haves and have-nots (see, for example, Devine and Wright 1993; Goldsmith and Blakely 2010). Moreover, challenging the attractiveness of the Redistributive Paradigm, as I shall below, does not imply that redistributive policies are necessarily zero-sum in nature. Indeed, such efforts clearly can promote society-wide benefits.⁸ Nor is it to suggest that all (or even most) *current* redistribution be eliminated (see below). Finally, and most crucially, it is important to reiterate that a challenge to the Redistributive Paradigm stands *not* as a challenge to (the urban policy goal of) equity. Rather, it is a challenge to *one path* toward that goal. For, as stated at the outset of this article, equity, itself, is not optional.

Political and Normative Difficulties

With these caveats in place, where then lies the basis for this challenge to (or critique of) the Redistributive Paradigm? I want to highlight two chief problems: the first is political and the second is normative.

Overview. The heart⁹ of the political problem is that Americans simply do not favor redistributive policies. While opinion surveys find strong diffuse support for efforts to assist the poor, such surveys also find that Americans strongly resist the act of government taking from some and giving to others (see, for example, Howard 2007; McCall and Kenworthy 2009; also see Bénabou and Tirole 2006; Brooks and Manza 2007). This reality is increasingly recognized across the political spectrum, including even discerning and thoughtful elements of the liberal-left. Take, for example, the perspective of Yale political scientist Jacob Hacker, who has emerged as perhaps the leading theoretician of what the late Senator Paul Wellstone once identified as the “Democratic wing of the Democratic Party” (see Greider 2012). As Hacker (2011, pp. 2-3) has come to understand, major programs of redistribution are “never easy to enact,” in part because “excessive reliance on redistribution fosters [right-wing] backlash” and, ironically, it is “often [the] most difficult” to “creat[e] common support” for such actions in inegalitarian societies like the United States (also see O’Neill and Williamson 2012). Likewise, in his aptly-titled recent book, *The End of Loser Liberalism*, leading progressive economist Dean Baker (2011b, p. 149) puts it even more bluntly:

Politically, the idea of taking money from the people who have lots of it and giving it to those who have not earned much is always going to be problematic, especially

in the United States. The idea of government redistribution does not sell well. (Also see Alperovitz 2011; Elkin 2006.)¹⁰

This political unsaleability even extends, somewhat paradoxically, to “most members of the working class,” that is, those “who have the most to gain from redistribution” (Howard 2007, p. 200).¹¹ Perhaps more intriguingly, the strong resistance to redistribution in the United States holds even though “Americans have become increasingly concerned about inequality and . . . their support for government action to address it has risen” (McCall and Kenworthy 2009, p. 473; also see Page and Jacobs 2009).

Yet while Americans may support government action to address inequality in the abstract, mounds of public opinion data suggest they are highly dubious about government’s ability to do so effectively and efficaciously (see Haskins and Sawhill 2009). As leading Democratic Party pollster Stanley Greenberg (2011, p. SR1) reports, the well-known (and by now, long-standing) deep distrust of government “is unfolding as a full-blown crisis of legitimacy” (at present, for example, only about 10% of Americans trust government to do the right thing most of the time).¹² This legitimation crisis represents a second serious political obstacle to the Redistributive Paradigm, especially because this paradigm relies heavily on government, often in its most mistrusted (i.e., centralized) form (see Grieder 2009). In this regard, political theorist Stephen Elkin (2006, p. 294) astutely observes that “liberal . . . redistributive strategies” tend to keep the state, especially the central state, “involved more or less indefinitely, and the hand of the state in equalizing wealth is . . . visible.” This is because such strategies often rely heavily on continuous and conspicuous government taxation coupled with the ongoing, overt transfer of cash or in-kind subsidies via public “tax and transfer” programs (see Hacker 2011).

If the problem with Liberal Urban Policy’s Redistributive Paradigm were only political, then the key constructive task at hand would involve how these political constraints can be overcome.¹³ Yet there are acute normative problems with it as well. Most notably, the Redistributive Paradigm, as with the welfare state system in general (of which it is a key component), creates “a class of people more or less permanently dependent on public support,” as the civic republican political theorist Thad Williamson (2012, p. 304) points out. This dependency, in turn, weakens “the idea of independent, free-standing citizens” (Williamson 2012, p. 304). Along these same lines, another perceptive political theorist, Stephen Macedo, reminds us that even John Rawls came to a parallel conclusion. Macedo (2011, p. 40) points out that Rawls, the preeminent liberal political philosopher of our time, believed that “participants in a redistributive welfare state . . . will tend to regard the least well-off as, in Rawls’ (2001, p. 139)

words, ‘objects of our charity and compassion’” rather than as equal members of the citizenry. Hence, the Redistributive Paradigm tends to undermine some of the key requirements for healthy democratic citizenship—independence and equal political standing—and thus weakens the vibrancy of democracy itself (also see Alperovitz 2011; Elkin 2006; Lasch 1991; Lind 2007).

The Redistributive Paradigm’s heavy reliance on the state, especially the central state, raises additional normative concerns. Once again, political analysts on the left as much as the right increasingly recognize this reality (see, for example, Alperovitz 2011), something that points to the seriousness and significance of such concerns. At the root of many of these left-oriented critiques is the idea that such statist responses to social problems tend to weaken popular (democratic) control, especially on the local level (see Elkin 2006). Take the progressive-populist journalist William Greider (2009, p. 246), for example. Greider recognizes, correctly, that the “liberal big government” of the twentieth century “delivered great gains for ordinary citizens” and was—in its day—“necessary to overcome regional poverty and [southern racist] political resistance.” But he also recognizes that the “act of centralizing power in Washington inevitably shifted the decision making farther away from the people,” and ultimately “disabled the capacities of citizens to act locally, where they naturally have the most influence and energy.” Similarly, leading urbanist J. Phillip Thompson (1998, pp. 202-203), writing from the perspective of the African-American left, offers a penetrating critique of the redistributive strategy he identifies as “liberal universalism.” Doing so, he finds it “difficult to imagine” these “state-centered strategies producing democratic outcomes.” Instead, “they are likely to further weaken local democracy and undermine personal autonomy for the very people they are supposed to help.” In a parallel vein, leftist political theorists (and activists) Joshua Cohen and Joel Rogers (1996, p. 21) find that the liberal focus on the state as the vehicle for increasing equality and living standards leaves liberals “barely [able to] contemplate what a more popular administration of the economy might look like.”

So, in sum, the Redistributive Paradigm at the core of Liberal Urban Policy is problematic, both from a political and normative perspective. Politically, Americans strongly resist the act of taking from some to give to others, a resistance only intensified because the vehicle for this action, the central government, is an institution with limited popular legitimacy. Normatively, the Redistributive Paradigm tends to weaken citizen independence and equal political standing, while at the same time embracing a centralized statism that limits popular control, especially on the local level.

Liberal retort. Defenders of Liberal Urban Policy would no doubt challenge this critique on various fronts. Liberals commonly see the chronic legitimacy

problems of the state as not insurmountable, for example.¹⁴ Likewise, they see the actions of a strong central state as facilitating rather than undermining local democracy.¹⁵ Yet, their most fundamental challenge to my critique—and, hence, one I will take seriously and engage—would contend that I have badly mischaracterized the Redistributive Paradigm in at least one key sense. Namely, for liberals, much of redistributive policy is *not* about government taking from the haves and benevolently giving to the have-nots (leaving the latter more or less permanently dependent on the former and, ultimately, the central state). Rather, what I have called the Redistributive Paradigm is, in the liberal view, about promoting economic *opportunities* (rather than outcomes): As the cliché goes, it offers not a handout but a hand up.

So, for defenders of Liberal Urban Policy, much of the *people-oriented* redistribution they advocate is really about providing health, educational, housing, and nutritional aid, as well as other social support services, so that those facing difficult social conditions can be given a fair chance to succeed. Likewise, much of the *place-oriented* redistribution designed to stabilize or revitalize poor places is really about either enhancing the employment prospects of the disadvantaged, or supporting local service delivery (especially the provision of quality public education) so as to create a more opportunity-rich milieu in such places. Much of the same can be said of the *place mobility* redistributive efforts, which are, by design, aimed at helping families make a so-called “move to opportunity” (where jobs are plentiful and schools are better). In essence, then, much of what I have labeled a Redistributive Paradigm is, for liberals, more rightly understood as an Opportunity Paradigm (cf. Haskins and Sawhill 2009).

And once the Redistributive Paradigm is recast as an Opportunity Paradigm, its problems of political unpopularity and normative undesirability are mitigated significantly. A recent Gallup poll, for example, found that a strong majority of Americans, approximately 70%, “said it was important for the government to increase opportunities for people to get ahead” (Kohut 2012, p. A21; also see Page and Jacobs 2009). Likewise, the public’s response to growing economic inequality is not to favor traditional redistributive programs but rather expand education spending, suggesting the crucial importance Americans place on equalizing opportunity (rather than income) to combat disadvantage (McCall and Kenworthy 2009). On the normative front, those seeking opportunities for advancement stand in the political realm not as state-dependent, second-class citizens; instead, they are celebrated, even lionized, in American political culture as the quintessence of the American spirit (see, for example, Dreier, Mollenkopf, and Swanstrom 2004; Wilson 1996).

Response. There is a major problem here, however. Although a recasting of the redistributive policies of Liberal Urban Policy as opportunity-enhancing sounds plausible in the abstract, in practice such efforts tend not to actually enhance much opportunity (except for a select few individuals). Take efforts to improve basic schooling for the disadvantaged—the most direct and potentially efficacious of such policies. Despite the perpetual confidence liberals place in them, such efforts are, again and again, overwhelmed by broader socioeconomic forces and repeatedly fall short.¹⁶ At least since the famous “Coleman Report,” published almost a half-century ago, social scientists have well understood the momentously important role these socioeconomic forces play in determining educational outcomes. As McCall and Kenworthy (2009, p. 467) recently remind us, many scholars therefore remain “skeptical about the capacity of schools and school reform to make much difference in the life chances of children from disadvantaged families and neighborhoods.”¹⁷ Even recent efforts to move these families to better neighborhoods (via the place mobility policies discussed above) have failed to improve the children’s educational achievements (see Goetz and Chapple 2010), underscoring the inherent difficulties involved with attempts to enhance opportunity via upgrades in basic schooling.

Much of the same can be said of education and skills training at higher levels. For example, in his rigorous study of the issue, economist Edward Wolff (2006, p. 28) asks, simply, *Does Education Really Help?* It turns out the answer is, basically, no: “Education, even skill enhancement, does not lead to higher wages,” he concludes (also see Blinder 2007; Grubb and Lazerson 2004; Howell 2002; Lafer 2002). In fact, in the face of the brutal labor-market dynamics unleashed by the march of economic globalization, even holding a college degree no longer ensures the disadvantaged will be afforded the opportunity to attain a middle-class life (Levy and Temin 2007).¹⁸ None other than Paul Krugman, the Nobel Prize-winning Princeton economist, *The New York Times* columnist—and the very paragon of contemporary American liberalism—has even come to understand this. Synthesizing the careful empirical work done by several leading economists, including David Autor, Frank Levy, Alan Blinder, and Alan Krueger, Krugman (2011, p. A21) concludes that “there are things education can’t do.” It is “wishful thinking” to believe that it is the path to “restore the middle-class society we used to have.” In fact, it is “no longer true that having a college degree guarantees . . . a good job” and it is “becoming less true with each passing decade” (as the percentage of college graduates holding good jobs has fallen since 1979, for example; Meyerson 2012). Facing up to this reality, Krugman concludes by starkly drawing its most crucial implication: “So,” he

says point-blank, “if we want a society of broadly shared prosperity, education isn’t the answer—we’ll have to go about building that society directly.”

Within this phenomenon also lies a major source of the state legitimation crisis crippling liberalism and, by extension, making Liberal Urban Policy and its Redistributive Paradigm politically untenable (for “a crisis of government legitimacy is a crisis of liberalism,” Greenberg 2011, p. SR1, perceptively notes). In essence, liberal-leaning governing elites continue to make promises that cannot possibly be kept, given the new economic reality wrought by the very neoliberal globalization whose development they have willingly aided and abetted (see Harvey 2007). As Greenberg (2011, p. SR1) points out, it is “an article of faith among contemporary center-left leaders . . . that investment in education will pay dividends with increasing productivity and increased income.” Yet, this article of faith is more and more being revealed as based on, well, *faith*, rather than (empirically informed) reason: “The evidence is piling up that the economy is not working for the middle class,” Greenberg recognizes, as “productivity and education increase but wages do not follow” (also see Meyerson 2012). With the perpetuation of what is at root a major fraud on the American people, trust in—and ultimately, the very legitimacy of—the positive state spirals, quite predictably, downward.

Beyond the Redistributive Paradigm: Toward an Alternative Urban Policy

So, the Redistributive Paradigm lying at the core of Liberal Urban Policy is politically and normatively problematic, while attempts to recast this redistribution as opportunity-enhancing fail because, in practice, not much opportunity is actually enhanced (in turn further exacerbating the Redistributive Paradigm’s problematic nature). If, as stated at the outset, equity is not optional, but the Redistributive Paradigm in its various orientations and casts is an unsatisfactory *means* to realize that equity, then another—alterative—equity-oriented path for urban policy must be found.

As a preface to this exploration, it is useful to keep in mind the central posture of what political analyst Sam Pizzigati (2011, p. 11) aptly labels the “redistributive state”: It takes “the corporate economy *as a given*—and accepts that . . . [this economy] will help some and hurt others” (emphasis added). The “antidote to this inequality,” Pizzigati explains, is then for government to “tax and spend,” that is, “tax the fortunate to fund programs that boost the disadvantaged.”

Scholars commonly refer to such measures as “after-the-fact” methods to generate equity, because these measures seek to “alter the underlying patterns” of inequality “after the basic income flows have been generated” by

the corporate economic system (Alperovitz 2011, p. 19). This is of particular significance because it is the Redistributive Paradigm's "after-the-fact" nature that tends to engender many of its political and normative difficulties (see Hacker 2011). The sense of taking from the productive to give to the unproductive (Baker 2011b), the ongoing and visible role of the (delegitimized) central state (Elkin 2006), and the perception of state dependence and the resultant inequality of citizenship (Williamson 2012) all stem at least in part from it. So, rather than taking the prevailing economic system, in Pizzigati's (2011, p. 11) words, "as a given" and then trying to rectify its inegalitarian outcomes *after* they are generated, the aim of urban policy should instead be to alter the structural arrangements in the economies of cities that "generate . . . inequality in the *first place*" (Elkin 2006, p. 294, *emphasis added*; also see Hacker 2011).

How, then, might this be done?

The Ownership Paradigm: Supplanting People-Oriented Redistribution

At the structural heart of city economies lies the manner in which productive assets, especially urban land and commercial enterprises, are owned and controlled (see Alperovitz 2011). What is needed, then, is an Alternative Urban Policy built around an *Ownership Paradigm* that gradually *restructures* urban economies to make ownership of these productive assets more widespread. Such a restructuring can accomplish much of what *people-oriented* redistribution aims to do, namely, ensure that the benefits of economic activity are more broadly shared among the urban populace, including its more disadvantaged segments. But rather than accomplishing this aim by having the state intervene "after-the-fact" via taxes and transfers, dispersing productive-asset ownership affords the disadvantaged a portion of these benefits more directly, as co-owners and thus co-profit earners (a powerful version of what some are now calling "predistribution"; see Hacker 2011; O'Neill and Williamson 2012). In this way, increased urban equity will be more or less *self-generating* in nature: It will result as a by-product of the normal workings of economic processes rather than from some externally-imposed corrective measure (cf. Dahl 1985; Elkin 2006).

There are at least five major ways the Ownership Paradigm can work to disperse productive assets more broadly throughout the urban economy. Urban denizens can be transformed¹⁹ from recipients of (transfer/in-kind) payments to profit-earning owners via their (1) employment in a company, (2) residency in a neighborhood, (3) membership in a community, (4) citizenship in a municipal corporation, and (5) entrepreneurship in a small business.

As we shall see below, precedents for all five are currently operating on the ground in American cities, albeit in rudimentary forms.²⁰

1. *As company employees*: Increasingly, employment opportunities available in the American economy, in cities as well as suburbs, pay too little—something that has helped drive down labor force participation rates sharply over the past 10 or so years. Consider that, by the latter part of the last decade, only about 16% of private-sector workers earned what is considered to be a middle-class wage (Uchitelle 2008). Half of all U.S. jobs pay less than \$33,000 per year, a figure only \$10,000 above the poverty line for a family of four (Edelman 2012; also see Meyerson 2012). As discussed above, the normal liberal response to this problem, skills upgrading, is likely to either fail or, at best, provide help for a select few (in light of the general paucity of available well-paid jobs). The other liberal response, the Redistributive Paradigm's EITC, serves to depress pretax wages by allowing "companies to rely on general government revenue to provide . . . wage increases that should be coming from enhanced profits" (Wolff 2006, p. 241).²¹ In contrast, by having workers themselves be the owners of these companies, the Ownership Paradigm cuts them in for a share of these profits, boosting their compensation directly.

Perhaps the most exciting model for expanding worker ownership in cities, and one highly suggestive of what might be possible on a broad scale, is currently being constructed in Cleveland. Dubbed the "Cleveland Model," the effort, inspired by the Mondragon experience in Spain, seeks to use the city's "anchor institutions" (especially universities and hospitals) to catalyze a network of 10 worker cooperatives in the city's low-income Greater University Circle area. Projections indicate that, after about eight years of employment, a typical worker-owner's stake in their company will be worth approximately \$65,000. Over the longer term (10-15 years), the goal is to create upward of 5,000 anchored jobs, toward the ultimate objective of stabilizing and revitalizing Greater University Circle's neighborhoods. And, perhaps most importantly, the model is spreading to other cities as well, with comparable efforts being considered in places such as Washington, D.C., Amarillo, Atlanta, and Pittsburgh (Dubb and Howard 2012).

2. *As neighborhood residents*: Neighborhood residency provides a second basis through which the Ownership Paradigm can diffuse productive assets. In many cities throughout America, neighborhood after neighborhood is experiencing waves of reinvestment and corresponding revitalization. This revitalization is frequently disparaged as

“gentrification,” and largely (and, at present, often rightly) dismissed as a regressive process exacerbating urban inequities (see, for example, Lees, Slater, and Wyly 2008). But what if residents obtained an ownership stake in their revitalizing neighborhoods? Then, as Blackwell and McCulloch (2002, pp. 1-2) point out, it would help “ensure that as communities improve, so too do the individuals and families who live there” (also see Carr 2000).

Such is the idea behind what PolicyLink calls “resident ownership mechanisms” or ROMs. What ROMs do is “capture value” for neighborhood residents, the key source of which is the increasing worth of real estate, as well as general business revenues (Carr 1999, p. 22). As PolicyLink has suggested, the development of ROMs could be greatly facilitated by using Community Development Corporations (CDCs) as a vehicle to spread ownership. CDCs, of which there are already thousands operating in American cities, would begin to sell (at discounted, affordable prices) equity shares in their commercial real estate and business ventures to some of the neighborhood residents they serve (see McCulloch 2001).²² One analogous model here is Market Creek Plaza, a commercial and cultural complex developed in a diverse working-class section of San Diego. It provided neighborhood residents and employees an exclusive opportunity to purchase shares in the project (valued at \$200 and capped at \$10,000) via a “community public offering” (similar to an initial public offering [IPO], but for residents). The process has resulted in over 400 people holding a 20% ownership stake in the project, and it is expected that further share offerings will increase local residents’ stake to 50% over the next few years (Alperovitz, Dubb, and Howard 2007; Blackwell 2011).

3. *As community members:* Closely related to ROMs is the idea of community ownership. While not necessarily residents of the same neighborhood, people in a local community (somehow defined) have frequently come together and formed community-owned commercial enterprises (usually in the form of consumer cooperatives or community corporations). There are already hundreds of successful examples of member-owned, democratically-run consumer cooperatives in U.S. cities, primarily in the grocery industry (Shuman 2012). One recent effort to extend this ownership model to benefit poor urbanites was in Detroit, where a collaboration among 80 churches, consumers, and workers sought to create cooperative grocery stores to eradicate the city’s vast “food deserts” (Christian 2010). Reconstructing the history of “Black cooperativism,” political economist Jessica Gordon

Nembhard (2004, p. 317) notes that prior experiences in the earlier part of the twentieth century suggest that cooperatives, including those owned by consumers, can afford “African Americans and other marginalized communities some measure of control over their economic lives and contribute to their own and their community’s economic prosperity.” The development of the other form of community ownership, community corporations, has been especially active of late. These entities, which resemble traditional (for-profit) corporations save they are owned primarily by local community members, are popping up in scores of cities and towns across America. Local groups, seeking to revitalize commercial sectors and stabilize jobs, have purchased and successfully operated a number of businesses, including restaurants, coffee shops, clothing outlets, theaters, and department stores (Mitchell 2006; Williamson, Imbroscio, and Alperovitz 2002).

4. *As municipal citizens*: The broader dispersal of productive assets in the local economy also can be realized via the increased public (municipal) ownership of such assets. In this variant of the Ownership Paradigm, inhabitants of cities, including a large number who are economically disadvantaged, become owners by virtue of their status as democratic citizens of a municipal corporation (see Frug 1980). Municipal enterprise has a venerable history in the United States, dating back to the Progressive-era creation of municipal utilities and other public goods-like economic enterprises. More recently, city-owned business ventures have expanded into economic realms traditionally dominated by the private sector. Local governments have operated enterprises in a dizzying array of fields, including equity investing in commercial development, fertilizer and soil enhancer production, Internet and Wi-Fi services, training and consulting, landfill gas recovery, auto towing, land ownership (especially near transit stations), bottled tap water, and professional sports (Alperovitz 2011; Imbroscio, Williamson, and Alperovitz 2003). Supporters see such activities as efficient and nonideological—not as city socialism but rather as the work of enterprising (or reinvented) governments seeking to generate local economic activity and create local jobs (see Osborne and Gaebler 1992). Moreover, the public profits generated by these businesses can be used to finance basic city services upon which the municipal citizenry, especially its poorer segment, relies.²³
5. *As small-scale entrepreneurs*: The Ownership Paradigm seeks not only to broaden ownership of productive assets via some collectivity to which individuals belong (a company, a neighborhood, a community, or a municipality) but also to do so by spreading small-business

ownership to individuals themselves via an aggressive “enterprise development” strategy (see Friedman 1986). Such a strategy provides local entrepreneurs with finance, especially in the form of seed or expansion capital—including, importantly, micro-loans (of \$50,000 or less) for very small businesses with economically disadvantaged owners (see Servon 2006). It also provides technical assistance and management training to small enterprises, including assistance with locating new markets for their products, as well as rental spaces and shared business services via the creation of small-business “incubators” to nurture fledgling start-ups (see Schweke 1985).

One promising model is in St. Paul, Minnesota. Over the past two decades, the city’s Neighborhood Development Center has helped 500 St. Paulites start their own businesses, utilizing many key elements of the enterprise development strategy sketched above: a 16-week training course, start-up and expansion loans, ongoing technical assistance, and low-cost rental space via a network of seven incubators. More than 4,000 residents, almost all low income, have gone through the training, with about 20% going on to start a business. These businesses currently sustain over 2,000 jobs and return almost \$65 million annually to their communities in payroll, rent, and taxes (Treuhaft, Blackwell, and Pastor 2011). Given that small businesses account for three-fifths of all U.S. jobs, and an even higher proportion in disadvantaged communities (M. E. Porter 2010), the potential of enterprise development strategies for revitalizing urban economies while broadening ownership seems considerable.

The Ownership Paradigm in perspective. Taken together, these five vehicles for dispersing ownership of productive assets, if implemented on a sufficient scale, can potentially restructure urban economies so that the fruits of local development are more widely shared.²⁴ Yet, it is no doubt the case that without some wholesale transformation of the larger-order system of corporate capitalism,²⁵ this restructuring will be decidedly partial in nature. Just as the taxes and transfers of Liberal Urban Policy’s Redistributive Paradigm only modify the inequitable outcomes of the corporate system to a limited degree, much the same can be said of the Ownership Paradigm. Nonetheless, what the Ownership Paradigm *does* potentially bring about is more equity without the need for additional large-scale “after-the-fact” redistribution and its attendant political and normative difficulties. This is because, when ownership is widespread, equity can result from the workings of economic processes directly, as profits are captured by a broad segment of the population. The need for redistribution can, of course, never be entirely, or even mostly, eliminated²⁶ (ensuring that any equity-advancing strategy will ultimately entail a *blending*

of paradigms, as much of the *current* redistributive effort will—and should—remain intact). Nonetheless, by restructuring local economies via the Ownership Paradigm, a lot less redistribution would be required to advance equity, thus making it much less politically and normatively problematic.²⁷

We still confront with at least one major conundrum, however. How exactly is this new, structurally-altered urban economy to be built? That is, if the Ownership Paradigm is to create local developmental processes that are economically vibrant and socially equitable, a sizable quantity of resources will be required to fund the necessary initiatives. From whence will these resources come? Are we not simply back to the idea of *place-oriented* redistribution in Liberal Urban Policy, which reallocates resources from more affluent places to fund urban economic revitalization? If so, an Alternative Urban Policy constituted as such has not vanquished the Redistributive Paradigm to any significant degree.

The Localist Paradigm: Supplanting Place-Oriented Redistribution

What is required of urban policy, then, is that the requisite structural changes in the urban economy be brought about without the need for a large infusion of intergovernmental revenues extracted from exterior sources. This entails supplanting the *place-oriented* side of the Redistributive Paradigm with what might be called a *Localist Paradigm* (cf., for example, Hess 2009; Shuman 1998). The aim of this Localist Paradigm is to generate the necessary financial resources primarily from within the processes of the local economy itself—that is, internally (or indigenously) rather than externally.

Securing these internal resources will, of course, be no small task, especially in poorer, less financially secure cities. It is important, however, that those seeing equity as not optional squarely face up to the reality urban policy confronts. In essence, we stand face-to-face with TINA (There Is No Alternative), given the political and normative difficulties afflicting redistribution (at least if done on a large scale).²⁸

If there is no alternative to the Localist Paradigm, where might the necessary (local) resources be found? It turns out, somewhat counterintuitively, there are a number of potential internal (or indigenous) sources from which they might be drawn. Doing so, however, requires an innovative and imaginative rethinking of local economic and fiscal priorities.

By far the most crucial of these would involve a reorientation of the economic development policies currently pursued by cities. Such policies largely focus on large-scale physical redevelopment projects (such as sport stadiums, convention centers, tourist and entertainment facilities, hotels, office

buildings, and the like) that often fail to deliver positive economic returns given their exorbitant initial and ongoing costs.²⁹ More generally, the most common means employed to spur local development, economic development incentives (that cost subnational governments a whopping \$80 billion per year), often do not produce promised jobs or do so only via an excessive drain on the public fisc (see, for example, LeRoy 2005; Williamson, Imbroscio, and Alperovitz 2002). Redirecting this imprudent local spending toward the Ownership Paradigm would go a long way toward generating much of the financial wherewithal needed to develop it to a significant scale.

In addition to redirecting development expenditures, there are at least three innovative local fiscal tools that can be employed to garner internal resources. First, cities can agree to place the millions of temporarily idle public dollars (which accumulate after revenue collections or bond offers) only in local banks willing to relend those monies to support the development of the Ownership Paradigm.³⁰ Second, cities can use their own (very substantial) procurement efforts to support the Ownership Paradigm. The awarding of city contracts could be targeted to local businesses owned by workers, neighborhood residents, community members, municipal corporations, or small entrepreneurs, as long as their bids were roughly competitive (with slight extra costs more than justified by the added local economic benefits, see Shuman 2006).³¹ Finally, many larger cities with control over the billions of dollars in their public pension funds could allocate a modest portion of these investments to support the Ownership Paradigm. This practice of allocating some monies locally, known as “economically-targeted investments” (ETIs), is a well-established, even common, practice in the management of state and local pension funds. Given that the health of public pensions is strongly tied to the health of the local economy (especially its level of tax revenues), ETIs can be attractive options for fund managers, especially in the light of the dismal and erratic returns from more customary Wall Street investments (Shuman 2012; Williamson, Imbroscio, and Alperovitz 2002).

Moving beyond the finances of local governments themselves, the Localist Paradigm also could tap the resources held by cities’ anchor institutions—so-called “eds and meds” (universities and hospitals), as well as arts and cultural facilitates, churches, utilities, and community foundations. In 66 of the nation’s biggest 100 inner cities, an anchor institution is the largest employer. They spend hundreds of billions of dollars each year on procurement and real estate development, among other economic activities (Initiative for a Competitive Inner City 2011). As discussed above, the Cleveland Model is beginning to target some of these resources to build a network of worker cooperatives, demonstrating the potential to generate large numbers of inner-city jobs while dispersing ownership. As also discussed above, other cities

seem to be catching on—a trend that, if it reaches fruition, holds the promise of bringing an enormous storehouse of internal (local) resources to bear for the development of Ownership Paradigm.³²

The Cleveland Model and its effort to build worker cooperatives also points to the potential of the entire Ownership Paradigm, itself, to generate indigenous resources to fund local development. In essence, the Ownership Paradigm is self-reinforcing in nature: By dispersing ownership of the city economy *locally*, it often shifts economic surpluses (profits) and purchasing decisions from the control of absentee owners to local ones. Local owners are, in turn, more likely to spend and reinvest resources locally, as they purchase more business services and factor inputs nearby (rather than centrally, as absentee-owned businesses often do) and keep more of the profits circulating locally (rather than being siphoned off to distant corporate headquarters or shareholders) (Mitchell 2000; Shuman 2006). This dynamic provides an additional (internal) source of stimulus for the city economy.

It also points to an even more powerful way the Ownership Paradigm can be self-reinforcing: by enhancing local economic interdependencies that, in turn, increase local multipliers. The Ownership Paradigm enhances these interdependencies not only because, as suggested above, it leads to more goods and services being purchased locally but also because it builds local productive capacities to meet local needs (such as in the case of the Cleveland Model). The end result is that more and more imports into the local economy are “replaced” by (or substituted for) products locally produced (see Jacobs 1984). High levels of import replacement greatly strengthen the interconnectedness of the local economy, as rich web-like networks of local producers, suppliers, wholesalers, retailers, and consumers are developed (see Meehan 1987). In a local economy structured as such—with high levels of interdependence—some initial level of economic activity will ripple widely through it, augmenting (or multiplying) the ultimate economic effect (see Power 1996). Having these high internal economic multipliers essentially allows a local economy to get more out of less—a greater economic impact per dollar invested (or more bang for the literal buck). Therefore, the Ownership Paradigm, by enhancing local economic multipliers, lowers the overall amount of internally-generated resources required by the Localist Paradigm, because those internal resources will have an augmented economic impact as they circulate and recirculate through the local economy.

The Localist Paradigm can potentially get a boost from the burgeoning local investment (or “locavesting”) movement. This movement, which builds upon the growing popularity of the local food movement and economic localism generally (see Mitchell 2011), seeks to create a variety of vehicles by which normal people can invest some of their dollars closer to home (such as the most

well known of these vehicles, so-called “crowdfunding,” as well as local investment clubs, direct “do-it-yourself” public offerings [DPOs], and even local stock exchanges). Supporters claim that returns can be more stable and, ultimately, more lucrative than traditional Wall Street investments (Cortese 2011; Shuman 2012). While much of this activity is constrained by U.S. securities law, the recent passage of the Jumpstart Our Business Start-ups (JOBS) Act by Congress may substantially lessen the restrictions on crowdfunding (so that a number of small investors can pool their money, often via the Internet, to make investments in small, and potentially local, businesses). Another growing vehicle for locavesting is banking with smaller community institutions and credit unions. Buttressed by the recent Move Your Money and Bank Transfer Day campaigns—which encourage divestment from large national or regional banks—credit unions, for example, have experienced stunning membership growth of late. The movement of local assets to local financial institutions is especially important because these institutions are, in turn, more likely to reinvest this capital in small (and thus often local) businesses.³³

Finally, and more generally, in structural terms, the Localist Paradigm is undergirded by the fact that, as Persky, Doussard, and Wiewel (2009, p. 530) point out, “the economies of large US cities remain much more local than is commonly acknowledged” (also see Imbroscio 2010; Schragger 2009). “Globalisation and economic restructuring aside,” they continue, “retail and locally oriented service establishments account for the *preponderance* of local economic activity” (emphasis added). In fact, with the decline of manufacturing, which tends to produce for nonlocal markets, and its replacement with services, which are often consumed locally, the U.S. economy became more (rather than less) local during most of the second half of the twentieth century (Alperovitz 2011).

A Future for Alternative Urban Policy? Politics and Practicalities

The large-scale realization of this Alternative Urban Policy—whether it be the funding mechanisms of the ancillary Localist Paradigm or the economic development initiatives of the Ownership Paradigm itself—clearly requires a city politics strongly in support of it. What are the prospects that such a politics can be viable in many, even most, American cities?

Although a systematic analysis of these prospects is beyond the scope of this single article,³⁴ it is at least conceivable that the Alternative Urban Policy could attract a wide range of political support. As has been well documented, most American cities are governed by corporate-dominated urban regimes that revolve around relatively tight-knit coalitions of local public officials

and corporate elites (see, for example, Imbroscio 2010; Stone 2005). These “centrist” (really center-right) coalitions, made up of corporate-oriented Democrats and establishment Republicans, are, however, increasingly vulnerable to challenges from the left and right, most recently represented by the Occupy Wall Street and Tea Party movements. These movements, in themselves, are narrow (and perhaps transitory as well). But the widespread attention and sympathy they garnered suggest a deep discontent among the broad middle class (see Alperovitz 2011), whose support would be necessary for the viability of any significant political challenge to existing corporate regimes (cf. Elkin 2006; King 2011; Williamson 2012).

The Alternative Urban Policy includes much that this discontented middle class might find of great political appeal, including a balancing of its progressive sensibilities with its more conservative ones. First and foremost, this policy option nods to the middle class’s basic sense of fairness by strongly pursuing equity, but it does so without utilizing the unpopular Redistribution Paradigm.³⁵ As pointed out above, public opinion research shows that Americans do in fact object to inequality, and believe it ought to be redressed, just not via redistribution (McCall and Kenworthy 2009; also see Baker 2011b). It is within this context that the political attractiveness of the Alternative Urban Policy’s Ownership Paradigm becomes most manifest. As Williamson (2012, p. 302) points out, an equity-oriented policy agenda built around ownership (in his case a Rawlsian “property-owning democracy,” see Rawls 2001) “may offer a more promising route” to building substantial support from middle-class Americans compared with the traditional welfare state “insofar as its aims are to provide citizens with a measure of independence and to reduce the need for citizens to be sustained by means-tested welfare payments.”

Another political appeal of the Alternative Urban Policy is that, with its Localist Paradigm, it eschews a heavy reliance on the (delegitimized) federal government. This localist orientation also resonates with middle-class-populist sentiments, found in both progressive and conservative forms, that value decentralization, community, local control, and self-reliance (see Gans 1988; Greider 2009; Hess 2009; Imbroscio 2010; Johnston 2003; Lasch 1995; Schragger 2009; Shuman 2006). Moreover, the development initiatives of the Ownership Paradigm, while designed to increase the progressive goal of equity, nonetheless emphasize economic strategies broadly consistent with conservative values and beliefs. The strategy to develop small, entrepreneurial businesses is the most obvious example here. But many of the paradigm’s collective ownership models can be understood in similar terms as well: employee-owned companies were originally conceived as “worker capitalism” (see Kelso and Adler 1958); CDCs, early on at least, were seen as efforts

at “black capitalism” (see Hill and Rabig 2012); municipal enterprises have been prominently held up as embodiments of “public entrepreneurialism” or “reinventing government” (see Osborne and Gaebler 1992); and cooperatives and community-owned enterprises are often touted as community “self-help” or “bootstrapping” efforts (see Shuman 2006). Consider also what is perhaps the key funding mechanism of the Localist Paradigm—the redirection of imprudent local development spending. It, too, has broad ideological appeal, as this effort would not only address progressive concerns about the inequities of publicly subsidizing wealthy corporations and developers (see Eisinger 2000) but also respond to the desires of fiscal conservatives to limit wasteful government spending as well (see Staley 2001).

Finally, in addition to its favorable prospects for garnering middle-class support and its broad ideological appeal—political advantages in the realm of *ideas*—the Alternative Urban Policy lays claim to political advantages in the *material* realm as well. In particular, its ownership-localist strategy—by its inherent nature—builds a local economy with jobs and economic activity more rooted in place (comprising a larger share of community-embedded enterprises and institutions, while drawing heavily on internally-generated, indigenous development resources). Having local economies constructed as such tends to leave cities less vulnerable to the political pressures stemming from their need to attract and retain mobile capital investment. This reduced economic dependency, in turn, tends to open up the political space necessary for the creation of less corporate-dominated urban regimes (Imbroscio 2010; Kantor 1995; Savitch and Kantor 2002; Swanstrom 1988)—which is to say, those regimes more likely to support the Alternative Urban Policy.

Left is the crucial issue of practicality. Put simply, will the Ownership Paradigm “work” (i.e., will it generate a substantial level of economic activity while spreading the rewards broadly among the urban populace, including its more disadvantaged segments)? Although, as I suggested throughout the above discussion, there are many reasons to be sanguine about the Ownership Paradigm’s potential, this remains very much an open question. Ownership inevitably involves rewards *and* risks, for example. In the end, then, perhaps the best we can say is that, at this juncture, we know far too little to really tell. Adequately answering this question requires much more information—information that can only be garnered as these alternative policies are put into practice, thereby giving us an array of on-the-ground empirical experiences upon which to draw inferences. In the meantime, since equity (as a goal of American urban policy) is not optional, but the augmentation of large-scale redistribution advocated by Liberal Urban Policy is a political and normative nonstarter, the Alternative Urban Policy seems worthy of serious attention by urban scholars, community activists, and policy practitioners.

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Notes

1. Also see, most recently, Alperovitz (2013).
2. Increasingly, this is in the form of credits to offset progressive taxes otherwise owed, for example, the Low-Income Housing Tax Credit or the New Markets Tax Credit.
3. See, for example, the important recent book by Turner, Popkin, and Rawlings (2009). For a more comprehensive advancement of this argument, see Imbroscio (2012a; also see Imbroscio 2010).
4. Whereas genuine people-oriented policies—like food stamps, the Earned Income Tax Credit (EITC), or Temporary Assistance for Needy Families (TANF)—involve no such movement by recipients to receive benefits.
5. In addition, as these advantaged places are predominantly inhabited by advantaged (middle class and upper-middle class) people, relocation supposedly redistributes other, less tangible benefits to the disadvantaged as well, such as improved access to valuable social networks, higher levels of positive social capital, and the “behavioral” benefits that come from exposure to middle-class role models (Joseph, Chaskin, and Webber 2007, p. 378).
6. In this vein, school busing similarly seeks to link children living in places with under-performing schools to those of better quality outside their home neighborhoods (see G. Orfield 2001).
7. Other times, Liberal Urban Policy seeks to utilize mobility to redistribute the advantages of place, not by dispersing (all of) the poor to “opportunity areas,” but rather by having a number of higher-income “in-movers” do the relocating into poorer areas (Briggs 2005, p. 330). The resulting *mixed-income* community potentially redistributes multiple benefits to the disadvantaged, as they now live in close proximity to wealthier people (see Joseph, Chaskin, and Webber 2007). The most prominent example of this approach is HOPE VI (Housing Opportunities for People Everywhere), a program frequently lauded in major statements of Liberal Urban Policy (see Cisneros and Engdahl 2009; Popkin et al. 2004).

8. By, for example, increasing aggregate demand in ways stimulating economic growth, or helping to promote economic efficiency by boosting the productivity of underutilized resources—including, importantly, human resources (see Gordon, Bowles, and Weisskopf 1990).
9. However, note that, while the lack of public support indeed stands at the heart of the matter, other political problems rooted in institutions and economic conditions also hamper the development of redistributive policies in the American context (see, for example, Alperovitz 2011).
10. And, Baker (2011b, p. 2) also points out, perceptively, that redistribution “makes for horrible politics” for the left: “It creates a scenario in which progressives are portrayed as wanting to tax the winners in society in order to reward the losers. The right gets to be portrayed as the champions of hard work and innovation, while progressives are seen as the champions of the slothful and incompetent. It should not be surprising who has been winning this game.”
11. Moreover, as political analyst David Brooks pointed out during the height of the Occupy Wall Street protests, between 2008 and 2011—the heart of President Obama’s first years in power—support for redistribution as measured by the General Social Survey actually experienced a “sharp drop,” with the *sharpest* drop coming among those making working-poor level wages (see comments by Brooks at Sreenivasan 2011; also see B. Appelbaum and Gebeloff 2012, making a similar point).
12. According to a recent *New York Times*/CBS News poll (see Zeleny and Thee-Brenan 2011).
13. See, for example, Skocpol (1991); for a trenchant critique, see Thompson (1998).
14. See, for example, Madrick (2012) and the forum of related articles recently published in *The Nation* under the title, “Can Americans Trust Government Again?”
15. See, for example, Dreier, Mollenkopf, and Swanstrom (2004).
16. Among the most heartbreaking failure is that of the Head Start program’s noble effort to increase the school performance of low-income children via early remedial education. While the program did improve test scores, improvements were short-lived, most likely falling victim to the larger social and economic disadvantages that educational systems tend to reflect rather than shape (see Besharov 2005). Much the same can be said of the more recent failure of the latest federal education reform initiative, No Child Left Behind (see Guisbond, Neill, and Schaeffer 2012; Hursh 2007). Despite the decades of failed experience with Head Start involving tens of millions of children, moderately positive evaluations of two tiny programs (involving only about 100 treated subjects, total) have generated renewed sanguinity about the potential of early education to significantly enhance opportunity (see Heckman 2012). There are, however, many good reasons to remain dubious about this potential in the face of broader socioeconomic forces. See the many critiques of Heckman (2012) in the accompanying forum (also see Imbroscio, forthcoming).
17. Much attention of late has been given to the potential of charter schools, but research shows that they spend more than regular public schools without producing much better results, while educating less-disadvantaged children (see Ravitch 2010). Even the results produced by the much-lauded charters of the

Harlem Children's Zone (HCZ), a very well-funded effort that "enjoys substantial largess, much of it from Wall Street," are being seriously questioned (Otterman 2010, p. A20; also see Ravitch 2010). What is unique about the HCZ is its provision of comprehensive neighborhood and social support services in the zone. Yet there is no evidence these services are having any impact on student achievement (Whitehurst and Croft 2010).

18. As Baker (2011a, p. 1) reports, for example, "the ratio of the wages of those with just college degrees to those without college degrees has not risen much since the early 90s." Moreover, some 43% of low-wage workers in the United States have at least some college or a college degree (E. Appelbaum 2012).
19. Partially, at least, for such a transformation likely can never be in full (see below).
20. In addition, many analogous efforts to expand the ownership of productive assets are also found in European and Canadian cities, often as part of the broader movement to build what is called "the social economy."
21. Moreover, consistent with my general analysis of the politics of the Redistributive Paradigm, Wolff (2006, p. 241) also points out that "there are limits on how much taxpayers in general would be willing to subsidize low-wage work." The current cost of the EITC is estimated to be more than \$55 billion per year.
22. Another possibility is to use Community Land Trusts (CLTs) to capture the value of local development for neighborhood residents (because the accruing value of the land, in the form of higher rents, will be received by the community-controlled trust). CLTs, a common vehicle for providing affordable housing in hundreds of communities, are increasingly looking to "go commercial" (Axel-Lute 2011, p. 1).
23. In Los Angeles, for instance, the Department of Power and Water provides almost \$200 million per year in additional revenue for city coffers (Alperovitz 2012).
24. In this sense, these vehicles also fit well with the broader notion of *social entrepreneurship*, because they seek to use commercial enterprises to bring about desirable social change. What is crucial about these enterprises is not just their business revenues and profits, but rather the salutary impact they potentially have on the larger (urban) society.
25. See, for example, Alperovitz (2011) and Schweickart (2011) for contrasting accounts of what such a transformation might look like.
26. Sans, perhaps, the above-mentioned larger-order transformation.
27. Cf. Dahl (1985) who argues that while a restructured economy (constituted, in his example, by worker-owned companies) would still require a regulatory and welfare state, it would only need to be of a limited size and scope.
28. Note that *some* place-oriented redistribution will, of course, continue to be politically feasible and even normatively desirable, but there are nonetheless strong limits on the *scale* of these actions. For instance, at present, nondefense discretionary federal spending (the likely source of these funds) is projected to shrink over the next decade to its lowest level (as a percentage of the gross domestic product [GDP]) since the Eisenhower era (E. Porter 2012).
29. See, for example, Levine (2000), Staley (2001), Collins (2008), Sanders (2005), Eisinger (2000), and Baade (2010).

30. These “linked deposit programs,” which allow for the stimulation of the local economy without the need for additional taxpayer support, have existed in many cities, including Lowell (Massachusetts), Santa Monica and Berkeley (California), Chicago (Illinois), and Pittsburgh (Pennsylvania) (Alperovitz 2012; Clarke and Gaile 1998; Rosen 1988).
31. Such as in Houston, which recently begun to give a modest (3%) preference to local businesses in the bidding for its \$4 billion in annual procurement in spending (Treuhaft, Blackwell, and Pastor 2011).
32. Harvard Business School professor Michael E. Porter sees this approach as creating what he dubs “shared value”—that is, “expanding the total pool of economic and social value”—which contrasts with “a redistributive approach.” “Shared value,” M. E. Porter and a coauthor write, “is not social responsibility, philanthropy, or even sustainability, but a new way to achieve economic success.” It “recognizes that anchors and their communities are inextricably bound together,” as both need each other to create mutual and shared benefits (Initiative for a Competitive Inner City 2011, p. 2; M. E. Porter and Kramer 2011, pp. 4-5).
33. For example, small- and mid-sized banks account for well over half of all small-business lending, even though they only control about 20% of all bank assets (Shuman 2012).
34. But cf. Imbroscio (2010).
35. Cf. the recent work on American public opinion by Page and Jacobs (2009, p. xi, emphasis in original), who find that, politically, “most Americans are *conservative egalitarians*.”

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