

Urban Regime Theory Revisited: The Case of Smaller, Distressed Cities

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The New Jersey Partnership for Healthy Kids-Camden would like to thank the members of the Core Planning Team for their direction, assistance and support during the planning phase. Members of the Core Planning Team represent the following institutions and organizations: the Co-Director Institutions, YMCA of Burlington and Camden Counties and United Way of Camden County, Campbell Soup Company, Camden Coalition of Healthcare Providers, Cooper University Hospital, Rutgers Cooperative Extension of Camden County, University of Medicine and Dentistry of New Jersey and Woodland CDC.

We also wish to thank our consultants at Rutgers University-Camden, The Walter Rand Institute for Public Affairs for their guidance and development of the Community Strategic Plan and CAMConnect for their support on data and mapping. Special thanks to The New Jersey YMCA State Alliance-State Program Office for their technical assistance and support throughout the planning phase and guidance in preparation for the implementation phase. We also wish to thank Campbell Soup Company for their investment to The New Jersey Partnership Healthy Kids-Camden and the City of Camden.

Finally, we thank our pilot sites for their participation and dedication to this initiative. Our sites include Cooper's Poynt School, Early Childhood Development Center, Forest Hill Elementary School, Holy Name School, Parkside United Methodist Church and Respond, Inc. [From Camden Healthy Kids Strategic Plan]

Introduction

The long epigram above comes from a strategic plan for youth health in Camden, New Jersey, and set of participants provides some powerful clues regarding the contours of the *urban regime* operating in that city.¹ One other critically important institutional actor in the Camden Partnership for Healthy Kids, not mentioned in the excerpt, is the Robert Wood Johnson Foundation which is funding this effort as well as

¹ In the interest of full disclosure, I direct a university public affairs institute that provided the technical support for this strategic plan. Moreover, the portfolio of projects the Institute has undertaken in Camden over the last decade, ranging from government capacity building to public safety, has provided a number of vantage points from which I could observe institutional, philanthropic, organizational and intergovernmental relationships in Camden.

similar ones in several other New Jersey localities. The claim we advance in this essay is that Camden, like many other distressed cities is governed by an urban regime, but, as indicated by the Partnership for Healthy Kids, one markedly different from the type delineated in common academic usage of the term. While neither of us is a student of urban affairs, we have had the opportunity, through a variety of grant funded-projects, to operate, in effect, as participant observers in a variety of collaborative and strategic initiatives that have led us to a provocative hypothesis. Stated baldly, in smaller, distressed cities stripped of a healthy private sector, municipal government is reduced to an environmental variable to be managed by a new *community building regime*, defined by alliances between local nonprofit entities and some combination of state government, federal agencies, think tanks and national philanthropic organizations. Our hypothesis or, perhaps more appropriately at this early exploratory phase, our claim, is significant from both an empirical and a normative standpoint.

Empirically, an urban regime structured along the lines we suggest is a new theoretical type, growing out of a particular set of political-economic circumstances that appear to be more and more prevalent. Urban scholars have long noted that we live in an urban-centric society. At the time of the 2000 Census, sixty percent of the U.S. population resided in cities of 200,000 or more. However, this sixty percent lived in only 153 municipalities. On the other hand, twenty percent of the population resided in urban jurisdictions ranging between 5,000 and 199,000 people, covering 2,148 municipalities.² While the media are drawn to the economic and fiscal deterioration of major cities, state governments and astute observers of urban affairs recognize that the plight of over

² We cite 2000 data because final urban population data are not published yet and there is currently a rulemaking in progress that will alter the way the Census Bureau aggregates urban population.

2000 local governments, without the human, financial or physical capital of larger units, creates "wicked" policy problems and often a political imperative to intervene. The continued socio-economic pressure on these smaller cities generated by decades of suburban sprawl has reached new levels in the wake of the housing bubble and ensuing financial meltdown which have wreaked havoc on businesses vital to municipal revenue and urban growth partnerships. In the wake of these phenomena, municipalities such as East St. Louis, Benton Harbor, and Camden find themselves bereft of a vital private sector and the remaining institutional and community organizations cannot provide local government with the same level of electoral or economic resources. In addition, the transaction costs for building and sustaining a strategic partnership between local government and these nonprofit actors (for both sides) are much higher than those faced by elected leaders and a healthy, well-organized business community.³ Thus, the business- government mutual dependency that defines a classic urban regime is no longer in plays for these smaller, distressed cities, at least not at the same level of efficacy.

From a normative standpoint, the challenge of the new urban regime in which local government is marginalized mirrors the classic complaint leveled by early theorists against urban regimes, namely that democratic accountability and popular sovereignty are essentially fig leaves when it comes to core governance. In the new regime, principles of accountability are redefined from a traditional electoral politics foundation to a new basis rooted in civic engagement; but the general citizenry's voice still muted in terms of agenda setting and policymaking. Indeed the community development regime

³ Richard Feiock & Hee-Soun Jang, "The Role of Nonprofits in the Delivery of Local Services," Paper presented to the National Public Management Research Association Meeting, Washington, D.C., October 9-10 2003.

may be more insidious than its predecessor since civic engagement requires sustained involvement without the ready incentives of patronage or side payments available in electoral politics. The impetus for political science interest in urban regime theory was, of course, the concern that despite elections, citizens were essentially cut out of agenda setting and growth strategy decisions which were monopolized by government and business leaders. In the new regime, citizens are also frozen out, albeit by a different set of mutual dependency relationships. Community development corporations, faith-based organizations and neighborhood associations develop policy, programmatic and financial ties to organizations controlling resources outside the city, and they do so independently of local government leaders. Concomitantly, external actors at higher levels of government or from the philanthropic sector reach out directly to local non-governmental actors. These connections, set in place during the 1990s, in part as a response to the Reagan anti-urban agenda, manifested themselves in the form of a community development model championed by a network of community-oriented research, urban praxis, and foundations. As Neil Bradford put it in a review of urban policy in the U.S. and Great Britain,

...the urban policy activism of the 1990s contributed to the consolidation of a robust community-based development paradigm that joined actors at different scales in a common discourse...Influenced by the ideas of Amarta Sen, John Kretzmann and John McKnight; the new paradigm emphasized building the assets of individuals and communities. Under the rubric of Comprehensive Community Initiatives, once divergent streams of community activists (most prominently, Community Development Corporations, Industrial Area Foundations, and neighborhood associations) came together in cities behind multi-sectoral projects.⁴

⁴ Neil Bradford, "Place Matters and Multi-level Governance: Perspectives on a New Urban Policy Paradigm," *Policy Options*, February 2004, p. 43.

In the extreme, application of this paradigm meant that local government was informed of an initiative and brought into what amounted to a programmatic *fait accompli*. Even if elected officials in these smaller urban centers were part of the conversation from the start, the terms of the discussion and the agenda had already been set.

We explore our claim of a new urban regime type in three steps. First, we briefly review traditional urban regime theory, including critiques and extensions since its original statement. Second, we elaborate the character and implications of the new variant we believe is taking root. Finally, we offer some observations about the political, policy, and theoretical challenges posed by urban regimes in small, distressed cities.

Urban Regimes Revisited

Urban regimes, of course, are distinguished from urban politics in that the former set strategy, agendas and rules-of-the-game rather than merely resolve competing demands for programs, projects or patronage.⁵ Regimes are defined by systems of governance rather than government activity *per se* and, in the classic formulation, are characterized by mutual dependence between local government and business interests. Government, controlled by elected politicians, relies on the private sector for a level of business performance to satisfy residents and voters, to husband resources necessary for growth and development, and to assure a healthy tax base. Business, in turn, depends on government to provide municipal services, to assist in policy and regulatory

⁵ On this point see especially Joe Painter, "Regulation, Regime and Practice in Urban Politics." In M. Lauria, ed., *Reconstructing Urban Regime Theory, Regulating Urban Politics in a Global Economy*, Thousand Oaks, Cal.: Sage, 1997.

compliance, and to address specific needs. Most importantly though, business and government leaders together set the policy agenda, deciding what is legitimate for political discourse and what is not. As Clarence Stone described the functioning of an urban regime, "The capacity to build, modify or reinforce governing arrangements requires resources and skills that are not widely available. Inequalities in that capacity are substantial, systemic and persistent, qualities that run counter to classic pluralism's idea of an open and penetrable system."⁶ In general, elected urban leaders depend on business because government alone does not control resources necessary to achieve their policy or political goals. Stone is not a dogmatic economic determinist (let alone a Marxist) and cautions that business dominance or even prominence depends on the issues in play as well as the level of community mobilization. Nevertheless, he concludes that,

In U.S. localities, for many structural reasons, business typically has a heavy presence in local civic life. The character of land ownership and of land-use planning, the nature of the system of taxation and revenue distribution, the pattern of city-suburb relations, and the importance of private credit to public borrowing are among the contributors to this pattern...⁷

Urban regime theory, then, posits a presumed a mutually dependent business-government relationship at the core of urban governing arrangements.

Stephen Elkin portrayed this mutual dependency as characteristic of a *commercial republic* in which business enjoyed a "privileged position" in politics. At the national level for the last two years, this commercial republic and business privilege paraded before our eyes in the form of the TARP bailouts, the rescue of the American auto industry and the anemic efforts at financial and healthcare reform, all against a

⁶ Clarence Stone, Looking Back to Look Forward: Reflections on Urban Regime Analysis, "Urban Affairs Review, vol. 40, no.3, January 2005, p. 312.

⁷ Ibid. p. 326.

backdrop of unemployment, declining real wages and proposed draconian cuts in public spending on programs that serve the working poor and middle class. Elkin suggests, however, that the commercial republic is best observed and may have its most pernicious impact in urban government. It is at this level, where the threat of capital mobility and the fierce competition for tax-ratable property puts business in a truly privileged position. The normative problem for Elkin is how to construct political institutions, indeed a regime, that meaningfully engages the voting public in policy deliberation, thereby limiting the extent of business hegemony and preserving popular sovereignty. He sees the local, urban setting as the critical venue for such deliberative engagement, with the important caveat that urban political systems have the capacity to serve this function, "except in the unlikely case that localities are counted as financial wards of the central government, thus making the question of economic vitality moot, at least for the locals."⁸

Camden, for example has qualified as a "financial ward," albeit of the state rather than the central government; even disregarding the period of direct state supervision, the fact that 70% of its revenues come from external aid is dispositive. Currently Benton Harbor faces a similar state intervention that would effectively prorogue its elected government. Such state actions are merely a response to long simmer structural problems that, for all intents and purposes, make such cities de facto financial wards of the state even without direct political takeover. Once a municipality depends substantially on state aid and federal grants for providing basic services, the concepts of a commercial republic or the classical urban regime become irrelevant. What we are

⁸ Stephen Elkin, "Business-State Relations in the Commercial Republic," *Journal of Political Philosophy*, vol. 2, no. 2, 1994, p. 133.

suggesting is that Elkin's caveat is crucial but that it need not be stated in stark, either/or terms. Rather, business dominance and the mutual dependency with local government that classically defines an urban regime turn on the presence of a robust private sector; if, on a large scale, capital does exercise its "exit" option over its "voice" or "loyalty" options in a city, the mutual dependency is weakened to the point that elected officials must look elsewhere for resource support of their preferences and objectives. When those external sources reach some significant level, the character of the urban regime is something qualitatively different than the one commonly understood in the commercial republic model. We believe that increasingly smaller cities face the challenges of an eroding private sector and to the extent that they have relatively robust nonprofit institutions and community-based organizations, the conditions are ripe for a new kind of urban regime to form and coalesce.

A New Urban Regime

At a recent international conference on community change, James Gibson, a Senior Fellow at the Institute for Social Change presented a retrospective on urban policy. He he asserted that by the time of the Clinton administration urban policy had taken a turn away from the "libertarian embrace" of a market-driven approach to social welfare policy and recognized that, "...it was the role of the community and the nation to

mitigate the raw workings of the economy.”⁹ He claimed further that, this community building approach has taken root:

...despite its limitations, community building has brought a new level of integrity and respect, and a qualitative “people” dimension to partnerships and collaborations aimed at improving conditions in poor neighborhoods. Even as its vogue has declined among most major national foundations, entrepreneurial initiative-taking has grown in inner city neighborhoods around the US – with the increasing participation of local government and local foundations...More networking among people involved in these initiatives – through the efforts of Local Initiative Support Corporation (LISC), PolicyLink, Enterprise, Neighborhood Works and the Aspen Roundtable have tended to stimulate and support exchange among activists in local projects about effective practice.

Gibson, we believe, succinctly describes the philosophical and operational underpinnings of a new urban regime that can predominate in smaller distressed cities. Note that he observes “increasing participation of local government.” The clear implication is that an agenda for social justice in urban centers was developed without the participation of local government and, we may safely assume, without business influence either.

In major cities such as Baltimore and Washington where Gibson was at the forefront of community-building efforts, or Chicago and Boston where public safety and educational reform initiatives have gained national attention, the community building ethos and paradigm exist alongside and perhaps overlaps with the traditionally understood urban regime, just as Clarence Stone, Joe Painter, James Davies and others have observed. In these cases, the business-government coalition that defines the urban regime may cede policy and political

⁹ James Gibson, “From Community Building to Equitable Development: A Journey from Projects to Policy in the Struggle for Community in Urban America,” paper presented at the Global Roundtable on Comprehensive Community Change, Shdemot Center and Oranim College, Israel, February 21-24, 2011.

space for alternative, social-justice-oriented collaborations and may even be induced to support them. For example, Stephanie Pincetl argues convincingly that environmental nonprofits have constructed an alternative governance regime in Los Angeles that has exerted clear influence on land use decision-making, traditionally the domain of the old business-government coalition.¹⁰ Yet in these large cities, the traditional urban regime reserves control over the growth agenda and seeks to ensure that community building does not thwart key projects or encroach on their agenda control. However, in smaller distressed cities, with a less-than-robust business community, there is no private sector coalition partner for local government. For their part, local officials might be tempted to turn to external resource partner. However, the prevailing wisdom generated by university-based urban research as well as think tanks with an urban agenda have directed those external partners, primarily foundations and the federal government, to connect with non-governmental entities at the local level. Local government in small distressed cities, then, careened from the Reagan era in which serious urban policy was non-existent to a period in which renewed attention to urban issues left them on the outside looking in. At the end of the day, while the community development regime requires city government's cooperation/acquiescence to advance its agenda, elected officials were, as Gibson accurately observes, brought into local initiatives by a coalition that had already determined policy goals and programmatic objectives.

¹⁰ Stephanie Pincetl, "Nonprofits and Park Provision in Los Angeles: An Exploration of the Rise of Governance Approaches to the Provision of Local Services," *Social Science Quarterly*, Volume 84, Number 4, December 2003.

What are the relationships and guidelines that define the community development regime? LISC, one of the key facilitators of community development cited by Gibson defines its mission as follows:

Our unique structure enables local organizations to access national resources and expertise and our funding partners to leverage their investment and achieve an impact that is truly remarkable. The Local Initiatives Support Corporation (LISC) is dedicated to helping community residents transform distressed neighborhoods into healthy and sustainable communities of choice and opportunity — good places to work, do business and raise children.

Another, the Aspen Roundtable on Community Change convenes urban scholars and practitioners scholars, foundations and supporters to exchange and disseminate best practices on urban policy and social justice. As its website proclaims:

Since its founding in 1994, the Aspen Institute Roundtable on Community Change has become a core field-building organization, helping individuals and institutions improve conditions in poor communities. The Roundtable is known for its pioneering work on Theories of Change and community building evaluation.

There is a national conversation about urban affairs that shapes agendas, informs decision makers and mobilizes resources outside of local government in smaller cities but that impacts policy in those cities. The philosophical and ideational conversation in this network does not include the elected leadership of small cities but does shape an agenda that is funded and applied in their municipalities. Importantly, this conversation influences not only philanthropic institutions, but also federal grants and state policymakers.

In New Jersey, for example, as we indicated in the introduction, the Robert Wood Johnson Foundation is partnering with YMCAs and United Ways to mount strategic investments in poor cities. There is a collaborative model imported in a number of localities through which connections are established with schools and daycare providers at the neighborhood level. Major nonprofits and some corporations are brought in as well. Tellingly though, neither local government (including school officials) nor residents

were in the mix at the level of strategic planning. RWJ funding brought partners together around a public health model the Foundation finds persuasive. On another front, the Office of the Attorney General funds and provides technical assistance for variety of public safety initiatives in a number of distressed urban centers. These initiatives such as Cease Fire, Municipal Prevention and Safer Cities are based on national research and demonstrations supported by foundations and federal grants. In some instances connections with local social service providers, community or faith-based leaders, and criminal justice agencies are fostered without even consulting local government. In other cases, there is initial outreach to local government or law enforcement, but it is framed in terms of asking them to "partner" in a community collaboration predetermined by outsiders with access to resources. In terms of job development and economic revitalization, community development corporations, faith-based organizations, neighborhood associations and direct service providers connect with state agencies, federal funding sources, and foundations that support the community development paradigm. These connections yield neighborhood plans, job training programs, affordable housing, streetscapes, transit-oriented development, and more, all intended to improve the quality of life and economic opportunity in small distressed cities.

In each of these policy domains, public health, public safety, and economic (re)development, the community development regime has asserted itself through a mutually dependent relationship between local organizations purporting to represent the interests of citizens and external players that bring both resources and a policy agenda developed in part as an ideological response to the old urban regime. In major cities, this community development paradigm may provide a welcome countervailing force to the so-called urban growth machine. However, in smaller, distressed cities where there is no hegemonic business interest and local government capacity is severely strained, a community development regime may merely supplant the older governing system.

Representation Without Voting?

Clarence Stone reminds us, the reason urban regime analysis has gained so much theoretical traction is that it unmasked the pluralist myth that voting and elections provide an effective nexus between citizens and policy decisions in cities. As he concludes, "At best, electoral accountability reaches only part of the process of shaping public policy, and for that part, electoral accountability is in reality very far from being a robust process."¹¹ Undoubtedly, urban regime analysis informed the community development paradigm insofar as the latter aims to connect residents to real decisions that directly affect their lives, to move from what new leftists used to deride as "mere representation" to participatory democracy. Our critical observations about what we see as a new community development regime do not diminish the power of the original critique offered by Stone and other urban regime theorists. Nor do we wish to denigrate the positive effects of education reform, neighborhood revitalization, community policing, programs for at risk youth and numerous other urban policy initiatives brought to smaller distressed cities by external actors connecting with local non-governmental stakeholders. Often, in these cities bereft of high functioning public management and a robust business sector, the collaborations of a functioning community development regime are salutary.

What we do wish to do, however, is provoke a critical consideration of how well this new governing paradigm addresses the normative challenge originally posed by urban regime theory. If local elections are ineffective mechanisms of popular sovereignty and, by extension, little more than fig leaves for legitimating urban policy, how successful is the community development regime in redressing this grievance? In

¹¹ Op.cit. p.311.

our view (and our experience), it is not ultimately successful. If one judges the democratic character of urban policymaking by the nature and neighborhood location of investment, the community development regime has clearly shifted the urban agenda in a more egalitarian direction, inserting what Jim Gibson called a "people dimension" into the policy process. However, the participatory and deliberative nature of the process itself remains limited, even corporatist. Ideas, priorities, and resources shaping urban policy develop in a national network of foundations, think tanks, university research centers, and federal as well as state agencies. These ideas and priorities are imported to cities and the resources attached to the ideas and priorities serve as inducements to mobilize local nonprofits around a community development agenda. The principles of civil society and civic engagement are intended to connect people to projects, but there is no accountability to the voting public. Local government is relegated to an environmental factor to be managed, co-opted or bypassed. In smaller distressed cities this new urban regime attracts both the entrepreneurial energy of talented individuals who in other settings might help rebuild the private sector and the public-spiritedness of individuals who might otherwise engage in electoral politics. What remains is millions of dollars invested in initiatives, demonstration projects, social services aimed at alleviating the problems put in place by the old urban regime, but low-performing public institutions and the engagement of nonprofits rather than voters.

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