Planning Forum

PLANNING FORUM

The University of Texas at Austin
School of Architecture

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Dear readers,

Welcome to Volume 17 of *Planning Forum*. Last year's volume was our first after a six-year hiatus and served as something of a re-boot, every piece of process and product built from scratch by our dedicated editorial board, with guidance from University of Texas faculty. At the foundation of this work was a new mission statement:

> *To serve as a platform for emerging voices and new perspectives on the most pressing issues in planning.*

With continued commitment to this mission and great pride in the results of last year's efforts, we set to work on refining our solicitation, review, and selection processes and making additional investments into editing and design for this year's volume. We hope these improvements will support the continued vitality of *Planning Forum* for years to come.

Volume 17 begins with three Inquiries—our designation for traditional, peer-reviewed scholarly articles—each making an original and compelling argument. Randall has argued for improvements to the community revitalization provisions of Low Income Housing Tax Credit allocation plans in order to correct an overemphasis on physical infrastructure at the expense of "soft" revitalization investment. Chen has advocated for a transregional scale of analysis of economic communities through original qualitative research with manufacturing firms in China. Finally, Wegmann and Christensen have articulated a research agenda on persistent issues of racial segregation, poverty concentration, and unequal access to opportunity in subsidized low income rental housing in the United States.

We continue with a photo essay depicting the current state of modernist architecture in Wrocław, Poland, built over two historical periods and recently the subject of renewed interest and restoration. Smoliński depicts this European crossroads city—more than once the site of political upheaval and war—in vernacular yet haunting style.

The next section is a special feature for this issue. Five individuals, each a planner in their own right, were asked to share some advice for planners aspiring to work from within a progressive political framework. Taken together, their responses provide just the balance of optimism, realism, and healthy skepticism needed to tackle the challenges of planning in the present day with

an eye toward building a better, more equitable context for the future. We are excited to curate further contributions from these and other experts in future volumes.

Finally, we return to *Planning Forum* tradition with three book reviews from corners of our field that may be worth folding toward the center. The first considers a recent contribution to urban theory that argues for a "new materialist" approach to planning. The second presents a history of the Industrial Workers of the World and makes a case for the relevance of labor unionism for planners. The third evaluates a new text on a popular topic that declares, "no longer an abstract possibility, the smart city actually exists."

We hope this volume continues to do justice to our mission. We would like to extend our sincerest thanks to all those who submitted for this volume, to our fantastic editorial board and faculty reviewers, and to everyone who helped to make this publication a reality for another year.

Brianna Garner Frey, Adam Ogusky, and Martin Sinel
Managing Editors

Submission Review Process

The *Planning Forum* editorial board reviewed every submission in a first-round double-blind review, with a minimum of three reviewers assigned to each. The reviewers rated each submission on three criteria:

- Compelling, original, and interesting research, with respect to the subject, content, discussions, and conclusions;
- Writing quality, with respect to legibility, style, tone, and structure;
- Academic rigor, with respect to reviews of previous work in the subject, methodology, thoroughness, and appropriate conclusions given the research.

The editorial board discussed each paper, with its reviewers making a case for its acceptance, rejection, or reconsideration for another submission format. The Managing Editors sent academic submissions that passed the first round to peer reviewers (faculty or Ph.D. students in planning or allied fields) with expertise in the subjects for a second, double-blind review. The Managing Editors returned the submissions to their authors with peer review comments for revision, and accepted those that successfully responded to their reviews. In all cases, final decisions regarding revisions and publication of submissions rested with the Managing Editors.

Community Revitalization Standards and the Low Income Housing Tax Credit Program in the State of Texas

Megan Randall

ABSTRACT: I examine whether housing developers in Texas are claiming points for community revitalization in the state's annual Low Income Housing Tax Credit (LIHTC) allocation process, and whether the plans they submit constitute a meaningful revitalization effort in distressed neighborhoods. From 2012 to 2015, Texas successively adopted more robust standards for community revitalization in its LIHTC Qualified Allocation Plan (QAP), and saw an accompanying decline in applications seeking points on this provision. A content analysis of revitalization plans submitted in 2015, however, finds a discrepancy between the standard of comprehensiveness upheld in the literature on community revitalization and the revitalization strategies contained in the plans. I find that plans rely heavily on improvements to physical infrastructure, while neglecting the soft pillars of revitalization such as education and community capacity building. Additional revisions to the revitalization provision in the QAP may be necessary to ensure meaningful revitalization efforts in high-poverty communities selected for LIHTC housing in Texas.

Introduction

The Low Income Housing Tax Credit (LIHTC) program has provided millions of units of rental housing to low-income persons since its inception in 1986. It has also, however, contributed to poverty concentration and racial segregation as a result of program regulations that incentivize development in high-poverty neighborhoods. In recent years, policy makers have attempted to stem the program's tendency toward segregation by establishing standards for neighborhood revitalization in high-poverty areas selected for LIHTC housing. In this study I examine whether housing developers in Texas are claiming points for community revitalization during the state's annual LIHTC allocation process, and whether the plans they submit constitute a meaningful revitalization effort in distressed

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neighborhoods. I begin with an introduction to the literature on LIHTC, poverty concentration, and community revitalization, then provide data on revitalization claims in the Texas LIHTC program from 2012 to 2015, and finally present findings from a content analysis of 2015 community revitalization plans.

The LIHTC Program and Poverty Concentration

According to the peer-reviewed and gray literature, LIHTC developments are primarily concentrated in high-poverty communities of color (Buron, Nolden, Heintzi, & Stewart, 2000; Ellen, Yorn, Kuai, Pazuniak, & Williams, 2015; Kawitzky, Freiberg, Houk, & Hankins, 2013). LIHTC siting standards, promulgated through federal program regulations and state Qualified Allocation Plans (QAPs), have contributed to this concentration over time. Early federal program regulations established in 1989 instruct states to give an advantage to developments located in high-poverty census tracts (referred to as Qualified Census Tracts, or QCTs), with the intent of providing affordable housing in areas with a high level of need (Williamson, Smith, & Strambi-Kramer, 2009). This original QCT allocation preference has been a strong driver of poverty concentration among LIHTC properties (Khadduri, 2013), along with project cost factors that increase the expense of developing in more affluent neighborhoods, such as prohibitive land costs and neighborhood opposition to subsidized (California Department of Housing and Community Development, 2014, p. 41; PolicyLink, Kirwan Institute, & National Housing Trust, 2014, p. 4; Williams, 2015). The same U.S. Department of Housing and Urban Development (HUD) regulations that provide an allocation preference to QCTs also grant an incentive for projects in "Difficult Development Areas," defined as areas with high land or development costs relative to the median income (U.S. Department of Housing and Urban Development, 1997).

Academics and advocates have also criticized federal guidelines on state LIHTC siting standards for being ill defined and contradictory (Khadduri, 2013; Kawitzky et al., 2013; Roisman, 1997). In his legal analysis of the program, Myron Orfield (2005) concludes that LIHTC program regulations actively contradict fair housing standards, and posits that vague federal guidelines encourage states to actively subvert fair housing standards through their QAPs. Monique Johnson's (2014) content analysis of state QAPs supports this narrative, demonstrating that QAPs rarely contain federal poverty deconcentration goals in their LIHTC siting standards. Evidence exists to show that changes to the state QAP have a statistically significant effect on LIHTC siting patterns (Ellen et al., 2015), but many state QAPs continue to contribute to poverty concentration by giving

preferences to developments in high-poverty neighborhoods.

The Role of Community Revitalization

The community revitalization provision is one component of federal and state LIHTC program regulations with the potential to reduce poverty concentration among LIHTC properties. In 2002, the federal government added a provision to the 1989 LIHTC program rules instructing states to grant an incentive to projects in QCTs *only* if the project is accompanied by a "concerted community revitalization plan" (Tegeler, Korman, Reece, & Haberle, 2011). This revision represents an attempt to address the concentration of subsidized housing in areas experiencing chronic and comprehensive disinvestment.

Despite the well-intentioned attempt to stem the concentration of subsidized housing in areas lacking other forms of community investment, legal and policy scholars have critiqued the federal community revitalization provision as nonbinding in practice. The federal guidelines neither define the term "community revitalization" nor outline any uniform standards that states should consider when evaluating and granting incentives for revitalization plans. Orfield (2005) concludes that for the community revitalization provision to actually advance fair housing goals, states must take additional steps to give substance to the provision, given how poorly defined it is within federal regulation. Absent substantive federal revision, or additional proactive interpretation through state QAPs, he argues, the LIHTC program will remain in conflict with its mandate to affirmatively further fair housing.

In 2013, Khadduri conducted a content analysis of 36 state QAPs, finding that most do not incorporate the federal community revitalization provision into their siting standards. Moreover, the 2013 QAPs that *do* acknowledge the requirement fail to define the term "revitalization." With no federal guidelines on what constitutes community revitalization, the lack of state guidance effectively makes the provision a nonbinding, nominal requirement. In 2015, Oppenheimer conducted an updated analysis of 49 state QAPs, finding that only 15 of those QAPs clearly define and state what must be included in a revitalization plan. This body of literature concludes that the community revitalization provision, both at the federal level and as operationalized in state QAPs, has historically lacked sufficient definition to act as a tool for housing desegregation in most states.

The Texas QAP and Community Revitalization

The Texas QAP defines the competitive process by which the Texas Department of Housing and Community Affairs (TDHCA) awards 9% housing tax credits to specific affordable housing projects. If a developer wishes to finance an affordable housing project with LIHTC, it submits an application to TDHCA during the annual LIHTC allocation process. The agency then scores its application according to criteria defined in the QAP. Limited funds are available to finance LIHTC housing, and therefore not all projects receive awards. In fact, many projects do not score high enough in the initial self-score application round to even warrant additional agency review. The state determines funding according to regional and categorical set-asides, selecting the highest scoring applications within each region or category to receive awards. Awards are therefore determined competitively in relation to one another, rather than by predetermined raw scoring threshold.

The Texas QAP has evolved iteratively since TDHCA began to address poverty concentration among LIHTC properties in 2012. Since 2013, Texas's QAP has outperformed other states with regard to opportunity-siting standards and the strength of the community revitalization provision (Khadduri, 2013; Oppenheimer, 2015). The current strength of Texas' QAP is largely attributable to the 2012 *Inclusive Communities Project, Inc. v. Texas Department of Housing & Community Affairs* federal summary judgment, which concluded that Texas' QAP had produced systematic, disparate impact on minority communities, thus violating the Fair Housing Act. The Inclusive Communities Project initiated this fair housing lawsuit against the state in 2008, and the summary judgment compelled Texas to revise problematic provisions in the state QAP (Semuels, 2015). The federal circuit court ordered TDHCA to adopt a five-year remedial plan outlining how it plans to bring the state's LIHTC allocation process and QAP into compliance with the Fair Housing Act.

Since adopting the remedial plan in 2012, TDHCA has revised the QAP to better conform to fair housing standards and to encourage LIHTC siting in high-opportunity neighborhoods. Prior to adopting the remedial plan, the community revitalization provision in the Texas QAP was weak and ill defined. In 2012, the community revitalization plan was worth only 1 point out of 226 in the applicant's raw score, and the QAP did not define "revitalization." Moreover, for documentation, TDHCA requested only a letter from the local governing body affirming that the LIHTC site was located within an area targeted for revitalization. THDCA neither required a copy of the plan nor evaluated the quality of the revitalization efforts or

level of financial commitment from the city.

Following adoption of the remedial plan, however, Texas undertook a series of iterative revisions to its revitalization provision to make it more rigorous. Beginning in 2013, TDHCA raised the provision's point value to a maximum of 6 raw points out of a total of 160. This point increase transformed the revitalization provision from a minor section of the QAP into a significant component of the scoring system. The LIHTC program is highly competitive, and six points is a considerable number when applications can be rendered noncompetitive simply for a loss of even one or two points. In 2013, TDHCA also began to require a budget (at specific funding levels) along with evidence that funding for the plan had commenced. Last, in 2013 TDHCA began to require that developers submit the actual revitalization *plan* for TDHCA to review and established loose standards for plan content. As of 2015, Texas revitalization plans were worth 6 out of 179 total points and expected to include an assessment of at least five of eight community factors:

- Adverse environmental conditions
- Presence of blighted structures
- Presence of inadequate transportation
- Lack of public facilities
- Presence of significant crime
- Presence, condition, and performance of public education
- Presence of local businesses providing employment opportunities
- Lack of efforts to address diversity

In 2015, TDHCA required that plans "as a whole" be reasonably expected to address the community factors identified in the assessment of need. While the 2015 QAP standards operationalize criteria for the needs assessment more clearly than actual activities and interventions undertaken in the plan, this revision represented TDHCA's first step toward upholding the tenet of comprehensiveness in its revitalization plan standards. Table 1 and Table 2 present a full description of community revitalization standards in the Texas QAP for urban and rural projects, respectively, from 2012 to 2015.

Defining Meaningful Revitalization

One reason for the persistent lack of federal and state guidelines on community revitalization may be the complexity of defining standards for meaningful revitalization. Many factors contribute to successful neighborhood revitalization, and it is difficult to define a generalizable

Table 1. Community Revitalization Standards in the Texas QAP (2012–2015)

	2012	2013	2014	2015
Point Allocation[1]				
Maximum Points (Full LIHTC Application)	226	160	179	179
Maximum Community Revitalization Points	1	6	6	6
If plan has budget of ≥ $6M	-	4	4	4
If plan has budget of ≥ $4M and < $6M	-	2	2	2
Identified by city/county as most contributing to revitalization efforts (1 max per city/county)	-	2	2	2
Eligibility Standards				
Separate urban, rural, and CDBG-DR standards[2]	-	X	X	X
Eligible only if no points claimed on Opportunity Index	-	-	X	X
Process Standards (Urban Region)				
Plan adopted by local governing body, following public input process	X	X	X	X
Plan funding and activity have commenced, and no reason to believe future funding will be unavailable	-	X	X	X
Local governing body has conducted assessment of the neighborhood factors needing to be addressed	-	X	X	X
Plan has assessed at least 5 of 8 factors	-	-	X	X
Development & Plan Standards (Urban Region)				
Development located within plan's target area	X	X	X	X
Taken as whole, can be expected to revitalize neighborhood and address the neighborhood factors	-	X	X	X
Plan describes budget, source, and use of funds	-	X	X	X
Plan target area is larger than LIHTC housing footprint	-	-	X	X
Plan target area is delineated along neighborhood lines	-	-	X	X
TDHCA staff review plan target area for neighborhood factors identified in initial area assessment	-	-	X	X
Plan is separate from broader economic development efforts	-	-	X	X
Plan is not a Consolidated Plan, other Economic Development initiative, or citywide plan	X	-	-	-
Plan includes efforts to coordinate with other jurisdictions, where applicable	-	X	-	-
Site conforms to TDHCA rules on unacceptable sites	-	X	-	-

1. In addition to raw points and the traditional QCT basis boost, the 2013, 2014, and 2015 QAPs provide a 30% basis boost to non–Qualified Elderly Developments, not located in QCTs, that are covered by a community revitalization plan.
2. Table 1 provides a breakdown of urban standards. For rural and CDBG-DR standards, see Table 2.

Source: Texas Qualified Allocation Plans (2012–2015), Texas Department of Housing and Community Affairs.

Table 2. Rural and CDBG-DR Community Revitalization Standards in the Texas QAP (2012–2015)

	2012	2013	2014	2015
Point Allocation[3]				
Maximum points (Full LIHTC Application)	226	160	179	179
Maximum community revitalization points	-	6	4	4
For rural projects, one infrastructure project	-	4	2	2
For rural projects, two infrastructure projects	-	6	4	4
For CDBG-DR projects	-	-	4	4
CDBG-DR Requirements				
Located within geographic area covered by plan	-	X	X	X
Plan identifies target areas for revitalization that do not encompass entire jurisdiction	-	X	X	X
Plan affirmatively addresses fair housing through FHAST	-	X	X	X
Plan is administered consistently with approved Analysis of Impediments or FHAST	-	X	X	X
Plan is in place	-	X	X	X
Commitment of CDBG-DR funds	-	-	X	X
Rural Requirements				
Governing body has approved expansion of infrastructure in proximity to the development site	-	X	X	X
Within .25 mile, unless otherwise defined	-	X	-	-
Within .5 mile, unless otherwise defined	-		X	X
Approval of infrastructure expansion not conditional upon tax credits or other decision such as zoning change	-	X	X	X
Applicant must contribute funding for expansion according to standard public finance measures (e.g., taxes)	-	X	X	X
Expansion or project must be complete 12 months prior to start of application period, or within 12 months of start of application period	-	X	X	X
Letter from governing body must include source of funding	-	X	X	X

3. 30% basis boost to non-Qualified Elderly Developments, not located in QCTs, that are covered by a community revitalization plan.

Source: Texas Qualified Allocation Plans (2012–2015), Texas Department of Housing and Community Affairs.

model across communities with different needs. One trend in the literature on revitalization, however, is clear: Investment in subsidized housing alone is insufficient to transform a neighborhood, and *comprehensive* efforts are necessary to produce sustainable neighborhood change. Orfield (2005), for example, showcases HUD research demonstrating that LIHTC development *alone* fails to produce revitalization. Therefore, community revitalization plan standards should contain elements beyond housing.

Tatian, Kingsley, Parilla, and Pendall (2012) provide an overview of the literature on neighborhood revitalization and identify several successful national models. They find that although research is needed to better define revitalization, some basic elements should be present in any revitalization effort. They identify comprehensiveness, community self-direction, and strategic community selection as key elements of successful revitalization. Drawing heavily from Galster's (2010) work, they identify the following community revitalization strategies:

- Institutional and service mechanisms (e.g., child care and health care facilities, anchor institutions, grocery stores, schools and school quality, coordinated human and social service delivery)
- Social interactive mechanisms (e.g., collective efficacy, social capital and networks, neighborhood organizing)
- Environmental mechanisms (e.g., crime, safety, built environment, density, and walkability)
- Geographical mechanisms (e.g., metro and city-level trends, marginalization, access to jobs, disinvestment in neighborhoods due to segregation and sprawl)
- Residential mobility (e.g., household instability, churning movers, homelessness prevention)

Taking these facets of community development into account may help form a comprehensive best practices framework for community revitalization. Tatian and colleagues also identify several national programs that may serve as models for future efforts, though many are still undergoing empirical evaluation: Choice Neighborhoods, Promise Neighborhoods, the Neighborhood Revitalization Initiative, Neighborhoods in Bloom, and Building Sustainable Communities.

In her analysis of state QAPs, Khadduri (2013) also suggests foundational criteria for establishing more comprehensive revitalization plan standards, including "an assessment of the current condition of the neighborhood; a description of the plans for overcoming the neighborhood's problems; [and] a description of the resources that are being or will be devoted to the

revitalization effort (other than local government financial support for the LIHTC property itself)" (2013, p. 11). She identifies Indiana, Nebraska, Kentucky, Ohio, and Pennsylvania as states with robust revitalization provisions in their QAPs. Khadduri's work suggests that level of detail, specificity of standards, and funding are important.

In this study I use the Building Sustainable Communities (BSC) initiative as a benchmark model in its content analysis of Texas revitalization plans. BSC is a project of the Local Initiatives Support Corporation (LISC) that has operated since 2007 and is supported by a variety of foundation funders (LISC, 2016). While the literature shows that there are a number of possible benchmarks and models against which to compare Texas's revitalization standards, the BSC program is prolific (operating in 106 neighborhood sites as of 2012) and has demonstrated preliminary empirical success in its most recent program evaluations (Walker, Rankin, & Winston, 2010; Walker & Winston, 2014). The model also offers a number of clearly defined elements that are amenable to a content analysis framework. The model is comprehensive and emphasizes the following five program goals (LISC, 2015):

1. Expanditing investment in housing and other real estate
2. Increasing family income and wealth
3. Stimulating economic development
4. Improving access to quality education
5. Supporting healthy environments and lifestyles

Moreover, the BSC model emphasizes these five goals within the framework of building community capacity through investment in community partnerships and organizing. The importance of community capacity building is supported by the literature (for example, in Tatian et al. [2012] and Galster's "social interactive mechanisms" strategy [2010]). Moreover, BSC's emphasis on capacity is predated by long-term capacity building efforts such as the Annie E. Casey Foundation's Rebuilding Communities Initiative (1994–2002; Annie E. Casey Foundation, 2002). The Casey Foundation's initiative produced findings that "resident empowerment must be at the core of community rebuilding efforts," and that "the need for capacity building is critical and continual" (Annie E. Casey Foundation, 2002, p. 7).

Claudia J. Coulton, who has worked with the Casey Foundation and conducted extensive research on social work and service provision in low-income communities, has found that to sustain employment opportunities in low-income communities (especially in an era of decreased federal

welfare spending), "the primary intent must be community change…[and] much of this change has to occur by building the capacity of communities to support opportunity" (Coulton, 1996, p. 517). The body of scholarly and gray literature on revitalization acknowledges that it is a difficult concept to operationalize. However, there is consensus about the value of comprehensiveness and a growing body of evidence that community capacity building must be a core component of any successful revitalization effort. The comprehensiveness and capacity-building standards inform my analysis of community revitalization in Texas.

Methodology

In this study I analyze Texas LIHTC award and applicant data between 2012 and 2015 from TDHCA and provide findings from an original content analysis of 2015 Texas community revitalization plans. I present data on the number of applications requesting community revitalization points, the number receiving points, and the total number of LIHTC applications. I obtained complete application and award data for the 2012–2015 LIHTC application cycles, as well as individually imaged LIHTC applications, from the public TDHCA website. I obtained community revitalization application and scoring data by public information request to TDHCA in November of 2015.

In the content analysis portion of this study I compare the revitalization plans submitted to TDHCA during the state's 2015 LIHTC application process with standards for revitalization outlined in the 2015 Texas QAP and the BSC model. I first evaluate the plans against the QAP to better understand whether plans are truly meeting the more robust plan content standards adopted by the state in recent years. I next evaluate against the BSC model because the initiative has demonstrated empirical success in moving the needle on poverty for a number of distressed neighborhoods nationwide, and because it is reflective of national best practices in comprehensiveness (taking into account some issue areas not addressed in the QAP).

To elucidate specific areas of revitalization that are supported or neglected by the plans, I also break down the QAP and BSC themes into subthemes based on language in the QAP and a coding system used by a recent BSC program evaluation, respectively. Table 3 presents a list of themes and subthemes addressed by each set of revitalization benchmarks.

Table 3. 2015 Texas QAP and Building Sustainable Communities Themes and Subthemes

Texas 2015 QAP	Building Sustainable Communities
1. *Adverse environmental conditions*	1. *Healthy and safe communities*
• Flooding	• Physical redevelopment and urban design
• Hazardous waste	• Community policing and safety
• Toxic emissions	• Food access
• Industrial uses	• Energy efficiency or other conservation
• Traffic thoroughfares, railways, or landing strips	• Health clinic construction
• Rodent or vermin infestation	2. *Housing and real estate investment*
• Fire hazards	• Housing construction and renovation
• Other	• Community facilities (e.g., recreation centers, health clinics, and other service facilities)
2. *Presence of blight*	3. *Economic activity and development*
• Excessive vacancy	• Investment in commercial and industrial buildings
• Obsolete land use	• Brownfield clean-up
• Property value decline	• Community infrastructure to support commercial district
• Other	• Other investments to support business development
3. *Inadequate transportation or other infrastructure*	4. *Income, wealth, and asset-building*
4. *Inadequate access to service facilities*	• Home purchase programs
• Health care facilities	• Foreclosure prevention efforts
• Law enforcement facilities	• Financial stability or counseling
• Firefighting facilities	5. *Education*
• Social and recreational facilities	• Investments in charter schools or other educational facilities
• Other	• School-based community services delivery
5. *Presence of significant crime*	• Out-of-school time opportunities for youth
6. *Poor performance of public education*	• Child care
7. *Lack of local businesses providing employment opportunities*	• Youth development through arts and culture, volunteering, etc.
8. *Lack of planning efforts to promote diversity*	6. *Community capacity*
• Multigenerational	• Lead community agency to organize and manage efforts
• Economic	• Community organizing
	• Community partnerships

Source: Texas 2015 Qualified Allocation Plan and Walter and Winston (2014).

Coding and Standards of Review

I established a coding framework and awarded plans a point within a specific theme or subtheme if at least one word, phrase, sentence, or paragraph in the plan met the coding criteria. I reviewed plans in their entirety where feasible. Where plan materials were very lengthy (more than several hundred pages), I used keyword searches and judicious review of key sections. Since LIHTC applicants often submitted a bundle of materials as evidence of meeting QAP revitalization standards, I considered all materials provided under the community revitalization section of the application, as well as citations to external planning documents, as a bundled package.

In private interviews with me and public comment to TDHCA, Texas housing advocates have expressed concern not only with revitalization plans' substance and level of comprehensiveness, but also with plan implementation (Texas Appleseed and Texas Low Income Housing and Information Service, 2015). In particular, advocates worry that funding will not be deployed to address the issue areas identified in the revitalization plans, and that many plans merely pay lip service to the idea of revitalization rather than represent a material commitment to the community. The 2015 QAP acknowledges the importance of establishing funding objectives, requesting that plans provide a budget detailing the source of all planned expenditures as well as an attestation from local officials that funding for the plan has commenced. This emphasis on funding is consistent with recommendations from Khadduri (2013), who emphasizes that revitalization standards should include funding commitments.

I took these additional concerns into account when creating the content analysis framework for this study, applying a more rigorous standard for funding demonstration than TDHCA actually seeks from its applicants. As I discuss in the Introduction, 2015 Texas QAP standards operationalize the assessment of community need by requiring that an assessment address at least five of eight neighborhood factors. However, TDHCA asks only for an overall budget and that the plan "as a whole" be expected to effectively address the factors identified. This is in contrast to the BSC model, which concentrates on specific plan goals and includes a focus on the activities undertaken in the plan. For this content analysis I adopt an evaluation standard closer to the BSC framework, and look for specified levels of funding for *each* intervention in *each* of the identified community issue areas. I use the following criteria to award points to a plan:

- The unit of observation must be an *intervention* that specifically seeks to address one of the core themes or subthemes in either the QAP or BSC initiative. Identifying a challenge area, or area of need, without proposing an accompanying intervention is not sufficient to receive a point.
- A funding source and amount, whether dedicated or already expended, must be identified.
- The intervention must be local to the neighborhood, or a small handful of revitalization neighborhoods, and not reflect a citywide initiative.

Plans receive only one point per thematic category (i.e., multiple interventions in the same category do not equate to multiple points). Moreover, although this methodology does produce a point tally for each plan, study results focus on the presence or absence of points within each respective thematic category and not on plan totals. Table 4 displays the maximum points possible per plan and thematic category.

Where an intervention could reasonably be expected to address more than one theme or subtheme, it received a point in both categories. I did not design the coding categories to be mutually exclusive; some interventions may produce benefits for multiple revitalization categories. I exercised subjective discretion and applied a judicious standard when granting multiple points for interventions that applicants claimed in multiple categories.

Table 4. Maximum Points Possible, Content Analysis Framework

	QAP Framework	BSC Framework
Per plan[4]	24	22
Per theme or subtheme[5]	25	25

4. One for each subtheme in Table 1.
5. One for each plan.

Source: Texas 2015 Qualified Allocation Plan and Walter and Winston (2014).

Limitations

The content analysis is at least partially dependent on my subjective discretion when assigning points. I attempt to control for the inherent subjectivity of this process by adhering to a consistent coding framework for each plan and keeping meticulous notes containing plan citations and the justification for point decisions.

In addition, to assess the quality of the *applicant* pool for revitalization points, as well as to collect a sufficient number of data points for evaluation,

I analyzed all 2015 applications requesting revitalization points, including those that did not receive the points requested or undergo full review by the agency. The analysis also includes rural and disaster recovery applications, even though these plans are not held to the same revitalization standards as urban applications. There were 4 rural and disaster recovery applications out of a total of 25 applications. Although these applicants are held to different standards in the application process, I include them in the analysis because the quality of the proposed plans when compared with accepted revitalization benchmarks is still relevant in assessing whether they constitute meaningful revitalization efforts.

I make claims about the community revitalization applicant pool to infer conclusions about the quality of QAP revitalization standards, yet the applicant pool is not necessarily reflective of the award pool. For applications that were not competitive enough to undergo full review, TDHCA did not have the opportunity to apply the QAP standards to those applications. It is possible that applicants with a "no review" status would not have received revitalization points from TDHCA, perhaps mitigating criticism of the current QAP standard. Moreover, it is difficult to assess trends in revitalization quality using a single year of analysis. Future research should attempt an analysis of years prior to 2012.

Findings on Revitalization Trends in Texas

In the last three years, since implementing the changes to the QAP required by the *Inclusive Communities* summary judgment, the number and characteristics of applications claiming revitalization points has changed. Revisions to the community revitalization provision in the Texas QAP appear to be producing a smaller pool of applicants, with the potential to affect both the number of LIHTC awards in high-poverty areas as well as the quality of revitalization efforts undertaken in these neighborhoods.

The pool of LIHTC applications requesting community revitalization points has changed dramatically since 2012, suggesting that modifications to the revitalization provision in the QAP have effectively altered this narrow segment of the LIHTC allocation landscape. Most notably, the percentage of applications requesting revitalization points has decreased significantly since 2012. Of the 173 LIHTC applications submitted to TDHCA during the 2015 cycle, only 25 (14%) asked for revitalization points. This represents a significant decline from 2012, prior to the state's implementation of the remedial plan, when 62% of applications requested the single point available for revitalization efforts (see Figure 1).

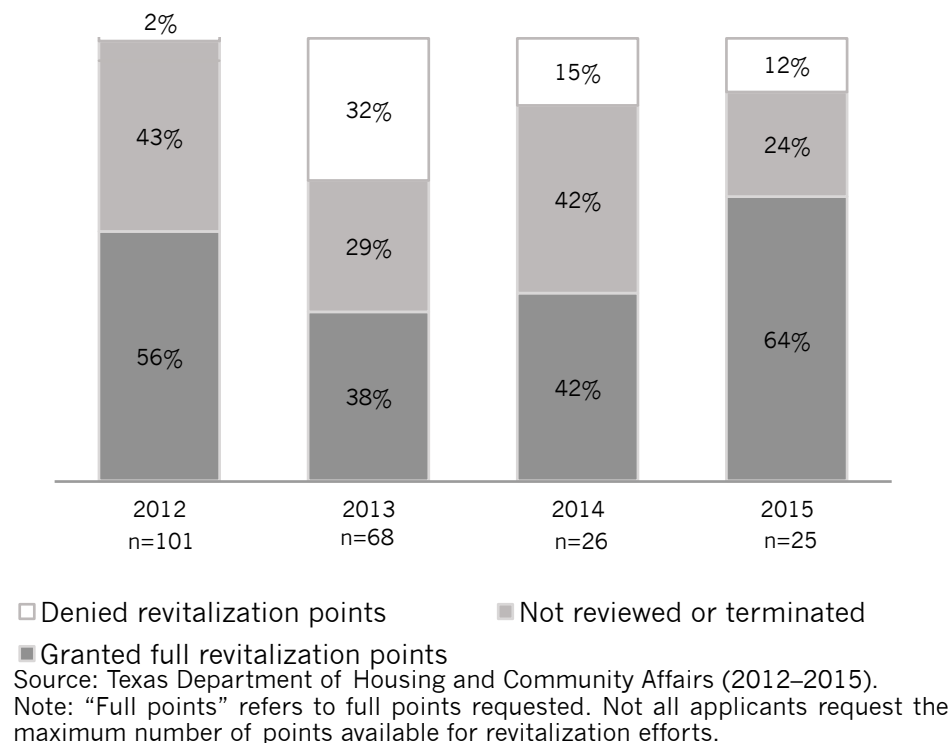Figure 1. Fewer LIHTC Applications Claim Revitalization Points
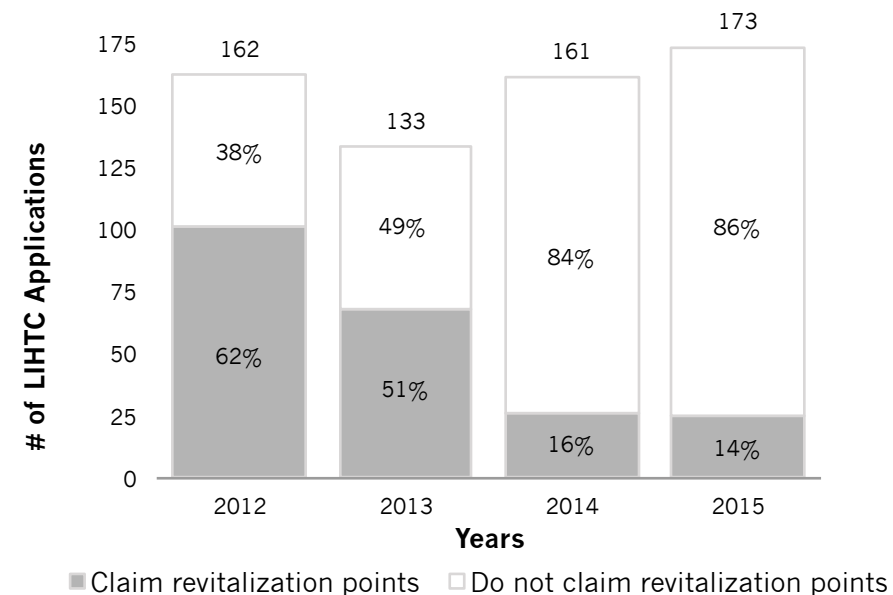
Source: Texas Department of Housing and Community Affairs (2012–2015).

While raising the maximum point value of revitalization from one to six points in the LIHTC scoring system might intuitively be expected to produce an influx of additional applicants, the concurrent introduction of more rigorous plan evaluation standards appears to have had the intended effect of reducing the total number of revitalization applicants. As outlined by the remedial plan, more rigorous standards are intended to produce the beneficial effect of reducing the number of applicants attempting to receive credit for nominal revitalization efforts. It is likely that reducing the number of revitalization applicants from 101 to 25 has successfully eliminated many applicants unable to offer proof of robust community revitalization efforts. The introduction of more rigorous standards also brings the number of applicants down to a number feasible for TDHCA to review with a heightened and more time-intensive level of rigor.

Recent changes to the revitalization provision in the QAP, and trends in the number of revitalization applications, point toward an increasingly substantive interpretation of the revitalization standard in Texas. I discuss whether these trends will be accompanied by a shift in the quality of revitalization plans themselves in the content analysis portion of this study. Data show that, while fewer applicants are *requesting* revitalization points, most still receive the full amount of points they request from TDHCA. In 2012, 56% of revitalization applications received the full

Figure 2. Most Revitalization Applications Continue to Receive Full Points

☐ Denied revitalization points   ■ Not reviewed or terminated
■ Granted full revitalization points

Source: Texas Department of Housing and Community Affairs (2012–2015).
Note: "Full points" refers to full points requested. Not all applicants request the maximum number of points available for revitalization efforts.

amount of revitalization points requested from TDHCA, and only 2% were docked or denied points (the remaining 46% were not competitive enough to warrant review from TDHCA; see Figure 2). This is compared with data from 2015, where 64% of applications received the full revitalization points requested, and only 12% (or three applications) were denied points.

Part of the high approval rate for community revitalization points is likely due to self-selection of more serious applicants into the revitalization pool. Whereas in 2012 applications only had to meet a simple attestation standard from the local public governing body, revitalization applicants in 2015 had to meet a set of more rigorous quality standards and undergo review by senior TDHCA staff. I performed an additional content analysis on plans submitted to TDHCA for review and find patterns in how local communities are defining revitalization.

Findings on the Quality and Characteristics of Revitalization Plans

In a review of 2015 revitalization plans I find that developers submit a diverse range of documents to TDHCA as evidence of community

revitalization. Formal neighborhood plans were the most common form of plan documentation in 2015. Nearly half (44%) of the plans submitted can be classified as neighborhood plans. However, they were not the only form of plan submitted. Documents that developers submitted ran the gamut from the city's Annual Action Plan (a citywide housing document required to receive HUD funding), to the city's comprehensive plan, to Tax Increment Reinvestment Zone resolutions, for example.

Moreover, a plurality of plans (44%) was enacted in 2015, suggesting that many municipalities pass revitalization plans for the express purpose of helping a specific LIHTC housing development obtain revitalization points. This is in contrast to an alternative order of action in which a city first identifies an area for revitalization, and only then lends its support to LIHTC housing as one way to achieve the plan objectives. Most plans were enacted prior to 2015, with the earliest enacted in 2005. However, several of the plans enacted in prior years were originally adopted for the purpose of obtaining LIHTC housing, and were simply resubmitted in 2015 after the development failed to receive an award in previous years.

The diversity in plan documentation is related to one problematic pattern in the 2015 application data: developers submitting citywide plans as documentation for neighborhood revitalization. In the 2015 applications, this sometimes takes the form of cities adopting a "neighborhood plan" which is in actuality a synthesis of excerpts from citywide planning documents (such as the comprehensive plan, or Capital Improvement Plan, etc.). Eight (32%) of the 25 revitalization plans relied heavily or exclusively on content from citywide documents as evidence of neighborhood revitalization. Whereas this might be justifiable in a rural city where the small population renders neighborhood distinctions inapplicable, none of the eight plans with a heavy reliance on citywide documentation were for projects in rural cities (by TDHCA standards). The QAP, while requiring less comprehensive revitalization efforts from rural projects, explicitly requires infrastructure investments for rural projects to be located within a certain distance of the proposed site. Therefore, citywide documentation appears to be a more significant issue among non-rural jurisdictions.

An additional area of deficiency for many plans was the lack of a clear budget. While most plans did not outline specific funding for *each* proposed intervention, many did a reasonable job of offering evidence of funding for at least some of the proposed initiatives in the plan. However, some plans lacked budgets or evidence of funding entirely, and it is unclear how these plans passed the budgetary requirement outlined in the 2015 QAP. Nine (36%) out of 25 plans lacked a clear budget for a significant number of

Table 5. QAP Factors Addressed in 2015 Texas Revitalization Plans

2015 QAP Community Factor	No. of plans (n=25)
Inadequate transportation or infrastructure	19
Lack of access to public facilities	15
Adverse environmental conditions	13
Presence of blight	12
Employment	11
Poor performance of public schools	9
Lack of efforts to promote diversity	4
Presence of significant crime	3

Source: LIHTC applications, Texas Department of Housing and Community Affairs (2015).

proposed interventions.

A content analysis of plans, moreover, reveals a discrepancy between the ideal of comprehensiveness upheld in the literature and the approach to revitalization taken by many Texas municipalities and LIHTC developers. Plans in Texas are heavily reliant on physical redevelopment and improvements to the built environment, and tend to be less concerned with "soft" revitalization components such as services, education, or public health, for example. In the following sections I explore how Texas plans compare to the QAP and BSC revitalization benchmarks, respectively.

Texas Plans and the 2015 QAP Standard

A content analysis of the revitalization plans submitted to TDHCA in 2015 reveals that transportation and other infrastructure improvements comprise the largest percentage of funded interventions (see Table 5). This category includes improvements such as sewer and water lines, road maintenance or other arterial improvements, transit stations, etc. Next, in order of frequency, are interventions addressing lack of access to public facilities (which includes law enforcement, health care, or recreational facilities and parks) and adverse environmental conditions (including flooding, industrial land uses, dangerous traffic thoroughfares, etc.). It is important to note that only three applications contain funded interventions designed to address crime and safety (despite a large number of applications identifying crime as a problem for the targeted area); only four applications contain initiatives to promote diversity (defined by TDHCA as either multigenerational or economic); and only nine include interventions dedicated to school facilities or quality.

Figure 3. Texas Revitalization Plans Addressing QAP Subfactors (2015)
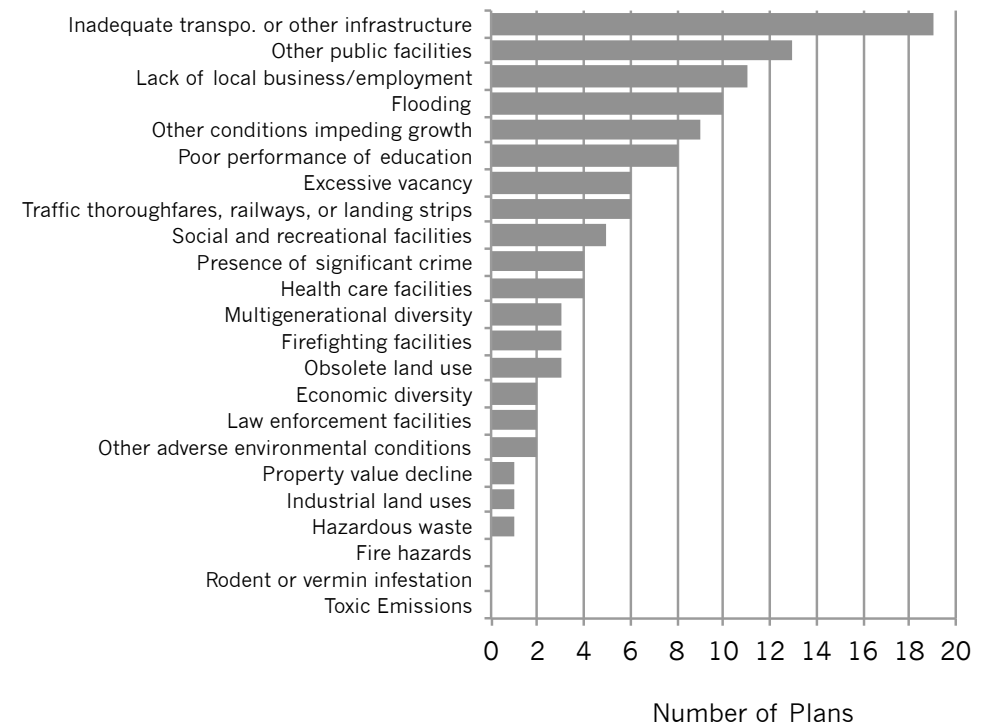
Source: LIHTC applications available from the Texas Department of Housing and Community Affairs (2015).

In this study my intention is to better understand the detailed *content* of revitalization plans and whether they are contributing to meaningful revitalization efforts. Therefore, in this analysis I use a narrower and more rigorous standard than that required of TDHCA in the QAP (namely in regard to funding and specificity of interventions). It is revealing that, under the standards of this content analysis, most 2015 plans submitted to TDHCA do not meet the requirement to address at least five of the eight community factors in a material way. Thirteen (52%) of the 25 plans propose funded interventions for less than five of the eight community factors. Several plans propose zero funded interventions (a score that is largely a byproduct of failing to disclose sufficient funding details to receive a point in the scoring framework), and several plans propose *only* infrastructure interventions.

Of the 13 plans addressing fewer than five community factors, nine received full community revitalization points from TDHCA. This is not meant to suggest that TDHCA is evaluating plans improperly, but rather that the current QAP standards do not effectively operationalize revitalization

interventions. TDHCA, by nature of its role as an administrative agency, is not empowered to impose discretionary standards onto developers when assessing revitalization efforts. As I discuss earlier in this study, in recent years the Texas QAP has moved toward a *more* substantive and subjective review process for the revitalization provision. The post-2012, revised QAPs equip TDHCA with a more robust toolbox to reject plans that fail clear tests of rigor. However, the discrepancy between the number of applications approved and the number that fail to materially address the minimum number of community factors illustrates the gap between the current operational definition of revitalization and the efforts necessary to achieve real results in distressed communities.

For the purposes of consistency in coding plan interventions, and to add an additional layer to the analysis, I break down the eight community factors into more specific subfactors (using language taken directly from the QAP). When parsing the plans according to these sub-factors, the presence of inadequate transportation or other infrastructure remains the most common factor addressed by the plans (see Figure 3). This is, in part, because this straightforward factor does not contain any subcomponents outlined specifically in the QAP. However, the subfactor analysis also reveals that, for factors such as "adverse environmental conditions," there are entire challenges within categories that go routinely unaddressed. For example, toxic emissions, hazardous waste sites, and industrial land uses are included within the category of "adverse environmental conditions," but are addressed by few plans. The item that appears to push adverse environmental conditions high in the ordinal ranking in Table 2 is flooding, for which 10 plans include funded interventions (e.g., drainage improvements; Figure 3).

Part of the heavy reliance on physical infrastructure is likely due to TDHCA's standard that the plan "in whole" be expected to address challenging community factors identified in the QAP. Many of the plans cite infrastructure improvements as a panacea for several different neighborhood challenges and community factors. For example, one city submitted a successful application for revitalization points claiming that investments in a sewer line would contribute to the quality of public education in the target area. In this analysis, cross-cutting interventions were identified judiciously, and points were not awarded for unreasonably broad statements (e.g., heavy infrastructure contributing to the quality of public education).

Table 6. Building Sustainable Community (BSC) Goals in Texas Revitalization Plans (2015)

BSC Goal	No. of plans
Healthy and safe communities	19
Housing and real estate investment	13
Economic activity and development	11
Education	8
Income, wealth, and asset-building	3
Community capacity	2

Source: LIHTC applications available from the Texas Department of Housing and Community Affairs.

Texas Plans and the BSC Standard

Evaluating 2015 plans on the BSC standard yields similar results to that of the QAP standard analysis. Most plans propose interventions under the "healthy and safe communities" goal, with housing and economic activity following. Again, fewer plans address education, and only three address the income and asset-building goal (see Table 6).

Also notable is the lack of attention to community capacity-building. Building community capacity is a cornerstone of the BSC model, which maintains that sustainable revitalization and neighborhood transformation are driven by local buy-in and engagement. BSC promotes capacity building by investing in partnerships, community organizing, and in identifying a local community agency to lead revitalization efforts. Texas's 2015 QAP, by comparison, only requires that the revitalization plan be adopted with opportunity for community input. It does not make any demands with regard to investing in ongoing, local community capacity building. In fact, many cities' formal participatory processes would not qualify as capacity building under BSC standards, since they primarily involve holding a formal public meeting or hearing without necessarily soliciting representative community input.

Most plans submitted in 2015 do not acknowledge the role or presence of local community groups. This reality may pose a problem for the ongoing success of these plans. Participation and capacity building are increasingly accepted as important components of successful long-term revitalization, and these elements are conspicuously absent from most Texas plans. A small minority of plans *does* mention capacity building or community partnership initiatives, but fail to identify specific funding for these proposals. As per the analytic framework of my evaluation, these unfunded

Table 7. Building Sustainable Communities Goals and Subgoals

BSC Goal	Sub-goal
Housing and Real Estate	Housing construction and renovation
	Community facilities
Economic Activity and Development	Investment in commercial and industrial buildings
	Brownfield clean-up
	Community infrast. to support commercial district
	Other investments to support business development
Income, Assets, and Wealth-building	Home purchase programs
	Foreclosure prevention efforts
	Financial Stability or Counseling
Education	Investments in charter schools or other edu. facilities
	School-based community services delivery
	Out-of-school time opportunities for youth
	Child care
	Youth devel. through arts and culture, volunteering
Healthy and safe communities	Community policing and safety
	Physical redevelopment and urban design
	Food access
	Energy efficiency or other conservation
	Health clinic construction
Capacity Building	Lead comm. agency to organize and manage efforts
	Community organizing
	Community partnerships

Source: Walter and Winston (2014).

Figure 4. Texas Revitalization Plans Addressing Building Sustainable Communities Subgoals (2015)

Source: LIHTC applications available from the Texas Department of Housing and Community Affairs (2015).
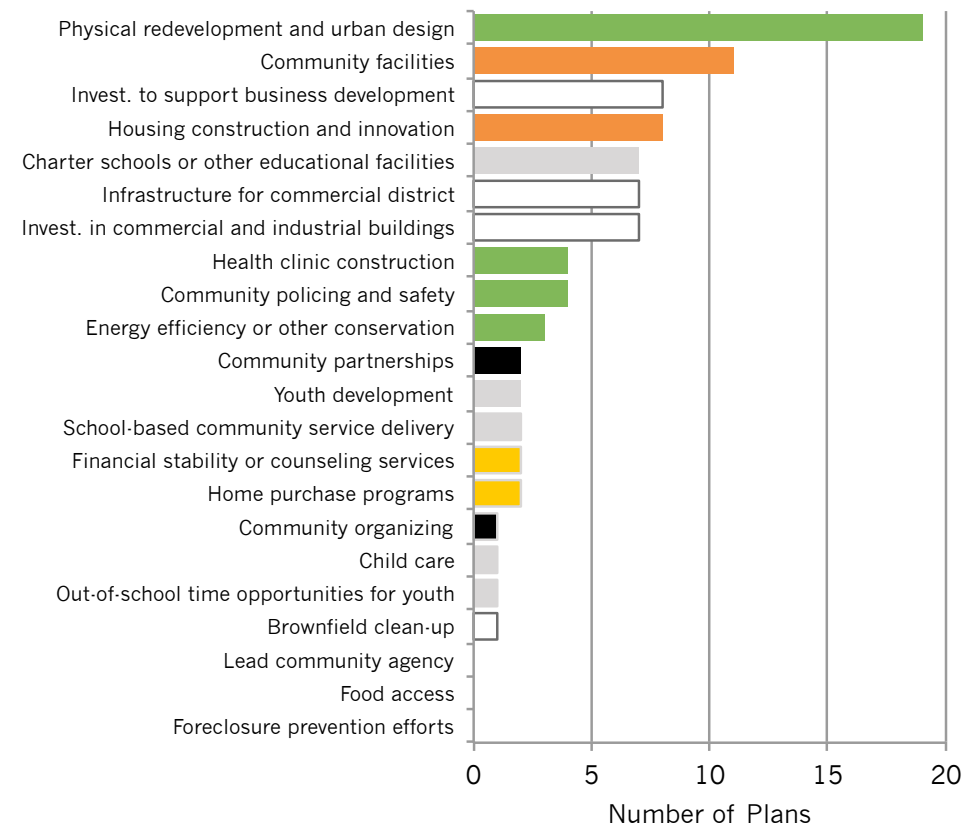
proposals are not granted points in this analysis. This is important to acknowledge, since it appears that capacity-building initiatives, along with other "soft" revitalization efforts, are systemically deprived of line item funding status. However, the literature on revitalization increasingly emphasizes the importance of revitalization efforts being comprehensive and addressing those soft factors. These "soft" initiatives are as worthy of hard, line item funding status as sewer plants or highway improvements.

I also break down the five BSC goals into subgoals based on a coding system used in a recent BSC program evaluation. Because the BSC goals are fewer and encompass more subcategories than the QAP factors, disaggregating them is illuminating. Table 7 contains a color-coded list of the BSC goals and subgoals for cross-referencing with Figure 4.

Nineteen (76%) of the 25 plans contain funded interventions to improve

the built environment, including basic infrastructure (sewer and water lines, road improvements, etc.) as well as sidewalk improvements, hike and bike trails, transit infrastructure, and other non-housing, non-commercial investments into physical redevelopment (see Figure 4). The next four most common areas of investment are community facilities (actual physical facilities such as a recreation centers), other investments to support business development, and housing construction and renovation (separate from the proposed LIHTC housing development).

Areas that receive comparatively little investment, again, include the "soft" components of revitalization such as youth development opportunities, child care, crime and safety, food access, and financial counseling. As I discuss earlier in this study, one of the key components of the BSC

initiative is to identify a neighborhood organization (such as a Community Development Corporation) to lead the revitalization efforts. No plans in the 2015 applicant pool identify a local organization as a revitalization coordinator or lead. Some plans identify a local organization for key *areas* of intervention, or specific projects, which is approximating the BSC standard but not replicating it. Most plans do not meet standards for comprehensiveness or capacity building as outlined in the BSC model.

Conclusion

Following a thorough review of the history and current status of the "community revitalization" provision in the Texas QAP, I find that standards have improved significantly since the *Inclusive Communities* summary judgment in 2012. Texas is increasingly incorporating comprehensiveness into its QAP revitalization plan standards, and is moreover requiring evidence of meaningful investment in the low-income communities selected for LIHTC housing. The number of applications requesting points on revitalization in low-income communities has decreased substantially since standards were made more robust in 2013.

Despite these encouraging findings, a content analysis of the 2015 revitalization plans illustrates a strong departure from the standard of comprehensiveness embodied both in the nationally recognized BSC model and in the Texas QAP itself. In fact, most plans, when evaluated under a tighter standard emphasizing funding and specificity of proposed interventions, would not meet the standards established in the Texas QAP itself. Moreover, most of these plans received full revitalization points from TDHCA during the LIHTC application review process. Texas revitalization plans are heavily reliant on infrastructure, and do not contain significant investment in soft revitalization pillars such as education, safety, or community services. They also fail to invest in community capacity building, which is increasingly recognized as a vital component of successful revitalization efforts.

These findings indicate that additional standards or review processes may be necessary to close the gap between best practices for revitalization nationally and what is currently interpreted as revitalization by Texas cities and developers. Moreover, findings are consistent with prior research on Texas housing policy, such as Peter Ward's work on Texas' informal housing settlements, known as colonias. Following fieldwork and comparative policy research on Texas colonias, housing scholar Peter Ward (1999) criticizes Texas' tendency to address colonias narrowly as an issue of physical infrastructure, rather than of structural economic

underdevelopment. He expresses skepticism regarding the state's "Band-Aid solution" focusing on physical infrastructure improvements when colonias in fact represent "a structural problem compounded by" a number of factors, including "weak administrative capacity, inadequate laws, and enfeebled social organization and local leadership" (Ward, 1999, p. 260). In this study I provide additional evidence that Texas habitually approaches community development with too narrow a lens, paying insufficient attention to wider structural challenges that affect the housing and community development landscape at the local level.

These findings will hopefully provide a foundation for further analysis and exploration of policy alternatives to address deficiencies in current revitalization standards. Future research may decide to focus on specific QAP revisions that will help hold cities and developers accountable to more meaningful revitalization standards in Texas, as well as the quality of plan implementation at the local level (including the identification of practical metrics to demonstrate plan success over time). Moreover, because Texas has become a focal point for national discourse on fair housing since the Supreme Court heard the *Inclusive Communities* case in 2015, the efficacy of Texas's revisions to its QAP should be of interest to other states making efforts to desegregate their LIHTC housing.

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Transregional Communities and the Regional Economy: A Case Study of Development in the Chaoshan Region, China

Rui Chen

ABSTRACT: Communities are important intangible assets for regional development, yet current literature either overemphasizes local institutions and localized social networks or focuses on transnational communities. In this study, I propose a transregional perspective on this issue and try to reveal how the transregional community is a facilitating mechanism for regional economic development. Based on the empirical case of the Chaoshan region in China, I find that transregional communities help a region construct relational proximity with other localities by building distant clusters, sustaining transregional transaction, creating transregional buzz, and initiating transregional start-ups. As a result, regions are able to obtain nonlocal assets to enhance their competitiveness in both domestic and global markets.

Keywords: Transregional communities; regional economic development; small and medium enterprises (SMEs); China

Introduction

Many local governments encourage industrial clusters in the belief that an agglomeration economy would enhance regional competitiveness. Communities are considered essential intangible assets in successful clusters. As Rodriguez-Pose and Storper (2006) point out, communities have beneficial effects by generating trust, reducing transaction costs between economic agents, limiting moral hazards and "free-riding," mitigating information asymmetries, and enabling the matching of

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individuals to aggregate interests. Local communities thus are important to support regional collaboration and innovation.

At the same time, some researchers point out the crucial role of transnational communities for regional upgrading in the era of globalization. Transnational communities facilitate ongoing transnational inter-/intrafirm communication and transfer skills and tacit knowledge to developing regions (Yeung, 2009). Indeed, communities are not confined by regional boundaries, but current studies either overemphasize a local level or are trapped in a local/global dichotomy. Hence, I propose in this study the concept of a transregional community, referring to a large group of people sharing a common identity and maintaining social, cultural, economic, and/or political connections although dispersed throughout more than one region. A transregional community at a national scale may also help regional actors access nonlocal assets and promote regional economy.

In this study I attempt to reveal how transregional communities contribute to regional economic development. Empirical studies of the Chaoshan region in China demonstrate that local manufacturing firms, especially small and medium enterprises (SMEs), cooperate with distributors in distant specialized markets through transregional communities to enter and respond to external markets rapidly. The Chaoshan region is the primary settlement area for the Teochews, a subethnic Chinese group. Teochews migrate to different cities in China and abroad while maintaining Teochew identity along with social and economic connections to their hometown. Teochew networks in Southeast Asia, as a prominent example of a transnational community, contribute to transnational business transaction and cooperation (Redding, 1990; Yeung, 2000). Manufacturing firms in Chaoshan also use transnational and transregional Teochew social ties to develop global and domestic markets, respectively. Admittedly, transregional communities are not a necessary condition for regional development. Nevertheless, these social and cultural networks are significant for those regions that lack efficient channels to approach external markets. Transregional communities offer opportunities to strengthen regional competitiveness by using nonlocal resources such as capital, information, and so on.

I present the findings of my research here in six sections. In the next section I offer a literature review and theoretical framework, followed by an empirical background overview and explanation of the methodology. In the fourth section I describe the development of the toy and ceramic industries in Chaoshan, which serve as the case for this study. In the fifth

section I discuss how transregional communities contribute to these two industries' domestic marketing by connecting Chaoshan with distant, specialized markets. In the final section I summarize findings and briefly discuss implications and future research agendas.

Communities and Regional Economic Development

Since the 1970s the mass production of standardized products has been unable to meet rapidly growing consumer demand for specialized and differentiated goods. A flexible production regime has increasingly replaced Fordism (Piore & Sabel, 1984). Regions that successfully adapted to flexible specialization were usually made up of a number of small and medium enterprises (SMEs) connected by specialized transaction linkages and coordinated by social networks (Sforzi, 2003). The sustainable success also depended on "the local culture, the shared understandings and practices that unify a community and define everything from labor market behavior to attitudes toward risk-taking" (Saxenian, 1994, p. 7). Local communities thus were important because this new production regime requires rapid information exchange for speedy response to markets together with in-depth communication for collective learning and regional innovation (Cooke & Morgan, 1998; Storper, 1997).

Meanwhile, transnational communities emerged from the enhanced global mobility and connectivity of those who shared common norms or purposes across the world. In East Asia, transnational communities have long been considered a key factor for regional development. Ethnic Chinese transnational business networks promote foreign investments, shape transnational economic transactions, and facilitate the rise of high-tech industrial clusters (Dicken & Hassler, 2000; Hsing, 1996; Saxenian & Sabel, 2008; Yang & Hsia, 2007; Yeung, 2000). Transnational communities provide "a direct mechanism for transferring the skills and tacit knowledge that can dramatically accelerate industrial upgrading in their developing countries" (Saxenian, 2002, p. 186). They coordinate transnational firm relationships particularly when firms are based in regions with different languages and business cultures.

Accordingly, geographical boundaries do not confine the impact of communities on economic activities. Communities facilitate interactions between regional and nonregional actors by providing common social space for dispersed members to overcome geographical distances, no matter whether members are located transnationally or not. Firms and extraregional partners within a country may benefit from the integration of social and economic relations if they are embedded in the

same community. The following scenario explains the geography of a transregional community's impact on a region. One region as well as parts of other regions is embedded in the same transregional community. Firms in these places are able to maintain business transactions with the help of transregional communities. This transregional community also sustains the agglomeration of firms in the regions external to the first region. In other words, the cluster in the first region has social linkages with clusters in other regions.

Because the first region is situated in a transregional community, it obtains exogenous assets from the other regions. A transregional community offers a facilitating mechanism for local firms' transregional economic activities in four aspects. First, local firms benefit from various *channels of communication* with their nonlocal counterparts such as casual social visits, collective events organized by community organizations, and so on. Second, common language and cultural background within a community enhance *mutual understanding* of transregional actors and hence improve the efficiency of communication, particularly in tacit knowledge.

Third, local firms are likely to build *mutual trust* with extraregional business partners within a transregional community. Transregional actors share the cultural foundation to construct trust on the basis of certain sets of conventions and social norms, while social networks consisting of community members reduce information asymmetry and foster trust. Finally, *rules and conventions* within a community may support the transregional transactions of its members. With rules and conventions, firms are able to cooperate with nonlocal partners within the community in more flexible and effective ways than in their collaborations with outsiders.

In short, the existence of transregional communities means that regional firms can benefit from additional channels of interregional information exchange, smooth and effective communication, mutual trust, and supportive conventions and rules. *Relational proximity* is created as an alternative to geographical proximity. Local firms take advantage of transregional knowledge and information flows as well as trust building and thus enhance competiveness.

Empirical Background and Methodology

The Chaoshan region is located in Guangdong Province and includes three municipalities: Shantou, Chaozhou, and Jieyang. Along with the Pearl River Delta, Chaoshan is characterized by a significant agglomeration of

Figure 1. Industrial Clusters in Guangdong Province.
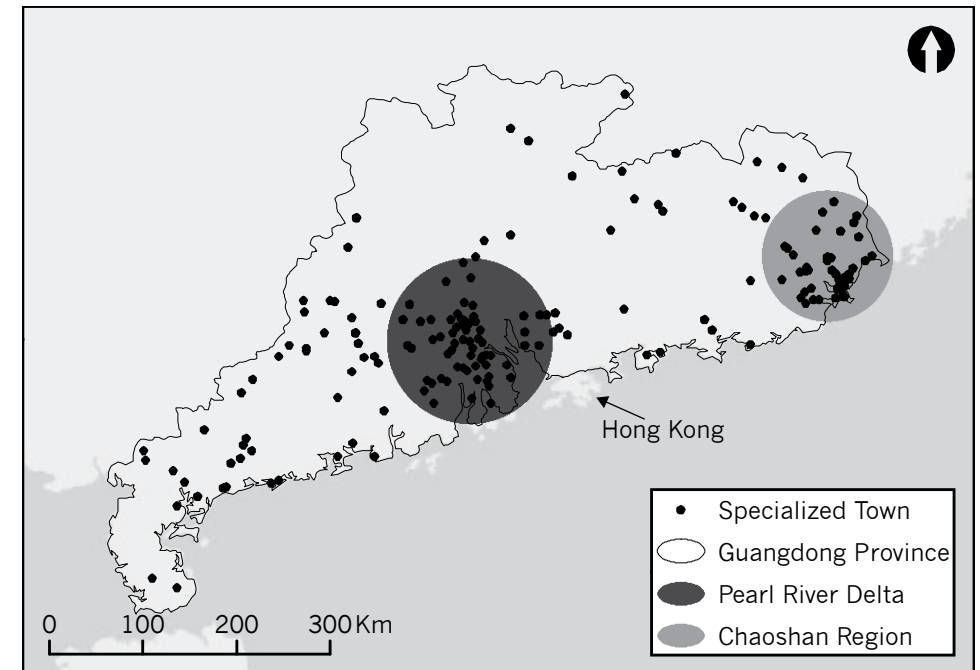
Source: GDETPA (2007).

industrial clusters in Guangdong (Figure 1). A Special Economic Zone was set up in Chaoshan in the early 1980s mainly because of its famous transnational business networks of overseas Teochews. As Figure 2 shows, Chaoshan's economy has taken off since then, especially as a result of the rapid growth in manufacturing sectors (secondary industries).

In the late 1990s, Chaoshan experienced a major downturn in its regional economy due to the severe impact of the Asian financial crisis on exports. The annual growth rates of gross domestic product (GDP) slowed from 19.6% in 1997 to 7% in 2000 (Statistical Bureau of Guangdong Province, 1997, 1998, 2000, 2001). Nevertheless, Chaoshan started another period of economic growth in the 2000s, together with a change from an export-oriented economy to a hybrid of both exports and domestic sales.

In 1993 there were only 1,046 enterprises without foreign investment that had an annual output value of more than 5 million yuan in the Chaoshan region. This number increased to 1,618 in 1998, and dramatically reached 4,763 in 2008 (Statistical Bureau of Guangdong Province, 1994, 1999, 2009). At the same time, the region's economic development is no longer highly dependent on exports. The share of exports in GDP in the 2000s

Figure 2. GDP and production output in the Chaoshan region, 1987–2010.
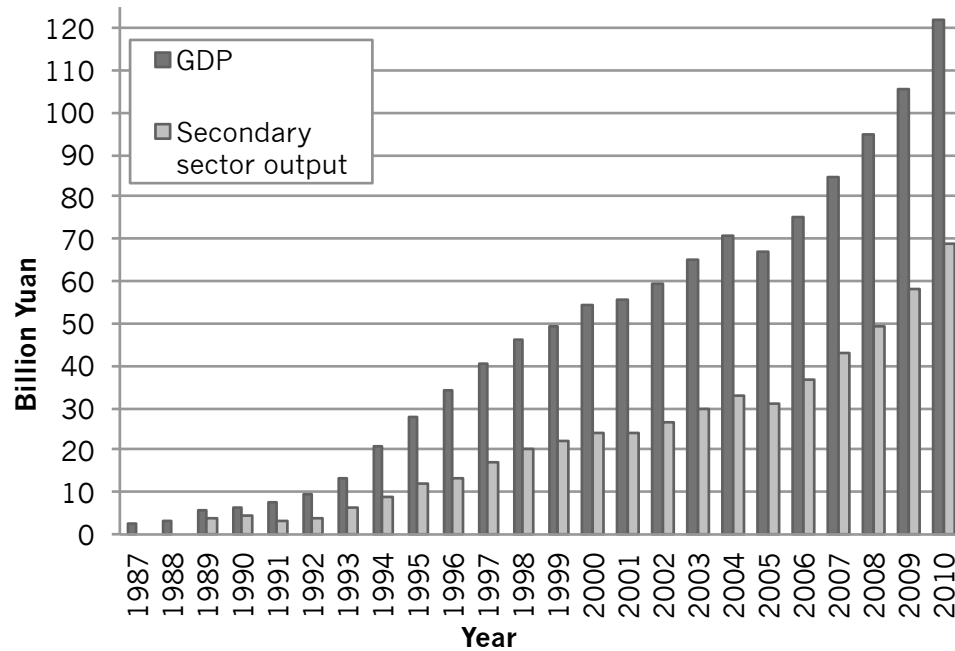
Source: Guangdong Statistical Yearbooks (1986–2011).
Note: Output value of secondary industry from 1987 and 1988 were unavailable. All data are adjusted by yearly consumer price index (CPI) for Guangdong Province based on 1984 prices due to the inaccessibility of the CPI for 25 years at the prefectural city level.

was always less than 35%, compared with more than 50% for most of the 1990s (Figure 3). This index fell from an average of 51.8% in 1990s to 26.4% in the 2000s, even though the annual export value has exceeded the historical peak since 2007 (Statistical Bureau of Guangdong Province, 1992–2011). In other words, domestic sales began to lead regional economic growth.

The change in the economic growth pattern in Chaoshan has been associated with the boom of specialized markets in China since 2000. As for markets with an annual turnover greater than 100 million yuan in China, specialized markets contributed to 70.77% of the national total in 2006 (Lu & Wang, 2010, p. 75). Distributors for Chaoshan firms are usually located in specialized markets. Domestic sales, which occur mainly between Chaoshan firms and distributors located in distant specialized markets in China, have driven the Chaoshan economy since 2000. Teochews within China play a significant role in sustaining the transregional economic interaction between Chaoshan and these specialized markets.

Figure 3. The share of exports in the GDP in Chaoshan region from 1991 to 2010.
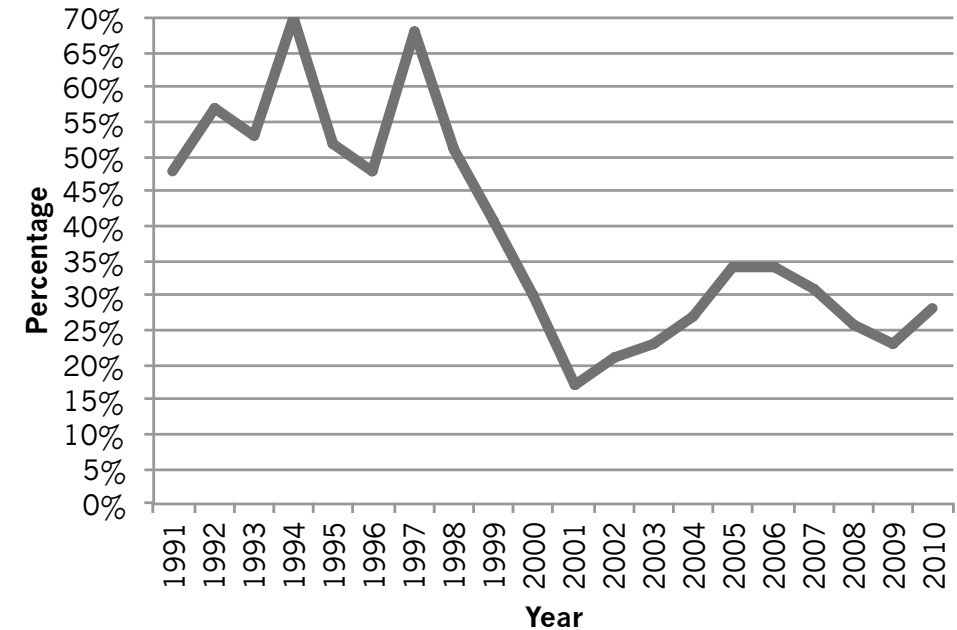
Sources: Guangdong Statistical Yearbooks (1992–2011).
Note: Export values are transferred from U.S. dollar to yuan using the average exchange rate in the corresponding years.

In this study I use the toy and ceramic sanitary ware industries in Chaoshan and corresponding specialized markets in Yiwu and Foshan as a case study. Toy and ceramic industrial clusters are critical for the Chaoshan economy: The China National Light Industry Council calls Chaozhou the "China Ceramic Capital" and Shantou the "China Toy City." Both industries experienced a change from a highly export-oriented pattern to a hybrid of exports and domestic sales. Chaoshan has a long history of making ceramic products, while the toy industry emerged in Chaoshan in the late 1980s. Yiwu and Foshan have the largest specialized markets of toys and ceramic sanitary ware in China, respectively. Therefore, the toy and ceramic industries are representative of the Chaoshan economy and can be used to understand how Teochew transregional communities facilitate domestic marketing networks among Chaoshan firms.

In this study I use qualitative methods, mainly because qualitative research is a useful tool to produce empirically rich accounts of concrete and socially situated economic processes (Peck, 2005). I conducted 11 months of fieldwork in Chaoshan, Yiwu, and Foshan, collecting data from written documents, observation, surveys, and interviews. I conducted a total of 82 semistructured, in-depth interviews that serve as the primary data

set for this research, including interviews with Chaoshan manufacturing firms and distributors of Chaoshan products in Yiwu and Foshan, Teochew associations, local industrial associations, and government officials. I base the selection of interviewees on purposeful sampling because qualitative research depends on information-rich cases rather than large, randomly selected samples. My interviewees consist of manufacturing firms with different sizes and various types of nonlocal partners. Among the Chaoshan firms I interviewed, 22% employ more than 100 people and 17% employ fewer than 20 people, covering a range from large firms to SMEs. Distributors in specialized markets include independent trading companies, wholesalers, exclusive trading agents, and sales branches of Chaoshan firms. In addition to background information, in the interviews I focus on how Chaoshan firms and distributors conduct their transregional transactions and how Teochew social networks affect this process. Questions include those on the partner-searching process, the management of transregional relations, and transregional activities in terms of economic transactions, financial flows, transfer of knowledge, technology, market information, interpersonal communication, and others, as well as different collaborative patterns between Teochew partners and non-Teochew partners. Each interview lasted between 45 to 90 minutes.

I conducted two sets of surveys in the toy industry as a supplement to the interviews, with 40 samples for each set: distributors in a specialized market in Yiwu (with a response rate of 87.5%) and local manufacturing firms in an exhibition in Chaoshan (with a response rate of 85%). The questions for distributors cover the reasons for starting a business, transregional business relations, financial transactions, communications with Chaoshan suppliers, and the interactions with other Teochews in Yiwu as well as the impact on their business. For Chaoshan manufacturing firms, I gathered information on the percentage of Teochew buyers in their exports and domestic sales, respectively, the approaches to attract domestic buyers, transregional business relations, financial flows, and the transregional communication with their distributors/buyers.

In addition, I participated in a biannual meeting of Teochew associations, attended dinners with Teochew business people, and made casual visits to Teochew distributors in specialized markets for observation. Statistical yearbooks, newspaper reports, and government documents offered secondhand data to supplement the research materials. Based on qualitative and quantitative data, I find that transregional Teochew communities contribute to the Chaoshan economy by constructing relational clusters in specialized markets.

Toy And Ceramic Industries: From Overseas To Domestic

Teochews living overseas directly influenced the emergence of the toy industry in Chaoshan. In the 1980s, Hong Kong experienced an industrial restructuring process that led to the relocation of manufacturing industries, including the toy industry (Chiu, Ho, & Lui, 1997). Sometime in the 1980s, Teochews operated one of the biggest toy companies in Hong Kong, Playmates Holdings, and moved its manufacturing lines to a local collective-owned enterprise in Chaoshan after Chaoshan officials visited the Teochew entrepreneurs during Chinese New Year. Building on the experience of this firm, an increasing number of local firms joined in producing toys with the help of their relatives or friends in Hong Kong who had related resources in the toy industry (Chen & Chu, 2008). The ceramic industry, in contrast, has existed in Chaoshan for hundreds of years because of the china clay reserves in this region. As soon as economic reform began in China in the 1980s, the ceramic industry attracted foreign investment, most of which came from overseas Teochews (Du & Huang, 1996, p. 191). Foreign investments in ceramic companies drove the development of local ceramic firms by outsourcing. In addition to foreign investment, overseas Teochews connected Chaoshan firms with international buyers. Nearly half (48%) of export-oriented firms founded before 1997 that I interviewed gained their first international orders directly from overseas Teochews.

China's reform in enterprise ownership has stimulated a boom of private firms in Chaoshan since the 1990s, and thus catalyzed the development of industrial clusters. Many firms joined these two industries not only in manufacturing but also through producing plastics and dye, offering packaging materials and services, serving as raw material suppliers or traders, and so forth. An agglomeration economy emerged in the Chaoshan region, characterized by back-and-forth interlinkages of firms, large labor pools to provide skillful workers, and localized relational assets for information exchange, cooperation, and innovation (Scott and Storper, 2003). Local firms benefited from such an industrial environment and grew rapidly.

In the 1980s and 1990s, both the ceramic and toy industries were highly export oriented, but in the late 1990s sale patterns changed. On the one hand, the role of Teochew traders in linking Chaoshan and the global market became increasingly less important. None of the firms founded since 1997 that I interviewed depended on overseas Teochew traders for their first international orders. As the industry began to agglomerate, international buyers came to Chaoshan directly for purchasing. Chaoshan firms now also bypass Teochew traders and find international buyers through trade

fairs and online business. On the other hand, Chaoshan firms expanded domestic markets dramatically; 87.5% of toy firms and 70% ceramic firms I interviewed have both exports and domestic sales today. Chaoshan firms depend on extralocal distributors for their domestic sales rather than facing end customers directly. These distributors promote both domestic markets and global markets because they also may bring international orders.

Teochew transregional communities in China became important resources for Chaoshan firms' domestic marketing. According to my survey on toy manufacturing firms, 75.8% of Chaoshan firms use Teochew distributors for their domestic sales. All local firms I interviewed use Teochews—who might be family members or relatives, friends, previous employees, or others who had social relations with the firm—as distributors to enter a new market. As opposed to overseas Teochew traders who usually migrated abroad earlier, the emergence of domestic distributors is associated with the development of Chaoshan industries. Because of greater mobility and easier access within a country than in global markets, it is easy for Chaoshan firms to acquire a qualified distributor through their Teochew social networks, and Teochews are likely to find a firm that needs a distributor and move to another city in China to serve as the firm's distributor. Most (80%) of the manufacturing firms I surveyed consider "referred by Teochews" as an important or very important reason to use a Teochew distributor for domestic sales. In other words, the development of toy and ceramic industries in Chaoshan reinforces the growth of Teochew distributors within China, which is unlikely to happen in the case of exports.

Specialized markets, in particular, attract these distributors because of the agglomeration effect for offering a large pool of buyers nationally and globally. Yiwu, in Zhejiang Province, has the world's largest small commodity wholesale market (Lu & Wang, 2010, p. xviii) and has an annual turnover of more than 4 billion yuan in toys. More than 60% of toys sold in Yiwu come from a toy-specialized industrial town in Chaoshan (Fang & Zhang, 2008). Foshan, Guangdong Province, is the largest ceramic tile production base in China and has specialized markets of ceramic tiles and sanitary wares (Shen & Wei, 2011). It attracts a large number of distributors of Chaoshan ceramic sanitary ware; most are Teochews. A ceramic distributor working in Foshan for decades estimates that at least 70% of ceramic sanitary wares in Foshan are made in Chaoshan and distributed by Teochews (interview in Foshan, 31 August 2010a). The agglomeration of Teochew distributors creates proximity between Chaoshan and the specialized markets relationally rather than spatially,

which I discuss in the following section.

Building Relational Proximity With Distant Clusters

Teochew distributors cluster in distant specialized markets and serve as business partners for Chaoshan firms. These distributors are exposed to domestic and foreign buyers more than the Chaoshan firms because of their location. At the same time, they are still socially embedded in Chaoshan because their families, parents, relatives, and friends are living there, and are still maintaining dense social interactions in Chaoshan. These social interactions offer Chaoshan firms and their distant Teochew distributors additional avenues for communication and collaboration than an arm's-length transaction. In fact, transregional cooperation generates more than just the sum of local and nonlocal assets. Collective learning occurs during the transregional integration of economic and social activities, and hence strengthens the competiveness of Chaoshan firms. Through the Teochew communities, Chaoshan firms share a relational proximity with distant specialized markets and integrate exogenous assets into regional competitiveness. In this study I uncover four mechanisms by which the Chaoshan economy takes advantage of transregional Teochew communities: by building distant clusters, sustaining transactions, creating transregional buzz, and initiating start-ups.

Supporting Teochew Clusters In Specialized Markets

The agglomeration of Teochew distributors is attributed to economic externality and sociocultural similarity. Due to their familiarity with Chaoshan and Chaoshan products, Teochew business people serve as distributors for Chaoshan firms. Specialized markets attract domestic and global buyers for certain types of commodities, such as toys and ceramics in this case. By clustering in specialized markets, Teochew distributors gain a larger pool of buyers than elsewhere. At the same time, Teochew communities help maintain relational proximity between the clusters of Teochew distributors and the Chaoshan region.

Teochew distributors in specialized markets have developed a pattern of "product exchange" among themselves: Because Chaoshan products are relatively homogeneous, distributors can potentially repackage one product to substitute for another. When distributors have to deliver products immediately but lack enough storage, or have to show a buyer certain samples that are out of stock, they usually can find substitutes from other Teochew distributors nearby. They purchase at the price that they directly buy from Chaoshan manufacturers and then change the

packages. The Teochew distributors I interviewed all admitted that they had done this with other Teochew distributors, whereas none had done this with non-Teochew distributors. With the help of product exchange, Teochew distributors in distant specialized markets benefit from rapid product fulfillment at low costs.

Teochew communities also sustain cooperation across different industries within the agglomeration of Teochews in specialized markets. For example, in the Chenghai Commercial Association of Yiwu, 55.7% of 135 members are in the toy business in Yiwu: 5.3% in trading and 1.5% in logistics. Teochews within these related industries tend to cooperate closely. A total of 82.4% of the distributors I interviewed have Teochew collaborators in the market for their business. As one interviewee said, he cooperates with Teochews because he is familiar with those who share dense social networks with him. The "fluent and natural conversation" in the Teochew dialect makes him less worried about the cooperation. He believes that Teochew partners "put their heart and soul into taking care of my commodities" because "we (Teochews) are a unit, to compete with the others" (interview in Yiwu, 04 October 2010). A Teochew manager of a logistics company also describes different ways of doing business with Teochews and non-Teochews:

> If customers are non-Teochews, we have to clarify every item of the contracts very explicitly. But if they are Teochews, we can communicate more easily. We understand and trust each other. If some incidents happen, we can cooperate to deal with the incidents first, rather than clarifying who have the responsibility first [as when doing business with non-Teochews] (interview in Yiwu, 09 April 2010).

This demonstrates that smooth communication and mutual trust among Teochews in Yiwu facilitate interindustry cooperation, and even lead to collective action to cope with incidents. It reflects Zhou's (2000) discussion of Chinese service industries targeting Chinese firms in the United States, but furthers this argument in light of subethnicity within a country rather than at a global scale. In the case of transregional communities, a group of people collaborates in a place where they are not socially and culturally embedded to compete against others. In fact, Teochew communities facilitate not only economic cooperation but also knowledge sharing and collective learning, which I discuss in terms of transregional buzz later.

Sustaining Transregional Transaction

My fieldwork uncovers a high degree of Teochew involvement in Chaoshan firms' domestic sales. Most (75.8%) toy manufacturing firms surveyed have Teochews engaging in their domestic sales. More than a third (37%) of local firms with domestic sales interviewed claim that Teochews make up the majority of domestic buyers. More than half (63%) argue that Teochew buyers are more helpful for their business than non-Teochews, including seven firms whose main buyers are non-Teochews.

Chaoshan firms and Teochew distributors usually adopt flexible ways of payment and cooperation. All Teochew distributors I interviewed note that they delayed payment to their suppliers in Chaoshan. A local entrepreneur describes the "mutual help" between him and his Teochew distributors in terms of finance:

> If they [Teochew distributors] have some difficulties in capital flows, I often allow them to pay me later. But they also help me. For example, in 2008, my exports shrunk. They [domestic Teochew distributors] kept regular purchase and even paid me in advance in order to help me obtain enough capital to sustain the basic production (interview in Chenghai, 30 September 2010).

This kind of mutual help results from long-term cooperative relationships, and yet should be interpreted from the perspective of transregional communities. As a ceramic exclusive distributor explains:

> How dare a Teochew distributor cheat a local firm? Unless he/she doesn't want to come back home anymore. But even so, his/her parents would be in trouble.... We [Teochew distributors and Chaoshan producers] know each other well. It's not easy to treat each other rigidly... (interview in Foshan, 31 August 2010b).

In short, Teochew transregional networks provide an informal monitoring mechanism for local producers and nonlocal distributors due to the low levels of information asymmetry within a community and both parties' social embeddedness in Chaoshan. Hence, producers and distributors can accept flexible payment without written contracts.

In addition, Teochew distributors in specialized markets sometimes act as informal branches of Chaoshan firms to satisfy customers' demands, while Chaoshan firms may respond and deliver to a distributor's buyer directly under the name of that distributor. Mr. Li's story shows how Teochews use their transregional social networks to enhance the competitiveness of Chaoshan products. Mr. Li was a trading agent in Yiwu. When he received orders for Chenghai toys, he directly passed the orders to his friends in Chenghai, who may be toy manufacturers or local traders. His friends arranged the production and delivered the products directly to the buyers under Mr. Li's name. In this way, Mr. Li was able to offer low prices and speedy response to his buyers, and hence his competitiveness was strengthened. Similarly, for buyers who directly go to Chaoshan for locally made commodities, they may also attempt to purchase certain complementary commodities, such as cabinets for sanitary ware purchase, or a small number of plush toys for electronic toy purchases. Teochews in related specialized markets, such as Mr. Li, take charge of this part of the order and serve as a nonlocal branch of local firms in name. Nearly 30% of distributors I interviewed act as branches of Chaoshan firms though they are independent from those firms, while 25.9% of manufacturing firms have sold products under their distributors' names. Certainly the transregional "buzz" is vital for local firms to exchange information in time and choose trustworthy cooperators at a distance. This flexible collaborative form effectively speeds Chaoshan firms' responses to the market.

Constructing Transregional Buzz

Geographers use the term "buzz" to refer to the information and communication created by face-to-face contacts, co-presence, and co-location of people and firms within the same industry and region. This buzz consists of "specific information and continuous updates of this information, intended and unanticipated learning processes in organized and accidental meetings, the application of the same interpretative schemes and mutual understanding of new knowledge and technologies, as well as shared cultural traditions and habits within a particular technology field, which stimulate the establishment of conventions and other institutional arrangements" (Bathelt, Malmberg, & Maskell, 2004, p. 38). Many studies reveal that local buzz is essential to sustaining regional innovation systems and is primarily based on localized social and cultural networks. In this study I argue that buzz can be transregional and support transregional economic transactions and learning processes.

My fieldwork in both Yiwu and Foshan uncovers transregional buzz generated through frequent daily communication among Teochew business

Table 1. Motivations for starting a business among Teochew distributors in Yiwu

Motivations	Importance
Suggestions from local friends who operate a similar store	2.23
To sell the products of the family factory in Chaoshan	1.80
Familiar with the producers in Chaoshan	1.66
Familiar with the local market	1.43
To sell the products of friends' or relatives' factories in Chaoshan	1.31
Work experience in similar workplaces in this region	1.29

Note: 1: not important; 2: important; 3: very important. Sample: 35 toy stores in Yiwu Small Commodity Market.

people. All Teochew distributors admit that they spend much more time in social interaction with other Teochews rather than non-Teochews in specialized markets. They describe it as "natural" and "inevitable" because of the co-location and similar cultural background (interview in Foshan, 31 August 2010a). The buzz comprises abundant information related to their business such as market trends, experiences of some distributors and Chaoshan producers, and so on (interviews in Foshan and Yiwu from August to October, 2010).

For example, my survey of Teochew distributors in Yiwu reveals that the most important reason to open a store is a suggestion from local friends who operate a similar store in the area (Table 1). In Foshan, a distributor took me to visit another distributor; when we walked through a specialized market, he said hello to many Teochew distributors and stopped for small talk. When I was interviewing a distributor in his store in the evening, several Teochew distributors dropped by to chat. They talked about a Teochew distributor who just closed his business in Foshan, and analyzed the reasons for his failure. Later, a distributor considered renting the failed distributor's warehouse and asked for others' references. They also discussed best locations for a warehouse. Both the survey and observation indicate that Teochew distributors exchange business information and perform collective learning in management through daily communication.

This buzz in specialized markets is also transmitted to Chaoshan. Frequent visits to Chaoshan offer face-to-face communication opportunities for Teochew distributors and local producers. In my survey, 58.8% of respondents said they communicate "often" or "very often" with Chaoshan manufacturing firms. There must be more transregional communication happening than this number shows, because some respondents may consider their communication with Chaoshan partners to be personal interactions with "friends" rather than business interactions. In fact, all distributors I interviewed agree that they share product and market information

with their suppliers during their home visits. Nearly half (47.1%) of the distributors I surveyed note that they frequently communicate with Chaoshan firms about new product development, while 20.6% say their communication focuses on market trends. Three-quarters of respondents get this information mainly from buyers' feedback, and 70.8% from their observation of other stores in specialized markets. Thus, in learning from this knowledge generated in specialized markets, Chaoshan firms are able to adapt to changes in domestic and global markets rapidly.

Transregional communication is primarily based on social ties rather than economic relations. Most (80.9%) respondents point out personal relationships as "very important" or "important" factor in determining the frequency of transregional communication. More than three-quarters (78.6%) of Chaoshan manufacturers I interviewed agree that transregional buzz helps their business, but many of them consider discussions about specialized markets casual conversation with friends rather than business activities. In other words, the buzz results from the integration of economic and social relations; the transregional transfer of information and knowledge happens during this face-to-face social communication.

Teochew communities in Chaoshan develop pipelines differently than that described in Bathelt et al. (2004) and others' research (Bathelt & Schuldt, 2008, 2010; Trippl, Todtling, & Lengauer, 2009). This literature focuses on joint action frames and projects that are organizational, such as international trade fairs, research and development (R&D) partnerships, and so on. In fact, the buzz-and-pipeline model can occur in an informal way, such as in the casual visits in Chaoshan. Transregional communities transfer extralocal buzz to a region. Furthermore, transregional communities create new buzz about Teochews in a distant locality, and finally help two regions share common buzz, which helps Chaoshan firms develop their domestic marketing (and global markets) in specialized markets. Thus, local firms in Chaoshan share the buzz with Teochews in specialized markets and join in a transregional collective learning process, which is important to enhance regional openness and innovation.

Initiating Start-Ups

Existing social ties with specialized markets help people in Chaoshan set up manufacturing firms in corresponding industries. Bresnahan, Gambardella, and Saxenian (2001) argue that the success of entrepreneurs largely depends on their ability to access major markets outside the cluster in their early stages; thus, the openness of cluster relations and the active search for large, external markets is crucial in understanding the rise of successful clusters.

As for the Chaoshan region, this openness is achieved through transregional communities. In my interviews, almost one-third of the local toy and ceramic entrepreneurs were corresponding distributors in specialized markets before they established manufacturing firms in Chaoshan. More than a quarter (27.8%) of Teochew distributors I interviewed set up corresponding factories in Chaoshan after they became distributors (which were normally operated by their family members). In addition, within specialized markets, dense social networks and frequent interactions within Teochew communities also create "buzz" to stimulate Teochew start-ups (Table 1).

This reveals a deep-seated and culturally embedded desire for self-ownership and the autonomy of Chinese entrepreneurship (Redding, 1990). Previous working experience in specialized markets helps these Teochews establish new firms in Chaoshan and gives them access to domestic markets. Existing social ties with specialized markets motivate people in Chaoshan to set up manufacturing firms in corresponding industries because they have access to markets. Therefore, local assets alone fail to explain the growth of local private firms in Chaoshan since 2000. These empirical findings indicate that transregional Teochew ties also cultivate the growth of local firms.

In short, with transregional Teochew communities, Chaoshan firms establish relational proximity with distant specialized markets and access nonlocal assets. Therefore, the Chaoshan region benefits from competitive nonlocal business partners, additional information channels, flexible and effective transregional cooperation, information sharing and knowledge creation, and enhanced entrepreneurships.

Conclusion

The empirical case of Chaoshan reveals that communities facilitate regional economies transregionally rather than at a local/global level only. Based on data gathered from transregional communities, I find that a region benefits from nonlocal assets, including distant but connected clusters promoting local firms' marketing abilities; additional channels for information exchange, knowledge sharing, and collective learning; flexible forms of transregional business corporation; and enhanced transregional entrepreneurships that in turn promote regional openness. With the help of transregional Teochew communities, Chaoshan SMEs can compete at national and global scales because they are not constrained by limited local

resources.

In this era of globalization, the key issues for many developing regions are how to attract foreign investment (Oman, 2000) and how to enhance exports (Scott & Garofoli, 2007). My findings from this study indicate another regional development trajectory: the cultivation of transregional economic interactions. For regions endowed with a large domestic market, it is particularly important for local firms to pay attention to resources within their own country and for local governments to promote domestic sales and interregional collaboration to enter global markets. The case of Chaoshan shows how Teochew distributors facilitate Chaoshan firms' domestic sales. More important, the relational proximity with specialized markets allows Chaoshan SMEs to gain information at not only a national but also a global scale because global buyers often cluster in these specialized markets, and their information flows to Chaoshan rapidly through transregional Teochew communities as well.

Chaoshan is not a wholly unique case within transregional communities in a social and cultural sense. For example, Wenzhou, another region in China, also has developed this type of transregional subethnic communities. Fewsmith (2008) examines the Wenzhou trade associations' rapid geographical expansion throughout China, and shows that these trade associations collaborate to protect the interests of Wenzhou manufacturing firms in global markets. Moreover, alumni networks can serve as another kind of transregional community that helps a region with well-established educational institutions to access nonlocal assets. Saxenian (2002) finds that alumni associations from the Indian Institutes of Technology help establish the links between Silicon Valley and Bangalore, which are important for upgrading the Indian information technology (IT) sector. Similar stories could happen within national boundaries.

In this study I draw on my research on Chaoshan's toy and ceramic industries to demonstrate that the positive role of communities in regional development goes beyond the local/global dichotomy. Within particular historical and institutional contexts, transregional communities may play a significant role in helping developing regions achieve economic success by offering opportunities to access nonlocal resources. However, further research is required to unravel the complex mechanisms of transregional communities in regional development. Studies on the dark side of Teochew communities, including the lock-in effect of relying on Teochews for domestic marketing and the negative impact of some flexible transitional forms (e.g., "product exchange") on regional product branding, would provide more comprehensive understanding of this topic. More important,

it is necessary to generalize the finding of this study through comparison research between different subethnic groups (e.g., Teochew versus Wenzhou), various types of communities (e.g., ethnic groups versus technology communities), and diverse industries (e.g., low value-added manufacturing versus high-tech sectors). In sum, regional development is dependent on both economic and sociocultural as well as local and nonlocal assets, and understanding this process requires not only a local/global angle but also a transregional perspective.

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Subsidized Rental Housing in the United States: What We Know and What We Need to Learn in Three Themes

Jake Wegmann and Karen Christensen

ABSTRACT. In the face of a severe and deepening affordable rental housing shortage in the United States, subsidized rental housing, though comprising a small portion of the housing stock, is a critical resource. In this study, we synthesize and summarize secondary research and opinions from eight leading experts on the broad currents of subsidized rental housing policy in the United States. We present the resulting lessons across three themes: the persistence of segregation; the disappointment of poverty deconcentration; and the elusiveness of access to opportunity. We seek to identify consensus on what is known, and point to what needs to be learned via future research.

Keywords: Housing policy; subsidized rental housing; housing segregation; poverty deconcentration; access to opportunity

Introduction

A recent analysis shows that in the United States as of 2014, only 31 rental housing units affordable to and available to households earning 30% or less of the median income in their region exists for every 100 such households (National Low Income Housing Coalition, 2016). In only two states—sparsely populated North Dakota and West Virginia—did this ratio equal or exceed 50% (National Low Income Housing Coalition, 2016). For

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low-income renters across the nation, and increasingly even for reasonably well-off renters in a small but growing subset of metropolitan regions, a lack of affordable, safe, and well-located rental housing is a formidable impediment to a better life (Glaeser, Gyourko & Saks, 2005, 2006).

And yet there is ample reason to believe that the problem will likely get worse, not better, in coming decades. At root there is the seemingly inescapable trend, now decades long, toward greater levels of income inequality (Piketty & Saez, 2014). More short-term factors, above all the ongoing fallout from the Great Recession nearly a decade after it first began, have sharply increased the number of renter households competing for housing. The fiscal consequences of the long recovery from economic depression have resulted in a drastic reduction in federal rental housing subsidies at just the moment when they are most needed (Joint Center for Housing Studies, 2014). The pressure is likely to increase still further; when the *Cityscape* journal recently asked four groups of housing experts to project homeownership rates to the year 2050, only one forecast that homeownership would eventually increase to just shy of the pre–Great Recession level of 69% (Haurin, 2016). The remaining three projected middle-of-the-road scenarios with homeownership rates ranging from approximately 53% to 58% in 2050, all considerably reduced from the 63% of today (Acolin, Goodman & Wachter, 2016; Myers & Lee, 2016; Nelson, 2016).

This trend in homeownership is aggravated by a traditionally weak policy response from the federal government. For all of the sound and fury in public discourse over subsidized rental housing dating back to 1937—the year the federal government began permanently funding rental housing—and continuing unabated to the present day, such units represent only 5% of the total housing stock in the United States, compared with 17% in France and 20% in the United Kingdom (European Union, 2013). At the time of this writing, during a vigorously contested presidential election cycle with no mention of rental housing from candidates of either major political party, it seems difficult to imagine that a policy response equal to the deepening rental housing crisis will emerge anytime soon.

However, it is not impossible to imagine that these trends will cause rental housing to rise among the ranks of prominent policy issues in the United States. If and when this happens, it will be important to be able to answer fundamental questions about subsidized rental housing: What do we already know? And what do we need to learn? While we cannot definitively answer these questions, in this study we endeavor to take the first steps on a long road to doing so.

Defining Subsidized Rental Housing

Basic nomenclature is a seemingly trivial but real barrier to discourse, whether popular or academic, on low-cost housing in the United States. Affordable housing is a term that, although widely used, often obscures more than it clarifies because it inevitably raises the question: "Affordable for whom?" We opt here to instead use the straightforward, descriptive term *subsidized rental housing* to refer to rental housing units in which both tenants' incomes and rents are legally restricted by virtue of federal governmental subsidies granted to their developers or tenants. In our usage, this term includes dwellings occupied by renters who receive tenant-based subsidies such as Housing Choice Vouchers.[1]

While we recognize that the term "subsidized" in conjunction with rental housing has at times served as a signpost for a long history of ideologically driven hostility toward publicly assisted rental housing (Radford, 1996), we nevertheless maintain that it is accurate and intend it in a straightforwardly descriptive, neutral manner. In any event, honest commentators recognize the indisputable fact that U.S. homeowners, above all those with high incomes, receive federal taxpayer subsidies that dwarf those directed toward rental housing (Downs, 2008).

Plan for the Article

In this study we synthesize the state of knowledge on subsidized rental housing in the United States according to three themes, and seek to identify gaps in knowledge connected to each one. The first of these is *racial segregation*, a deeply embedded and stubbornly persistent feature of both life in the United States in general and its subsidized rental housing in particular. The second is *poverty deconcentration*, an overarching policy goal that has animated American housing policy for decades but that housing scholars are increasingly questioning. The third, *access to opportunity*, is a relatively unfamiliar, though emergent, research and housing policy frontier in the United States.

We explore the state of knowledge across these three themes on two tracks. First, we review existing literature, seeking to identify points of consensus where they exist. Second, we report results of our interviews with eight *expert interviewees* (Table 1). We asked each of them, "What do we need to learn about subsidized rental housing in the United States?" The three themes we present here emerged from both the literature review and the

1. We exclude from this terminology rental housing regulated under municipal rent control laws, which exist in a small fraction of U.S. local jurisdictions.

Table 1. Housing scholars and practitioners interviewed for this study.

Expert Interviewee	Affiliation
James Buckley	Massachusetts Institute of Technology, (formerly) Citizens Housing Corporation (San Francisco-based nonprofit housing NGO)
Lan Deng	University of Michigan
Ingrid Gould Ellen	New York University
Carol Galante	US Department of Housing and Urban Development (HUD), (formerly) BRIDGE Housing (San Francisco-based nonprofit housing NGO)
Edward Goetz	University of Minnesota
Kirk McClure	University of Kansas
Erika Poethig	US Department of Housing and Urban Development (HUD)
Alex Schwartz	The New School

Note: U.S. Department of Housing and Urban Development (HUD).

expert interviews.

Following our literature review for each of the three themes, we report the most notable responses that emerged from the expert interviewees. Finally, we close with a brief summary and synthesis of our findings, also noting progress in addressing chronic homelessness, for decades a seemingly immovable phenomenon in the United States, via supportive housing. We view supportive housing as a positive example of a productive policy shift informed by research that could point the way towards eventual headway on the overall shortage of rental housing, especially for low-income households, that at the present moment seems equally intractable.

Racial Segregation: Stubbornly Persistent Despite Subsidized Rental Housing Programs

There is a vast academic scholarship on racial segregation in the United States. Massey and Denton (1993) provide the definitive account of the harm done to people of color, particularly to African Americans, by longstanding, ongoing housing discrimination. While some evidence shows that segregation diminished even as overall racial and ethnic diversity sharply increased, housing discrimination persists and African Americans continue to disproportionately bear its brunt (Alba & Denton, 2004). For many households of color, discrimination constrains housing options, reduces access to their top-choice neighborhoods, and increases

housing costs over what they otherwise would be.

Differential outcomes according to tenants' race continue within housing subsidy programs, and not just in the unsubsidized rental housing market. Even the federal Housing Choice Voucher (HCV) program, the leading rental housing subsidy in the United States and one its proponents envisioned as a means of empowering its participants to move to opportunity-rich neighborhoods, appears to fit this pattern. After controlling for mobility, rent, and other factors, Basolo and Nguyen (2005) find that voucher holders of color in diverse Orange County (CA) were more likely than non-Hispanic White households to live in poorer neighborhoods.[2] Galvez's (2010) findings mirror those of Basolo and Nguyen: African Americans using vouchers live in poorer neighborhoods than their White counterparts, although African Americans with vouchers live in less poor neighborhoods than those without, while Whites with vouchers live in *poorer* neighborhoods than those without.

Meanwhile, scholars are heeding Galvez's (2010) call for more research to distinguish whether the voucher program's racially disparate outcomes are intrinsic to the program itself or to the populations it serves. Rosen's (2014) ethnographic study in Baltimore (MD) reveals that many landlords steer the most disadvantaged voucher holders into units in the most disadvantaged neighborhoods.[3] Taking the tenants' viewpoint, a longitudinal study of 100 low-income African-American households in Mobile (AL) has found that "the administration and implementation of the voucher program make it difficult for [these] low-income households to overcome the existing structural and discriminatory barriers to geographic mobility" (DeLuca, Garboden & Rosenblatt, 2013, p. 276). The barriers in the voucher program's implementation include the short time periods allotted for tenants to search for units, and pressure from the U.S. Department of Housing and Urban Development (HUD) on local housing authorities to maintain short lease-up times for the vouchers they issue.

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2. Due to the way in which U.S. Census data are collected, "non-Hispanic White" is the most widely used precise term for people colloquially referred to as "White" or members of the dominant racial/ethnic group, who constituted 62% of the national population as of 2014 (U.S. Census Bureau, 2014). In the remainder of this study, the term "White" means "non-Hispanic White."
3. Rosen found that landlords "steer" tenants into apartments that they own and manage via aggressive tactics such as approaching new voucher holders while they are waiting in line at housing authorities and offering rides to non–car-owning households to show them apartments. These dynamics do not support the assumption underlying the program that vouchers allow their holders to select an apartment from a wide variety of choices.

Expert Interviewees on Research Frontiers on Racial Segregation and Subsidized Rental Housing

Our expert interviewees identified two main areas in which research on the interaction between racial segregation and subsidized rental housing is needed. The first concerns the need to identify specific program-related barriers, particularly with HCVs, that prevent households of color from accessing less-segregated housing. The studies by Rosen (2014) and DeLuca, Garboden, and Rosenblatt (2013) are promising, but far more research along these lines is needed.

The other major theme that arose is the need to understand disparate impacts of the Low Income Housing Tax Credit (LIHTC) program, the most important site-based subsidy for subsidized rental housing, on tenant populations on the basis of race and ethnicity. In their pioneering work, Cummings and DiPasquale (1999) find that much LIHTC housing is sited in relatively racially homogeneous areas. In inner cities, most neighborhoods with LIHTC developments have populations of at least 80% people of color. However, even now very little is known about the roughly 2.6 million households living in LIHTC housing, including their race and ethnicity compared with residents of the surrounding neighborhoods.

It is therefore apparent that the two most important subsidized rental housing programs in the United States are failing to help overcome—or are even actively exacerbating—the longstanding racial discrimination in housing that has plagued the United States for at least a century. Finding out exactly how and why needs to be a top priority for research.

Poverty Deconcentration: A Longstanding Housing Policy Imperative Under Attack

For the better part of a half-century, *poverty deconcentration*, or the geographic dispersion of low-income households away from neighborhoods in which they predominate, has been an overarching federal policy priority, even as the specific means to do so have changed dramatically over the decades. The seminal poverty deconcentration program, Gautreaux, stemmed from a mandate emerging from a 1976 U.S. Supreme Court subsidizing the relocation of residents of segregated and distressed Chicago public housing to predominantly White city neighborhoods and nearby suburbs. Gautreaux inspired a similar federal initiative, Moving To Opportunity (MTO), rolled out in five cities in 1992. MTO stands alone among worldwide poverty deconcentration programs in that its random selection of participants has allowed researchers to evaluate its results with statistical rigor (Cheshire,

2006).

Most recently, Housing Opportunities for People Everywhere (HOPE VI), the signature urban policy of President Bill Clinton, replaced dozens of public housing developments with mixed-income housing and vouchers issued to residents of the redeveloped public housing sites. These three influential initiatives have been supplemented by dozens of smaller-scale programs throughout the nation using counseling, search and relocation assistance, and vouchers, as well as the Welfare-to-Work demonstration program and initiatives to "voucher out" non-public subsidized rental housing developments with expiring subsidies.[4] Thus, poverty deconcentration has been consistent housing policy in the United States from 1976 to the present, with the Obama Administration continuing the essence of HOPE VI under its Choice Neighborhoods initiative.

The long history of poverty deconcentration initiatives, particularly MTO and HOPE VI, has yielded a trove of evaluations and academic studies. To paraphrase Goetz and Chapple's (2010) review of this literature, the results are in, and they are unimpressive. High-poverty-area residents often "move to another high-poverty, racially concentrated neighborhood that offers little improvement over their previous communities" (Goetz & Chapple, 2010, p. 9). They do find that relocated households feel safer, and there is some evidence that they experience improved mental health. However, they find no evidence of improvements in employment, income, welfare dependency, or physical wellbeing. Worst of all, relocations sever the rich, location-specific social networks that low-income households rely upon more heavily than do affluent families.

In an overview of literature examining outcomes for low-income residents of mixed-income communities, Joseph, Chaskin, and Webber's (2007) conclusions are strikingly similar. Of the four claims in favor of mixed-income communities that they evaluate, the only one supported by empirical evidence is that low-income residents of mixed-income communities gain greater informal social control and access to better services. Meanwhile, there is little evidence of socioeconomic benefits through place-based social networks ostensibly enabled by mixed-income communities.

Why has poverty deconcentration proved disappointing? Goetz and Chapple (2010) assert that the "neighborhood effects" literature that

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4. These privately owned, subsidized rental developments were federally subsidized in return for restricted rents to their tenants. "Vouchering out" these programs refers to efforts to provide tenants with vouchers for private market housing elsewhere when the subsidies in their buildings expire.

originally justified poverty deconcentration overemphasizes harm from concentrated social distress, called the "contagion effects of place." Meanwhile, these early studies undervalue local social networks. This would help explain the repeated finding that residents are surprisingly attached to their original, although distressed, communities, and are reluctant to move far away. Overgeneralizing the singularly deplorable conditions in Chicago public housing and the benefits of Gautreaux may have spurred a nationwide adoption of dispersion policy. Accordingly, the critique of place-based housing and community development underpinning poverty deconcentration deserves reconsideration.

Another critique of poverty deconcentration asserts that neighborhood effects proponents have misread economic upgrading processes in some communities that appear dysfunctional according to census data. Instead, at least some high-poverty communities are places where newcomers, often immigrants, find cheap housing, save money, begin to upgrade their skills, and then eventually move on to higher-status communities. Viewed this way, such communities, though by no means lacking in social problems, are successfully fostering upward socioeconomic mobility, even if poverty rates and other measures of social distress within them appear to be high at particular points in time.

In a journalistic account, Saunders (2011) proposes the West Adams district of South Los Angeles as a successful "arrival city." But little quantitative research has systematically identified U.S. "arrival cities" and distinguished them from high-poverty neighborhoods in which residents are unable to escape poverty.

One exception is a rare longitudinal study that relies on pairs of interviews, conducted approximately three years apart, of randomly selected residents living in high-poverty neighborhoods in 10 U.S. cities (Coulton, Theodos & Turner, 2009). The researchers classify residents, whether "newcomers," "movers," or "stayers," according to whether they were experiencing increases or decreases in overall wellbeing. They classify each of the 10 neighborhoods as 1) a "launch pad" that helps impoverished residents move "up and out," 2) an "isolating" community where impoverished residents remain trapped, or 3) something in between. This sort of research can inform poverty deconcentration policies and guard against breaking up communities that are facilitating upward mobility.

Recently, the rapid scaling up of HUD's Rental Assistance Demonstration (RAD) program, begun as a pilot, suggests a possible shift away from poverty deconcentration as federal policy, although it is too soon to tell.

Ironically, RAD's full-throated embrace of a quasi-privatization of public housing is used, unlike HOPE VI and its successor programs, in a serious effort to allow existing residents to remain in place (Smith, 2015). The swift rollout of the program has taken housing scholars by surprise, and its implications are as yet unclear (Smith, 2015). Monitoring the effects of RAD will be an important task for researchers in the near future.

Expert Interviewees on Research Frontiers on Poverty Deconcentration and Subsidized Rental Housing

Two of our expert interviewees independently mention an additional critique of poverty deconcentration, namely the poorly understood effects of transportation costs on residents who are relocated away from impoverished, but centrally located, neighborhoods. In recent years the Housing + Transportation, or "H+T," Affordability Index, has begun to draw attention to this set of issues. The index quantifies affordability burdens not simply as the ratio of housing costs to income, but housing costs *and* transportation costs to income.[5] Using this more comprehensive measure, suburban neighborhoods distant from jobs, services, and public transportation are less affordable when compared with high-density, mixed-use urban locations than they initially appear.

Alternatively stated, the H + T Affordability Index shows that low-income households must own one or more automobiles to function adequately in automobile-oriented settings. This financial burden would explain Glaeser, Kahn, and Rappaport's (2000) finding that low-income households actively seek out urban areas to be closer to public transportation and jobs. Although not all low-poverty neighborhoods are suburban, and not all suburban neighborhoods are low poverty, the association between poverty deconcentration and suburban destinations for dispersed households remains strong. Thus, research on how drastic changes in transportation accessibility affect low-income households will be paramount in evaluating the benefits—or lack thereof—of moves away from impoverished neighborhoods.

Another expert interviewee emphasizes the lack of consensus on the beneficial destination neighborhoods for low-income households seeking to flee neighborhoods that are "poverty traps": what Coulton, Theodos,

5. See Center for Transit Oriented Development and Center for Neighborhood Technology (2006) for the earliest version of this metric and the reasoning behind it. See also Lipman (2006) and Haas, Makarewicz, Benedict, Sanchez, and Dawkins (2006) for subsequent elaborations. HUD recently adopted the Location Affordability Index, a version of this methodology; see, for example, http://www.locationaffordability.info.

and Turner (2009) refer to as "isolating communities." Undoubtedly the transportation issues noted above would form a major component of such a determination, but not the only one. Related to this, another expert interviewee notes that it would be important to study whether the trend of building affordable housing in peripheral locations within metropolitan regions is causally linked to the trend of "suburbanization of poverty" now well under way in the United States (Kneebone & Berube, 2013).

Finally, an expert interviewee notes the rich data that exists, but remains largely unanalyzed, on the length of residency and subsequent life outcomes of residents living in subsidized rental housing operated by nonprofits. Such information would aid in comparing the merits of long-term residency in such housing to those of moving to a neighborhood that is low poverty but lacks on-site services.

Access to Opportunity: An Alternative to Poverty Deconcentration, But an Elusive One

Although moving low-income households into "geographies of opportunity" (Galster & Killen, 1995) through site-based subsidized rental housing or vouchers may seem to be the other side of the poverty deconcentration coin, on closer inspection, it is something distinct. Poverty deconcentration policies tend to ensure that residents in areas of concentrated poverty *leave* those areas, but, as noted earlier, they rarely assure that these households subsequently *arrive* in neighborhoods with low poverty. The placement of housing affordable to low-income renters into truly low-poverty areas, with safe streets, high-performing schools, and typically high homeownership rates—something that arguably fosters *access to opportunity*—has proven to be a tough nut to crack (Calavita & Mallach, 2010).[6] Unlike poverty deconcentration, few housing scholars question the benefits of more access to opportunity, which might best be considered wealth dilution.[7] Less is known about access to opportunity in the United States than about poverty deconcentration, partly because less has been accomplished. Below we survey what *is* known, and what remains to be learned.

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6. Consider, as just one example of concerted efforts toward access to opportunity in other countries, the tradition of well-planned and well-located British council estates such as Odhams Walk in London (Ryan, 2012).

7. This is likely because wealth dilution seldom carries the whiff of coercion of the poor that spurs attacks on certain programs, most notably HOPE VI, but also Welfare to Work and others. While some might question the benefits of living in subsidized housing in a low-poverty area, few scholars concerned about poverty and segregation, whatever their other opinions, would dispute that it would be good to increase such options for those who choose to pursue them.

Little access to opportunity seems to occur through established U.S. federal programs. For instance, Basolo and Nguyen (2005) find little evidence that voucher holders in Santa Ana (CA) had used them to move to higher-income neighborhoods. Kirk McClure (2006), one of our expert interviewees, finds in a nationwide study that LIHTC-funded units tend to be located in somewhat less impoverished neighborhoods than the units inhabited by voucher-assisted families, although they also tend to serve somewhat higher-income families. Worse, in a follow-up national study, he finds that LIHTC housing generally is not built in areas with a shortage of affordable rental housing (McClure, 2010). Cummings and DiPasquale (1999) similarly find that few LIHTC developments are built in high-income neighborhoods.

Reviewing the HCV literature, Galvez (2010) finds a similar lack of access to opportunity. She states that more needs to be learned about the quality of life where voucher holders live (measured via criteria more comprehensive than simply the poverty rate), the experiences of households interacting with the regional housing market while using a voucher,[8] and the causes of diverging outcomes for different racial and ethnic groups.

While combining vouchers and LIHTC housing offers the potential to afford low-income families access to higher-income areas, Galvez (2010) points out that relatively little research has been done on this nexus. A rare exception by Williamson, Smith, and Strambi-Kramer (2009) counterintuitively finds that voucher holders occupying LIHTC-funded apartments in Florida live disproportionately in *high*-poverty locations.

While federal rental housing programs have achieved disappointing results in furthering access to opportunity, another set of efforts, termed *fair share* policies, has operated at the regional level for decades with mixed results in a few states. Beginning with public concern over the mid- to late 1960s urban riots, such policies attempted to coerce exclusionary suburbs into approving subsidized housing (Lewis, 2005). Some recent efforts to implement regional fair share housing have been achieved by a political coalition between central cities and older, inner-ring suburbs in regions such as Minnesota's Twin Cities (Orfield, 2002).

These coalitions have often been hampered by internal mutual distrust, partly exacerbated by racial divisions. When, as in the case of the Twin Cities, they have succeeded in effecting policy reforms, such as empowering

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8. One recent study (Lens, Ellen & O'Regan, 2011) found that central-city voucher holders live in slightly safer neighborhoods than the low-income renter population as a whole, with this divergence particularly pronounced for African Americans.

a regional authority to disburse federal housing funds and to require local cities to plan for subsidized housing, notable results have been achieved. But the political will for such reforms and the reforms themselves have been fragile and quickly reversible (Goetz, Chapple & Lukermann, 2005).

Lewis (2005) examines statewide affordable housing review mechanisms in four states, including Oregon, which has a state-level regime that applies only to the Portland region. Massachusetts and New Jersey employ what he terms *retrospective* systems. In these systems the state reviews local production levels of subsidized housing against their fair share obligation to their host regions. Calavita, Grimes, and Mallach (1997) show New Jersey's success, for example, in spurring local inclusionary zoning ordinances.

By contrast, California has a *prospective* statewide requirement that local governments plan for future subsidized housing, but does not hold them accountable for achieving actual production targets. Lewis (2005) finds no detectable correlation between state-approved local housing plans and local levels of housing production. He points to California's weak enforcement mechanisms, which consist only of legal challenges brought by nongovernmental entities and the (rare) withholding of certain federal funds, but no direct state enforcement.

Thus, fair share housing policies have at least the potential to achieve real progress in promoting access to opportunity, particularly when backed by effective enforcement mechanisms. However in the relatively few states where they exist at all, fair share systems are difficult to enact and sustain. What other approaches could help bring increase access to opportunity for low-income renters, and what do we know about them?

Most efforts to achieve access to opportunity beyond fair share regimes seek to attack exclusionary land use policies of the sort documented by Levine (2005). In low-poverty, high-homeownership areas, NIMBY sentiment limits the potential of modifications of LIHTC and other federal housing programs for expanding access to opportunity (Joint Center for Housing Studies, 2010). More empirical research is needed that punctures the myths used to justify land use policies that have the effect (acknowledged or not) of excluding subsidized rental housing from high-opportunity jurisdictions and neighborhoods.

One NIMBY myth is that subsidized rental housing depresses property values of nearby owner-occupied houses. A study of Boston (MA) suburbs finds no evidence that such developments reduce the value of adjacent single-family properties (Pollakowski, Ritchay & Weinrobe, 2005). An earlier study of the effects of six subsidized rental housing developments on single-family house sales prices in the San Francisco Bay Area reaches a similar conclusion (Cummings & Landis, 1993). A more recent Santa Clara County (CA) study by one of the expert interviewees finds that LIHTC developments mostly had *positive* impacts on the property values of nearby single-family houses, whether they were developed by for-profit entities, housing nonprofits, or local housing authorities (Deng, 2011).

Another NIMBY myth is that onerous local land use regulations such as excessive off-street parking, which increases multifamily housing costs, including affordable rental housing, are needed to protect local quality of life. McDonnell, Madar, and Been (2011) find that New York City's off-street parking requirements are forcing developers building residential projects near subway stations to provide more off-street parking than the buildings' residents actually use, thus unnecessarily driving up costs.

Expert Interviewees Discuss Research Frontiers on Access to Opportunity and Subsidized Rental Housing

While the literature cited above describes rigorous quantitative analysis of locational patterns of HCV holders, two of our expert interviewees call for *qualitative* research on the specific experiences of the households. They advocate for particular emphasis on large households and/or those navigating the tightest housing markets, especially the experiences of those facing the greatest structural obstacles to using HCVs to obtain suitable housing. Another expert calls for research on the nexus between HCV holders and LIHTC housing, examining why this intersection does not happen more often, and why housing nonprofits generally are not pursuing new projects combining LIHTCs and vouchers in low-poverty areas.

One of the experts notes that while the broad contours of the effects of exclusionary land use policies are well known, as noted earlier, much more needs to be learned about such effects in specific geographical areas. Finally, echoing an argument made by Scally and Koenig (2012), still another expert interviewee notes that more research is needed on outcomes stemming from housing with "the whole package" of amenities, including quality schools and access to jobs.

Recommendations for a Subsidized Rental Housing Research Agenda

Our study of these three themes, the research consensus on them, and the gaps in knowledge that still exist among them yields valuable takeaways that should inform the selection of research programs in the near future. First, segregation by race has a long and difficult history in the United States, and is remarkably resistant to well-meaning housing policy. Experience suggests that an intensive focus on the micro-details of subsidized rental housing programs *from the standpoint of the residents themselves* is essential to combating segregation.

Second, recent history in the United States suggests that a policy focus on poverty deconcentration may lead to disappointing results for affected residents. Existing social networks, the time and monetary costs of transportation, and the role of particular communities as "arrival cities" or "launch pads" for immigrants deserve particular attention from those considering deconcentration policies.

Third, the elusiveness of access to opportunity for low-income renters in the United States implies that a great deal of work needs to be done in this area. The most important tools for attaining these goals in the United States, fair share housing systems, work best when they evaluate past performance by local jurisdictions and impose substantial remedies when targets are not met. In addition, the claims used by local residents to help argue against subsidized rental housing developments in high-opportunity locations need to be tested and countered by careful research.

A recent major shift in federal housing policy aimed at addressing chronic homelessness shows that when a political consensus on a sound course of action emerges, informed by convincing results from empirical studies, it is possible for real change to occur. This is the transition from the "Continuum of Care" delivery model (in which individuals emerging from homelessness must demonstrate their readiness to live independently before receiving housing places in subsidized housing) to "Housing First" (in which individuals are given housing regardless of their ongoing substance abuse or mental health issues). For this shift to occur, and for policy makers of both political parties to be convinced that it was a good idea, research first had to demonstrate results in terms of both outcomes and monetary savings. This is indeed what happened (Culhane, Metraux & Hadley, 2002; Hannigan, Samuels & Baker, 2000; Larimer et al., 2009; Lipton, Siegel, Tsemberis, et al., 2004).

Today, a similar policy shift concomitant with the deepening urgency of the lack of affordable rental housing likely is not in the cards. But experience with supportive housing and many other past episodes suggests that those seeking changes should be prepared for moments of opportunity. In the meantime, there is ample scope for researchers to redouble their efforts to learn all we can about subsidized rental housing in the United States.

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Modernist Architecture in Wroclaw, Poland
Maciej Smoliński

Introduction

Wrocław, also known as Breslau, Vratislav, and Vratislavia, is a medium-sized city in Central Europe with more than a thousand years of history. Ruled by Poland, Germany, the Czechs, Austria, and the Duchies of Silesia at various points, it has always been a crossroads for different European influences: west and east, north and south. Today, there are a vast number of 20th-century buildings and districts extant within the city. In recent years, with a rising appreciation for modernist architecture, a few notable examples are being renovated and brought back to their old glory.

In 1890, Wrocław had around 300,000 inhabitants; by the end of the 1930s, the number rose to nearly 700,000. In the same period, the city's area increased from around 30 km2 (11.5 mi2) to more than 200 km2(77 mi2). Such significant growth required efficient solutions both from architectural and planning perspectives.

Modernism, with its simplicity, expedience, and low cost (at least compared with 19th-century standards of eclecticism and historicism), was an obvious answer. Moreover, Wrocław's quickly growing population desperately needed housing and services. The local authorities used the opportunity provided by the new modernist trends to the fullest. The new buildings were arguably not as beautiful as those built earlier, but they met basic needs and served their functions.

The outbreak of World War II interrupted the rapid development of modernist architecture in Wrocław.

About the author: Maciek Smoliński is a photographer from Wroclaw, Poland, who seeks to depict a vision of Central Europe as a historical and cultural crossroads through images of natural, lived, and often abandoned or reclaimed landscapes, as well as contemporary and subcultural communities. He publishes his work online at kitajgorod.tumblr.com. By day, Maciej works as an in-house data protection lawyer at Credit Suisse. Email: maciejxsmolinski@gmail.com.

Jahrhunderthalle

Architect: Max Berg; Construction: 1911-1913.

Centennial Hall (currently Hala Stulecia) has a capacity of 10,000 people. Designed for exhibitions, concerts, and theatrical and opera performances as well as sports events, it was built to commemorate the defeat of Napoleon during the battle of Leipzig in 1813. At the time of construction it was the largest building made entirely from reinforced concrete.

During the battle of Festung Breslau in 1945, the city was almost entirely destroyed and its population expelled. Yet again, the same process of building modern architecture to meet housing needs took place after this catastrophe.

Poland was one of the hardest hit by the destruction and devastation of World War II both in terms of population and economy, and struggled to rebuild. Between the end of the war and 1979, Wrocław grew from 200,000 to 600,000 inhabitants. The new Polish authorities came to the conclusion once again that modernism could answer the people's needs, providing cheap and practical housing or utility areas.

The fall of communism in Poland left Wrocław in a sorry state, with dirty and dilapidated areas common throughout the city. Not surprisingly, the economic crisis of the 1980s followed by the instability of the 1990s was not kind to the relics of modernism. Forgotten, out of fashion, and overshadowed by newer architecture, they were slowly rotting in isolated spots across the city.

However, attitudes toward modernist architecture began to change in the beginning of 21st century. Many now understand that the foundations of modernism were surprisingly human friendly: practical and bright apartments, packed in clear and simple forms, and covered in green.

Today, the WuWa and Tarnogaj districts, mostly restored to their old glory, are among the most expensive estate areas in Wrocław. Hala Stulecia was renovated between 2009 and 2011 with funds from the European Union and the City Council. The renovation of Kompleks na pl. Grunwaldzkim began in 2015 under the supervision of the original architect, Jadwiga Grabowska-Hawrylak, and with funds gathered by tenants.

Other modernist gems in Wrocław are still waiting for their chance.

For those interested in history of Wrocław, I recommend *Microcosm: Portrait of a Central European City* (Davies & Moorhouse, 2003).

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Trzonolinowiec

Architects: Jacek Burzyński and Andrzej Skorupa; Construction: 1961–1967.

This is a unique example of a building built from the top down. Based on a solid, reinforced concrete core, the various stories were hung on the steel cables from top to bottom. Some architectural elements were made from prefabricates, which are large elements made in factories.

Wohnsiedlung Dürrgoy

Architects: August Hogreve, Paul Schreiber, Hans Thomas, Friedrich Zahn, and others; Construction: 1918–1937.

This complex of 140 single- and multifamily houses in the Dürrgoy (currently Tarnogaj) residential area was built to satisfy the housing needs of the workers employed by the nearby Gasworks plant. Coal gas was produced there until 1990.

Wohnungs- und Werkraumausstellung

Architects: Adolf Rading, Gustav Wolf, Theodor Effenberger, Moritz Hadda, Paul Häusler, Paul Heim, Albert Kempter, Emil Lange, Heinrich Lauterbach, Ludwig Moshamer, Hans Scharoun, and others; Construction: 1929.

The Workplace and House Exhibition (also know as WuWa) is a residential area of 37 houses built in just three months in 1929 for an exhibition organized by the Silesian committee of the Deutsche Werkbund. All the buildings were simple and functional, yet uncommon. In addition to homes, the exhibition included a recreational area as well as a kindergarten.

Mezonetowiec

Architect: Jadwiga Grabowska-Hawrylak; Construction: 1958–1960.

Mezonetowiec (also known as Maisonette) is the only apartment building dating to the Polish socialist era with two-story apartments. The entire concept was inspired heavily by Le Corbusier's tenets, especially in regard to form, functionality, and living space.

Dom Naukowca

Architects: Edmund Frąckiewicz, Jadwiga Grabowska-Hawrylak, Igor Tawryszewski, and Maria Tawryszewska; Construction: 1959.

Dom Naukowca was the first 10-story building built in Wrocław after 1945. All the apartments were intended for professors at the Wrocław University of Technology.

Kompleks na pl. Grunwaldzkim

Architect: Jadwiga Grabowska-Hawrylak; Construction: 1970–1973.

This complex contains six apartment houses and three utility and trading buildings. According to the plans, the buildings originally were to be covered by white plaster with climbing plants growing on the walls. However, due to lack of materials and funding, the initial plans were not realized. Today, an ongoing renovation project intends to restore the original concept.

Advice for Progressive Planners

The Community and Regional Planning Program at the University of Texas at Austin has developed relationships with and produced a great number of impressive progressive practitioners and scholars. This year, *Planning Forum* is devoting a special section to the wisdom and experience of a small handful of these individuals. We asked what advice they have for planners who want to work from within a progressive political framework. What follows is each author's answer to this prompt.

Jared Genova:

So much of progressive planning frameworks—whether it is sustainable development or smart growth—is based on making systems-level connections. However, starting a planning conversation with high-level concepts like resilience is often a nonstarter. By knowing your audience, learning what they care about, and building upon it, rather than reducing to it, the name of the concept will hopefully become irrelevant. When we talk about city resilience planning in New Orleans, the conversation point of entry is always different: sometimes it's housing, or water management, or transportation. If we can meaningfully address a community concern and also build awareness and action potential for other, interdependent themes, we are probably doing something right.

Related to knowing your audience is the recognition that you might not be the best person to deliver your own message. Progressive planning is about building partnerships and setting the stage for collaborative efforts. At some point as professional planners we almost surely work in places where we are considered outsiders, so forging relationships with

About the author: Jared Genova is the Resilience Project Manager for the City of New Orleans, supporting the work of the Chief Resilience Officer. Genova managed the development of New Orleans' resilience strategy, Resilient New Orleans, as part of the City's partnership with 100 Resilient Cities—Pioneered by The Rockefeller Foundation. He is now engaged in designing the implementation and coordination of the actions outlined in the strategy. Genova has a BA in metropolitan studies and urban design and architecture studies from New York University and an MS in Community and Regional Planning at The University of Texas at Austin School of Architecture.

local and respected community allies is invaluable in helping you build credibility and trust in the communities you serve. Before you act, do your research and be humble enough to recognize that you probably cannot anticipate everything. Ultimately, progressive planning is all about people and relationships. Take the time to cultivate meaningful bonds with other agencies, advocacy groups, and neighborhood leaders with local knowledge and experience, and empower them to deliver messages on your behalf.

Bo McCarver:

Planning in a modern capitalist country is at best a compromise and at worse an abdication. In America, the unwritten dictum of development is "money talks." In Texas, which serves as the armpit of capitalist accumulation, planners serve largely to collect pencil-whipped data that policy makers shape and pick through to support whatever they were going to do anyway. And those moguls serve the 1%.

Steeped in a pervasive environment of conservative politics, a degreed planner with vision and liberal morals will be faced quickly with limited jobs in which to practice. Passive alternatives, such as teaching or sifting through grant applications for foundations, are limited in quantity and pull bright people away from lived praxis in the trenches.

The contradiction is shared by most other supposed professions such as fine arts, where you either teach or survive by getting rich patrons drunk at openings, and journalism, where you are channeled to write vehemently about strife in the Unisian Islands while ignoring the local real estate industry that is systematically displacing the poor.

If you really want to make changes that respect the planet's crust and diverse species, you will have to alter the pervasive political system. Until then, almost all degrees generated in the Ivory Towers are absurd.

In a conservative, consumptive society, all jobs are absurd; if we're fortunate, we get to pick the level of absurdity we can tolerate.

About the author: Bo McCarver is a community organizer who has been at the forefront of the struggle against gentrification in East Austin. McCarver has masters degrees in journalism and fine arts and a Ph.D. in anthropology. He is chair of the Blackland Community Development Corporation, which has for over 30 years provided affordable housing to diverse low-income households, and to senior citizens and individuals with disabilities. BCDC works to create innovative, environmentally friendly, and socially responsible housing.

Dave Sullivan:

My advice to planners is that the best ways to build a sustainable community are to select undeveloped areas for protection from development; select developed areas for slow, targeted change to protect lower-income persons; and then judiciously select areas for new development, particularly old commercial property with large parking lots or unwanted land uses such as major polluters, and draw on new urbanist principles to develop mixed uses, naturally landscaped open spaces, joint water quality/detention infrastructure, and bike/ped/transit-friendly transportation infrastructure with housing catering to a broad range of incomes. Modest increases in housing stock in single-family areas can be achieved with small, well-designed accessory dwelling units and well-placed 3- to 10-unit "missing middle" housing stock near bus routes. Be open to new building types such as Kasita homes, Katrina-kit cottages, shipping containers, tiny homes, micro-unit apartments, etc. It is also important to prepare for a different transportation environment when robotic cars replace human-driven cars, particularly if they lead to narrower roads and declines in car ownership and thus reduced needs for parking.

About the author: In the early 1990s, Dave Sullivan was an environmental activist working against development in the Barton Springs recharge zone and for closing a gasoline tank facility and power plant in East Austin. Sullivan also volunteered at a food pantry assisting lower-income families. Around that time, Sullivan read an article by Duany and Plater-Zyberk about new urbanism, and in 1994 began continuous volunteer service on Austin city boards, including the Planning Commission and CodeNEXT Advisory Group.

Beth Rosenbarger:

To me, a progressive political framework means working to challenge the status quo by reexamining the values that both shape and reinforce our surroundings, reimagining our built environment, and reconsidering who is involved in that process.

From my perspective as a municipal planner, working from a progressive framework starts with you, followed by coworkers, supervisors, board members, elected officials, stakeholders, and community members. It's unlikely you'll find a place where all seven categories are composed of

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people who want to come together and make progressive changes in a town or region. For those planners looking to challenge the status quo, there are cities that will celebrate your efforts, other towns that will provide resistance at every corner, and every version in between.

My advice to planners is not to ignore the places where your progressive political framework is an anomaly. I work in a town that is resistant to change, in a state that passes antiurban legislation regularly, and a new interstate is being constructed through our community. That said, there are plenty of people who want to make Bloomington, IN a better place and are open to change; they aren't the loudest voices at public meetings, and you have to work to find them. Change is incremental and often painfully slow for those of us who want to see dramatic transformations. Learn to accept incremental and small victories and build on those, but don't let go of the bigger vision and purpose. Often it might feel as if your voice isn't heard, but despite that, it is still important to speak up.

With climate change, obesity, and other looming crises, we need to make dramatic changes to our built environment and in our daily lives. Consider the impact you can have on a community to improve walkability, health, and climate change. Don't shy away from the challenge!

Sherief Gaber:

In Egypt in early 2011, at the height of its revolutionary fervor, an informal community cut off from Cairo's ring road built themselves an on ramp and off ramp to the highway. They did this with their own engineers, labor, and planning; the result was nearly indistinguishable from those built by the government's corps of engineers. Over my years working in Cairo on community development, I saw the city transforming itself, for better or worse, as thousands of plans were put into action each day by people, most of them poor or working class, shaping the very material of the city to better suit their lives and livelihoods.

Against the neglect and incompetence of the government, people were building and creating a different Cairo, but it is not enough to celebrate the ingenuity of the people when they are forced to bear the cost of remedying their own marginalization. As a planner you should help, champion, and enhance people's efforts to make their cities better, but also use your

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profession to hold accountable and call into question the failure of public institutions and the careless violence of private development.

Work with communities, but work for a city itself, for ensuring it can be a just place for all who inhabit or would seek to inhabit it. Participatory planning should not be a process of legitimating the opinions of those whose voices are loudest but a means of giving voice to those who have been silenced and excluded from the processes that shape and make our cities.

Humility and forceful conviction are not opposites but complementary traits necessary to insist on what is right. Yet, recognize that you yourself could be wrong. Understand the distinction between expertise and control, and how ceding the latter does not mean that you have no use for the former.

Avoid buzzwords, but champion slogans: insist that Black lives matter, refugees are welcome, and all should have the right to not just live in but also shape the places where they live. The people still want the fall of the regime. These ideas should be part of the plan; find out how to build these politics into the streets themselves.

Planning's New Materialist Turn? A review of *Planning for a Material World* [1]

Stephen Zigmund

It is the wager of *Planning for a Material World* (2015), a collection of essays edited by Lauren Lieto and Robert Beauregard, that new materialism provides planners with a "path-breaking" theoretical approach "tightly connected to the material world they hope to change" (p. 2). The new materialism, as derived here from the actor-network theory (ANT) of Bruno Latour and assemblage thinking of Gilles Deleuze, considers the ways both humans and non-humans act in concert to produce the built and natural environment. Such a perspective requires extending our understanding of what constitutes an actor in the world to include all material things. Acknowledging the agency of material things, the authors argue, means planning solely for humans is no longer adequate; planners must also account for the *materiality*, the interrelation between humans and non-humans, of social practices. This perspective challenges traditional conceptions of neighborhoods, cities, nature, and society, positing instead a more open-ended understanding of how these concepts are merely processes of interactions between people and material things.

This "methodological symmetry" (p. 3) offers planning thought a new, pragmatic line of inquiry into the social and natural world while undermining long-held assumptions. New materialist approaches do not consider *the social* a preexisting entity, but rather a constantly changing assemblage of both human and non-human actor-networks. These assemblages restlessly form and combine due to the intensity of the association. More intense networks of assemblages draw more actors, while lesser ones dissolve. Key to these processes is the ways non-human things act to bind humans together to actually enable social life. Material things are not just the "passive background" (p. 2) of human life; they are active agents that make it possible. Therefore, both humans and non-humans are capable of

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1. Lieto, L., & Beauregard, R. A. (Eds.). (2015). *Planning for a material world*. New York: Routledge. 168 pages. $160. Hardcover.

exercising agency to form assemblages. Such a perspective considers the materiality of the home itself in the formation of the family, with the home an actor in the family assemblage as much as the family members because of its capacity to shelter. By extending agency beyond humans to include the entire physical world, Lieto and Beauregard argue that "planning with and for humans alone is unacceptable; in the unfolding of urban processes, non-human things cannot be ignored" (p. 1).

Compiled from six conference papers and four original contributions, *Planning for a Material World* serves as an introduction to new materialism, ANT, and assemblage thinking as well as a guide to their deployment in planning practice, social science research, and policy studies. The book is organized into three parts: a short introduction and coda framing new materialist approaches, four theoretical essays examining its potential effects on planning research, and six applied case studies. Proceeding from an assumption that the world is inherently unstable, contributors "focus on how provisional spatial orderings preserve in the midst of heterogeneity and fluidity" (p. 3). Broadly speaking, each essay aims to demonstrate places in research and practice where privileging human and non-human actors symmetrically uncovers new paths of inquiry. These insights are structured by challenging three "traditional incommensurabilities" (p. 3): change and stability, formal and informal, and nature and culture.

Consideration of the conceptual divide between change and stability takes up five chapters and represents the majority of the book. Topics as diverse as the rise of congestion pricing in the United States; the (in)stability of meeting minutes in development processes in the United Kingdom, Belgium, and Slovenia; and the normative potential of assemblage thinking challenge the divide at a variety of spatial scales and conceptual levels. In general, the authors posit stability (of ideas, built form, etc.) as a requirement for change, not a hindrance to it, because forces of change constantly undermine so-called stability. Each essay attempts to break inquiry into these concepts out of stereotypes that celebrate change as progressive, but stability as reactionary. Instead, the authors argue that material things, concepts, structures, and human relationships must be considered within constant processes of becoming, gaining more or less stability over time depending on the strength and quality of their assemblage.

The impact of this approach on planning is best demonstrated in Beauregard's contribution "Planning and the politics of resistance." This essay offers the strongest explanation of a new materialist approach to the processes of change and its implications for planning theory. For Beauregard, planning is about effecting change, and thus, successful planning initiatives must do more than just propose: they must be adopted and implemented. These initiatives inevitably run into opposition, requiring planners to be persuasive, not just to offer expertise. Planners are accustomed to encountering human resistance, but tend to miss the way material actors also serve as obstacles to change. Accounting for this material resistance, and overcoming it, Beauregard calls the "politics of things."

To overcome the politics of things (and people), "planners have to attach themselves and other influential actors to assemblages that serve their purpose" (p. 11). At the same time, they must identify assemblages that have formed in opposition. This requires a deep understanding of the various ways stakeholders, community members, and non-human actors are interrelated. For Beauregard, "unpacking and rearranging these interdependencies is the planners' main task" (p. 11). To be persuasive then requires forming and/or weakening assemblages not just with other humans, but with material things as well. As a result, and against communicative approaches, "being consequential involves more than just talk" (p. 10).

The conception of politics as something both humans and non-humans are capable of allows Beauregard to offer a new materialist critique of Foucauldian-inspired discourse analysis. Restaging Flyvbjerg's (1998) well-known case study of the Aalborg Project in Denmark, Beauregard demonstrates the ways this approach, by privileging only political relations between human actors, marginalizes the very material spaces and places at stake in the project. Missing from this discursive approach to power is an understanding of the intensity of binding assemblages that formed in opposition to the plan, an opposition arising from proposed changes to the material space of a commercial street. Without taking into account how these assemblages of human and non-human actors led to the defeat of the plan—which Flyvbjerg famously characterized as the defeat of rationality by power—we are left with an interpretation of events that disregards the politics of things: the material resistance embedded in the streets, parking spaces, and automobiles that faced reduction if the project was adopted. Beauregard argues that Flyvbjerg's interpretation specifically, and discourse analysis in general, is necessarily incomplete unless it symmetrically analyzes the capacity and agency of both human and material things to resist and support initiatives.

The essay concludes by showing how a symmetrical analysis of human and material things also helps planners identify, alternatively, instances

where human agents have been marginalized. Examining the City of Detroit's efforts to combat blight through a massive demolition program, Beauregard demonstrates how the basic assumption of the program—that blight is caused by abandoned and unsafe buildings and properties—is flawed. Overlooking the fundamental ways humans act with material things in the cycle of disinvestment, Beauregard argues, led to delays in the initiative caused by avoidable problems. For example, the program quickly exhausted basic resources like gravel to fill in basements and enough trained personnel to safely remove structures. Further slowing progress were "scavengers stealing the metal stakes that held up the fencing used to clear sites" (p. 18). Considering blight as a social and material process, not a stable thing to be removed, a new materialist approach would have instead identified the existing assemblages that support property disinvestment and worked to form opposition alliances with similarly minded neighbors, nonprofits, and other private investors. In this way, problems that prevented the program from reaching its potential might have been avoided or overcome. By giving careful consideration to the ways that "planners never act alone but always with [humans and] material things" (p.10), this essay is a powerful reflection on the kind of thinking that new materialism offers planning.

Three chapters are devoted to addressing the way formality and informality are typically considered within planning. Agreeing with many postcolonial theorists that formal and informal practices are enmeshed, the contributors nevertheless proceed differently from this understanding. In "Things, rules, and politics," Lieto argues that—despite rhetoric to the contrary—informality and formality are studied separately, at separate scales, and using separate methods (e.g., local ethnography versus national policy analysis). ANT and assemblage thinking blur the boundaries between these concepts by assigning them equal importance, but without reducing one to the other or subsuming them under an umbrella concept. Lieto explains how even though the city of Naples (Italy) has formal parking space size requirements, they can be inappropriate given space constraints. Residents in central Naples use household items (chairs, drying racks) to delineate "micro-spaces" on semipublic property. Police and municipal agencies look the other way, neither enforcing the law nor sanctioning its circumvention. This mixing of formal rules with informal practices facilitates social cohesion by filing in the gaps where abstract policy meets concrete situations. Other examples, including chapters on informal waste removal practices by migrants and Roma in Naples and the World Bank's attempt to formalize microfinance into a global poverty–alleviation policy, further blur the informal/formal divide. By offering a symmetrical perspective to this (now less clear) division, the authors make the case

that neither planning researchers nor practitioners can afford to operate solely on one side.

Finally, two chapters are dedicated to showing how new materialism problematizes current understandings of the nature and culture divide. The case studies, both in greater Naples, focus on an attempted pedestrianization of a seaside roadway and the potential of ecological urbanism to revitalize a deindustrialized area. These essays are perhaps the weakest in the collection, if only because they do not convincingly elaborate what exactly is new here for researchers or practitioners. In many ways, existing ecological planning approaches take account of both humans and non-humans as a rule (stereotyped in the basic "Three E's" of sustainability model). This is unfortunate, because it leaves unrealized the promise for planning theory found in Bruno Latour's challenge to this divide in *We Have Never Been Modern* (1993). Clearer elaboration of the differences between existing ecological approaches and ANT/assemblage thinking would have made these chapters more helpful.

Some additional questions remain. The authors claim new materialist approaches represent an advance over existing planning theories and methodologies. This claim rests on the practicality and ubiquity offered by ANT and assemblage thinking. Both these advantages are the result of the importance new materialism gives to material things: Investigations are grounded, literally at times, on the concrete things that make up the world, and because material things exist everywhere in the physical world, this approach is similarly ubiquitous. As a result, the authors here demonstrate the importance of an impressive range of material actors, including trash, paper, rainwater, even "particulate matter" (p. 16) to go along with buildings, streets, and institutions. But ubiquity and practicality do not always go hand in hand. The analytic boundaries between which material things are to be considered and which can be ignored are undefined; even if such boundaries were to be set, is it unclear what would prevent them from being arbitrary given that the entire "material world is…capable of acting and making a difference" (p. 2). Thus, the onus to account for the various assemblages of people and material things amid the "indeterminacy, becoming, fluidity, and heterogeneity of urban processes" (p. 3) would seem to quickly become overwhelming. This is not to diminish the imperative of ANT and assemblage thinking to open-ended interrogation; merely to point out that its claims to practicality are not so clear-cut.

Which material actors do—and do not—merit description raises a deeper political question, especially considering one of the text's major claims is

the existence of a "politics of things" (pp. 7, 11) or, more strongly, that "things have politics" (p. 27). However, material things do not actually have "values or hold moral responsibility…rather they do things on their own" (pp. 38–39); any value assigned to their actions or capabilities is the result of humans. This means that the "politics of things" is the politics that humans have assigned to them, not something independently conceived by things themselves. The politics of things is thus a value-free politics, which is to say not a politics at all. This would seem to disclose an asymmetrical power relation, between actors who "produce effects" (p. 2), and those who assign value or meaning to those effects. This imbalance indicates a social and material divide wherever one finds language, politics, and history, which is to say almost everywhere. The "politics of things" seems to be a strategy by the authors to correct this asymmetry, but it is not entirely evident how a merely rhetorical politics squares with new materialism's "socio-material relationalist ontology" (p. 136).

Regardless of these concerns, *Planning for a Material World* calls planning's attention to the deep significance of material things for human practices. Once this perspective is considered seriously, it is difficult to view cities, planning research, or practice in the same way. In extending new materialist approaches to planning, the text represents an important achievement. Hopefully it will spark a much-needed renewal of interest in the ability of planning theory to provide a framework for researchers and practitioners to better understand and act in (and with) the material world.

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Book Review

An Injury to One is an Injury to All: A review of *The Wobblies*[1] and *The Industrial Workers of the World: Its First Hundred Years*[2]
Robert Young

The United States (and global) economy has been moving into a period of economic stagnation for the past few decades (Magdoff & Foster, 2014). As a small number of large corporations dominate a greater share of sectors in the U.S. and global economies, business investment has slowed and wages are increasingly static (Foster, 2009). Although the economy has been on this trajectory for quite some time, a series of financial bubbles has obscured the trend. The most recent burst triggered the Great Recession of 2007–2008 and laid bare this overall trend in the macroeconomy to such a degree that even mainstream economists such as Larry Summers openly recognize "secular stagnation" as the economy's dominant course (Bernanke, 2011; Hall, 2011).

The immediate attributes of a stagnating economy are a general decline in business investment, static or deteriorating wage levels, and deficit spending by the federal government in its attempt to reignite sustained growth. The result is that in the wake of each burst bubble, the economy "recovers" from each setback weakly, without returning to its earlier strengths (NPR, 2015). Thus, over time, although specific sectors may experience some growth, the overall economy continues to slow in terms of investment, jobs creation, and wage increases and display increasing

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2. Thompson, F. W., & Bekken, J. (2006). *The industrial workers of the world: Its first hundred years*. Cincinnati, OH: The Industrial Workers of the World.

fragility in each of these spheres.

The longer-term implications of an economy caught in stagnation are quite serious. As the situation continues to worsen, there is tremendous pressure, both from the business community and the general public, to somehow stimulate the economy again at a rapid pace. Politically this pressure has yielded two possible—and very separate—paths. The first is a sharp turn to the right, which we have witnessed in this country as well as elsewhere. This tendency eschews democracy as too weak and inefficient to come to grips with the problem, and embraces an elitist, chauvinist, conservative attitude as the priorities of growth overwhelm any other social goal. The other possibility is a shift to a more progressive politics based upon solidarity, community, and innovation. This position sees community building and social solidarity as core elements in remaking the economy in a new light.

As noted, one of the attributes of stagnation is increasingly static wages (in real terms) among the majority of the population. In addition to this plateau or decline in the growth of wages is increasing decline in overall job security as flexible employment, temporary work, informal labor, and short-term contracting replace steady, full-time, family-wage work.

The stagnation of real wages combined with job insecurity is transforming the workforce into the "precariate" (a portmanteau of "precarious" and "proletariat"): people who do not have the job security of the previous generation. The precariate is not simply the underclass but often people with job experience, education, and some assets who are often working several part-time positions to make ends meet.

With the economy faltering, the question then is how to organize politically and economically to restore—and perhaps even establish greater—equity, fairness, and democracy to this economy? And how is this to be done in the face of an increasingly globalized, monopolistic economy and a fragmented, precarious workforce? With the relative size of the U.S. unionized workforce in decline for decades, where should we look for ideas that could offer effective strategies for organizing the unemployed and underskilled in the face of the growing monopolistic economic power of corporations?

Perhaps one of the best places to look is in the earlier labor history of the United States. Before the establishment of the National Labor Relations Board, sanctioned collective bargaining, and other pro-union legislation, the situation at the turn of the twentieth century was oddly similar to that in play today. Corporations were growing exponentially in political and economic strength. Workers were largely unorganized, especially workers without specific high-end skills. While some skilled workers were organized, they represented a small fraction of the workforce. Unorganized workers often had to work on short contracts or with no job security at all, a tableau not unlike the conditions facing many workers today.

Into this highly precarious economic condition stepped the Industrial Workers of the World (IWW), whose history and experience offer insight into how to grapple with these problems today. Founded in Chicago in 1905 by a veritable "who's who" of the leading, militant labor organizers of the 20th century, including Mother Jones, Eugene Debs, and "Big Bill" Haywood, the IWW sought to organize and build "One Big Union" as a counterforce to emerging monopoly capitalism. The key to this strategy was to organize industrially as opposed to the then-contemporary practice of organizing workers on the basis of specific crafts as promoted by the American Federation of Labor (AFL). The IWW (or Wobblies, as they became known) saw the self-defeating nature of this craft-based strategy. When workers were organized in separate crafts under separate contracts, employers frequently pitted one group of workers against another. To make matters more difficult, the AFL activists sought only to organize skilled workers, leaving unskilled workers, the vast majority of the workforce, out of the equation.

True to their vision of building "One Big Union of all the workers," the Wobblies set out to organize any and all members of the working class, skilled as well as unskilled, manufacturing as well as service workers, Black, Mexican, and Ethnic as well as White and Protestant, and women as well as men. To accomplish this task, IWW activists lit out across the country (and eventually around the world) to organize workers wherever the job was. From logging and mining operations in the Pacific Northwest and Great Basin, to the dock yards along the Coasts, and the auto industry, wheat fields, and orchards in the Midwest, the Wobblies began agitating for higher wages, safer and more dignified working conditions, and, ultimately, industrial democracy.

The documentary film *The Wobblies*, by Stewart Bird and Deborah Shaffer, and the book *The Industrial Workers of the World: Its First Hundred Years,* by Fred Thompson and Jon Bekken, offer an excellent introduction and exploration of the IWW's origins, great battles, strategies, and continued agitation and survival into the 21st century. Bird and Schaffer's film, released in 1979, covers the union's early, "heroic" period. The film's perhaps greatest asset includes numerous interviews with IWW organizers from the 1910s and

1920s, veterans of the epic strikes in the textile mills of Lawrence (MA) and Paterson (NJ), and the original timber wars of the Pacific Northwest. Although many of the storytellers are old, in their 70s and 80s, their fire and whimsy is still evident when recounting their times on the picket line, in the lumber camps, or riding the rails. Known as the "singing union," from the Wobblies' proclivity for breaking into song, several of the oldtimers launch into choruses of "Hold the Fort" or "Halleluiah, I'm a Bum," or other standards of the IWW's Little Red Songbook.

Although the historic film clips and first-person narratives of Bird and Schaffer's *Wobblies* are irreplaceable gems, the film suffers from a general lack of context. Without at least a passing knowledge of the IWW and the labor struggles of the early 20th century, some of the film's more subtle points are lost. An example, especially relevant in today's globalized workforce, is the very effective Wobbly strategy of bringing together workers across language and ethnic lines to join together in solidarity. While this gains passing reference in one interview with an old IWW hand, the film's narrators leave this largely unexplained and unexplored. In addition, the severe and at times murderous repression the Wobblies faced is underplayed. The one exception in this latter case is the massacre of Wobbly members on the docks at Everett (WA) in 1916.

Another place where Bird and Schaffer's treatment is too subtle is in the explanation of IWW tactics for "getting the goods" in workplace concessions from the bosses. While one Wobbly veteran makes a case for the union's innovation of "striking on the job" and several others briefly comment on the power of sabotage, the film only hints at the tactical and strategic value of these shop-floor means of direct action. (For a fuller treatment of Wobbly theory and practice on nonviolent direct action, see Flynn, Smith, & Trautmann, 2014). Similarly, the IWW's overall vision of establishing a "Commonwealth of Labor" organized around industrial democracy makes only the most minor appearance in the film. Still, despite these shortcomings, Bird and Schaffer's film gives voice to the first generation of Wobblies, and it is a voice that still speaks with strength and determination for social equity.

Thompson and Bekkes' *The Industrial Workers of the World: Its First Hundred Years, 1905–2005* fills in many of the details hinted at in *Wobblies*. Fred Thompson, long-time editor of the IWW newspaper *The Industrial Worker,* writes the book's first half covering the union's growth and ultimate repression and near disappearance during its first 50 years between 1905 and 1955. Covering the actions of the union's campaigns in detail, Thompson describes the events, strategy, tactics, and occasionally theory

of the IWW's powerful and tumultuous first half-century.

Particularly strong is Thompson's relating of the large number of industries targeted by IWW organizers during this period. Thompson details campaigns across job sites and economic sectors around the country (and occasionally around the world). Although Thompson impressively recounts the tremendous breadth of the Wobblies' energy and activism, the narrative often suffers from his decidedly nonacademic and nearly staccato news headline style that moves as restlessly and swiftly from one IWW organizing campaign to another as the rail-riding Wobbly organizers themselves.

The book makes up for this weakness in its second part, written mainly by Bekke, who joined the IWW in 1978 and later became its General Secretary-Treasurer. In a smoother, more recognizable style, Bekke covers the Wobblies' recovery after the marked repression of the Palmer Raids and the Red Scare of the 1920s. Like a tough old lumber worker in the primeval forest, the Industrial Workers of the World, though battered, outlawed, ignored, and isolated both by the owning classes and the more mainstream elements of the American labor movement, refused to disappear.

Bekke details the union's stubborn refusal to "go gently into that good night" of historical irrelevance. Instead, it is found organizing workers in small shop manufacturing firms in the Ohio Valley, grocery workers in the west, and bicycle messengers in the skyscraper canyons of New York City. The IWW makes inroads into the receptive world of consumer co-ops spawned in the 1970s and appears doing solidarity work in nonintervention struggles fighting the new imperialism. While still too weak to make efforts at organizing the types of "commanding heights" industries the Wobblies took on in the past such as auto, timber, and mining, Bekke outlines the union's return to its roots of organizing the unskilled, in the form of today's precariate, in the proliferation of low-wage, low-security service industries. The contemporary IWW also finds friends and new members in rank-and-file workers abandoned or fed up with the declining remnants of the bureaucratic, old-line unions.

In telling this story, Bekke shows the promise and the difficulties of forging new paths in organizing workers in the fragmented, global labor market. Though many of the contemporary Wobbly campaigns end in defeat (as do those of most other contemporary unions), their efforts are revealing. Of particular note in this regard is the union's growing return to shop-floor organizing built around addressing workers' immediate concerns rather than the elusive pursuit of gaining recognition from the largely

compromised National Labor Relations Board.

It is here that the future promise and past relevance of the IWW is the strongest. Born as an uncompromising union dedicated to solidarity and establishing a new economy in which the workers "take possession of the means of production, abolish the wage system, and live in harmony with the earth," the Wobblies struck fear in the established powers of both monopoly capitalism and elitist unionism (IWW, 2016). The root of this fear was—and still is—that unskilled, transient laborers (representing the majority of the U.S. and global workforce), upon which systems of exploitation were and still are dependent, might organize and find a voice.

During its initial heyday, the Wobblies were the vehicle through which this voice was found. Planners should take a particular interest in this history and its contemporary possibilities for two reasons. First, as the global and national economies continue to become more unstable and less able to "deliver the goods" for a growing percentage of working people and their families (a category that now includes large portions of the middle class as well as traditional working class), planners will increasingly be called upon to address these issues. Our response cannot be to offer more of the same half-measures of market solutions or "public–private partnerships" that have proven ineffective in staving off this condition. Only a sense of the history of previous struggles and their relevance for the present and future can provide the type of grist that generating new strategies for economic justice require.

Second, the IWW sought, as its ultimate goal, to establish a far more equitable society where all people regardless of race, gender, skill level, or ethnicity could share in the fruits of production that are the domain of no single person or class. Planners are fundamental to finding the way forward to such a society. The IWW's idealism and committed struggle provide a "north star" by which we can begin to chart our course. Their history is groundwork for the future planners will have to help build as we face the challenges of the present day.

As the global economy becomes increasingly unstable, undermining job security and the dignity of work, the IWW's pioneering tactics and perhaps even the union itself may again be the means through which working people of all walks secure "the good things in life" while building "a new society within the shell of the old." For planners, organizers, and humane persons interested in making that change, *Wobblies* and *The Industrial Workers of the World: Its First Hundred Years* are a fine means of learning how to jump on that train.

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The Smart Way Forward: A review of *Smart Cities: A Spatialised Intelligence*[1]
Patrick Russell

What if our traditional urban planning practices were overtaken and overturned, introducing a whole new set of problems, tools, and future possibilities?

Such might be the case with the *smart city*, "a city activated at millions of points" (p. 13) and made intelligent "in the sense of the ability to learn, understand, and reason" (p. 28) through the proliferation of information and communication technology (ICT) across not just our urban world, but physical space in general. First coined in 2005 and increasingly occupying the minds of academics, urban enthusiasts, and corporations, the smart city movement has grown into a $39.5 billion industry in just a few short years (p. 32). And it will continue to grow, with 50 billion connected devices currently linked to the Internet and providing data on our homes, our cities, and even our own bodies (p. 33).

If you are in the urban planning field at all and have not yet heard of the smart city movement, then you should quickly brush up: It *will* come to occupy every nook and cranny of our discipline. Indeed, since 2012 the smart city has been the most frequently cited concept in the academic literature on urban sustainability, ending *sustainable city's* 16-year run (de Jong, Joss, Schraven, Zhan, & Weijnen, 2015). And in practice, many are advocating the smart city movement at dozens of entrepreneurial conferences, at city trade shows, in master's programs at prestigious universities, and even in a recent Department of Transportation $40 million grant challenge. But what is the smart city? In short, it is the addition of another "layer" to our understanding of the city. Geography, meteorology and hydrology, ecology,

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1. Picon, A. (2015). *Smart cities: A spatialised intelligence.* West Sussex, United Kingdom: Wiley. 168 pages. $45. Softcover.

and then socioeconomics, demographics, history and prejudice: Each of these lenses chronologically occupies the minds of urban planners who seek to understand the city in all its dimensions. Today we can understand the city through terabytes of data that superficially read as ones and zeros but, with the right algorithms, tell a story about practically every facet of urban space. From smart metering and road congestion pricing to smartphone apps that guide you along local residents' favorite secret hikes, this layer of data upon a city has drastically altered urban space and will continue to do so.

Antoine Picon's book is the most recent monograph on smart cities, and perhaps the most important since Anthony Townsend's *Smart Cities: Big Data, Civic Hackers, and the Quest for a New Utopia* (2013). Claiming that "our cities are on the verge of a radical transformation, a revolution in intelligence comparable in scale to the one that, in its time, brought about industrialization" (p. 9), Picon devotes his book to resolving the primary conflict of the smart city movement to date: The supposed tension between the inherent technocracy of some smart city innovations and the empowering individualism enabled through digital technologies and platforms (the smartphone, Twitter, Wikipedia). This debate has been smoldering for years in various journals, on online forums, and at conferences, leaving us to wonder which smart city strategy leads to the *best* city: "neocybernetic inspiration with technocratic overtones, or new perspectives of democratization linked to the spread of information and communications technology?" (p. 11). Indeed, Townsend commented in a *MIT Technology Review* interview that smart city tech can either make our cities top-down, centralized, authoritative command centers, or it could decentralize power, create redundant infrastructure, increase social interaction, increase sustainable behavior, and incite creative energy (Berg, 2015, p. 63). Several smart city critics have referenced the cultural geographers Edward Soja, David Harvey, and Neil Brenner, worrying that smart cities, as peddled by the likes of Cisco, IBM, Siemens, and Hitachi, are actually neoliberal Trojan horses, disguised as urban "saviors" but actually there to privatize public services and spaces.

If the differences between the two seem unclear, then consider some clarifying examples. To understand the neocybernetic smart city, we could look to the IBM Rio de Janeiro Operations Center, an undeniably Orwellian "control room" that, with its ubiquitous sensors and cameras throughout the metropolis, enables a "rational" response to any digitally-recorded events (p. 75). On the other hand, scholars and activists, most notably among them Townsend, have promoted the smart city as an inherent *decentralizing* force, one that breaks down bureaucratic and centralized systems of control and response. Both Picon and Townsend point to smart phones as the material means of this democratic force. Picon finds promise in the "smart mobs" (p. 84) enabled by social media, who can quickly move to protest injustices and inequities perpetuated by governments. And Townsend sees smartphones enabling an open-source approach to urban planning that solicits the creative intelligence of the people who actually live there, as opposed to the wholesale standardization of smart cities through the global sales teams of a few corporations (Townsend, 2014).

Picon argues that cities need both. Indeed, centralized tech directives issued from municipalities or corporations *and* citizen-driven initiatives appear to be mutually supportive of each other. If smart cities are to reinvent the energy grid, whereby ICT can automatically adjust a household's thermostat to decrease peak demand, or transit systems, which stand to be completely remade through ride-sharing and autonomous vehicle technologies, then some degree of centralized, sophisticated coordination is necessary. Picon encourages his readers to realize that "there are some fields, albeit limited in number, where a neocybernetic type of management seems preferable to citizen engagement" (p. 90). Ironically, however, it is only through such centrally controlled systems that "the desires and experiences of spontaneity and collaboration" can then flourish (p. 84). Ultimately, Picon proposes that scholars and practitioners need to conceive "a form of city intelligence" that is "both widespread and focused," diffuse among all urban inhabitants and their tools of collaboration and participation, and yet also concentrated in control rooms and command posts that keep a city functioning materially (p. 100).

Picon's last chapter turns towards a more theoretical exploration of how digital technologies might change the urban experience in the 21st century. In particular, he foresees augmented reality (AR), geolocation, and 3D modeling technologies adding new dimensions to an individual's relationship to space. While in the past, scholars and practitioners may have referred to these digital technologies as *virtual*, Picon believes such terminology is now obsolete, given the growing "association between the physical and the digital world, or between atoms and data bits (p. 106). While I do not find this concluding chapter to be quite relevant to the primary conversations of the smart city movement, it nevertheless tangentially relates to how ICT technologies might alter urban planning and the public participation process. Indeed, with AR and 3D modeling, one can surely imagine a future where urban planners ask community participants to put on their AR goggles to visualize proposed developments.

Picon's book is an integral contribution to the smart city movement. In addition to proposing a framework that I believe resolves the tension seen thus far in smart cities (cybernetic technocratic control versus democratic, technological empowerment of individuals and communities), Picon simply orients the reader to what the smart city actually is. No longer an abstract possibility, the smart city actually exists. A diverse collection of distributed events, processes, and centralized transformations, the smart city movement is certainly under way in cities across the world. Picon's clear writing and seamless reference to many examples, along with complementary images and graphics, creates a highly informative reading experience, and will leave you wondering what smart city changes are already under way in your own city. To quote Picon's last words, maybe we should all look a bit more closely at this smart city ideal and process: After all, it's a "different future" that invariably will come, and, with a little help on our end, it might even be a future "rich in promise" (p. 156).

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