

Structural Shifts and Institutional Capacity:
Possibilities for Ethnic Cooperation and Conflict
in Urban Settings

Michael Jones-Correa
Associate Professor

Government Department
Littauer Center/FAS
Harvard University
Cambridge, Massachusetts 02138

1998-1999
Visiting Scholar
Russell Sage Foundation

correa@fas.harvard.edu

Prepared for the Project on Race and Community Revitalization sponsored by the Aspen Roundtable on Comprehensive Community Initiatives. Wye, Maryland; November 13-15, 1998

Not for Citation

American cities have historically been an important loci of change in the United States. Certainly that continues to be true today. This paper begins by outlining structural shifts currently underway in cities and their implications for inter-ethnic relations. Four broad structural changes took place in American cities in the 1980s and 1990s: immigration transformed urban populations, significant portions of the middle class of all ethnic and racial groups left for the suburbs, service industries replaced manufacturing and the federal government scaled back its financial support for urban areas. These structural shifts set the stage for a new round of inter-ethnic tensions, culminating in four cities in serious civil disturbances. I argue that urban institutional frameworks mediated and shaped the reconfiguration of inter-ethnic relations in the aftermath of civil disturbances in the 1980s and 1990s. Cities respond differently, and in fact, have different capacities to respond, depending on their institutional set-up. In conclusion, I discuss the implications that these institutional frameworks have for foundations and other actors engaged in easing the incorporation of new urban actors and encouraging inter-ethnic coalition-building.

Change in Cities: The New Urban Landscape

In 1996, the Census Bureau announced that almost 10% of the U.S. population was made up of first-generation immigrants, the highest proportion since the 1940s, and more than double the percentage in 1970 (4.8%). Four and a half million immigrants arrived from 1990-1994. 8.3 million arrived in the 1980s, and 9.8 million before 1980 (see Jaret 1991; Portes and Rumbaut 1990; Waldinger 1989). Almost one out of every two new Americans is an immigrant (Beck 1994). In spite of the swift demographic changes taking place, we know very little about how contemporary immigrants are incorporating into the U.S. political system, even though the number of immigrants arriving to the U.S. since 1965 is approaching--or has surpassed-- the level of the last great wave of immigration to this country from 1880 to 1920.

[Insert Graphic 1 here]

The foreign-born population is not distributed evenly throughout the country. In 1990, 76% of immigrants arriving to the United States resided in only six states: California, New York, Florida, New Jersey, and Illinois. California and New York alone attract over 40% of new immigrants.¹ The distribution of the foreign born is very similar to that of new immigrants. California is home to 7.7 million foreign-born persons — more than one-third of all immigrants to the U.S. and nearly one-quarter of all California residents. New York ranks second with 2.9 million and Florida ranks third with 2.1 million foreign-born. Three other states have over one million foreign-born residents — Texas, Illinois, and New Jersey. Immigrants are concentrated in a relatively few states, and within these states, in selected metropolitan areas.

¹ James P. Smith and Barry Edmonston, eds. *The New Americans: Economic, Demographic and Fiscal Effect of Immigration* (Washington D.C.: National Academy Press 1997) p. 59.

[insert Graphic 2 here]

According to the 1990 census, over 93% of the foreign born population reside in metropolitan areas, compared with 73% of native born residents. As a result, major urban areas, and increasingly, secondary urban and suburban areas as well, have gone through rapid demographic shifts. About one half of new immigrants entering the U.S. in the 1980s live in one of eight metropolitan areas: Los Angeles, New York, Miami, Anaheim, Chicago, Washington D.C., Houston, and San Francisco.²

[insert Table 1 here]

The fact of dramatic demographic change is not new in the American experience-- certainly the previous waves of immigration, rapid urbanization, the migration of blacks from the South, and the post-war move to the suburbs have all entailed massive change in relatively short periods of time. In one sense, then, the new wave of immigration into urban areas is simply one more in a chain of demographic transformations which have continually made and re-made the United States. What is new is the context in which these demographic shifts have been taking place. Many of these new immigrants are arriving into multi-ethnic urban areas undergoing fundamental economic transitions with severely constrained public resources. One consequence is that immigrants from Asia and Latin America may be directly or indirectly competing with native-born African-Americans for both public and private resources.

New Actors and Competition Over Resources

The influx of immigrants into cities over the last twenty years has overshadowed an equally striking movement: the exodus of middle class blacks from central cities.³ While the suburbanization of African-Americans began in the late 1960s, it accelerated in the 1970s and 80s. Middle-class and working class black suburbs appeared, for instance, around predominantly African-American cities like Detroit, Gary, and Atlanta, as well as around cities like Chicago, Los Angeles, Miami, and Washington D.C. African-American populations in many cities has remained flat, with migration outwards either to the suburbs, or in a reversal of patterns earlier in the century, back to the South. The 1970s and 80s then have been

²Smith and Edmonston eds. New Americans p. 61.

³ John Farley "Segregation in 1980: How Segregated Are America's Metropolitan Areas" in Gary A. Tobin ed. Divided Neighborhoods: Changing Patterns of Racial Segregation, Urban Affairs Annual Review 32 (Newbury Park, CA: Sage Publications 1987). Also: George C. Galster "Black Suburbanization: Has It Changed the Relative Location of Races?" Urban Affairs Quarterly 26 (June 1991). Lowell W. Culver, "Changing Settlement Patterns of Black Americans, 1970-1980" Journal of Urban Affairs 4 (Fall 1982).

characterized by the suburbanization not only of whites but of other ethnic groups as well.⁴ Without immigration many cities, particularly those in the northeastern United States, would have had significant (or significantly higher) population losses. New York City in the early 1990s, for instance, lost a half million residents; however, these were replaced by at least an equal number of immigrants.

The suburbanization of the black middle class should not obscure the fact that there are significant African-American populations remaining in cities. There is the continued concentration of African-Americans in urban areas, despite suburbanization.⁵ But much of the black population which remains in central cities is substantially cut off from the larger urban economy, unlike the urban black population of the 1950s and 60s.⁶

Not every city which has a substantial poor black population has been affected by immigration, but the major cities which have been *most* impacted by immigration--Miami, Los Angeles, San Francisco, New York, Houston, Chicago and Washington D.C., among others--all have a significant native-born black minority. In these cities blacks have been joined by sizable contingents of first-generation immigrants moving into adjacent, and at times even the same, neighborhoods. While many immigrants have moved directly into outlying suburban areas, many others, particularly those with less economic and social capital, move into central cities. Searching for cheap housing and access to transportation and jobs, they may compete with African-Americans for the same scarce resources.

Although there seems to be a consensus emerging that immigration is not, as a whole, detrimental to the job prospects of the native-born, this may not hold true for those at the very bottom of the ladder. A National Research Council study indicated that the workers with lower levels of education are particularly vulnerable to the effects of immigration. Because new immigrants increase the supply of low-skilled labor and compete for the same jobs, immigration accounts for a significant portion of the erosion of wages among native born high-school dropouts (Smith and Edmonston 1997: 236). According to the study, immigration led to about

⁴ William Frey "The New Geography of Population Shifts: Trends Toward Balkanization" in R. Farley ed. State of the Union: America in the 1990s. Volume Two: Social Trends (New York: Russell Sage Foundation 1995) pp. 271-336.

⁵ See Gary A. Tobin ed. Divided Neighborhoods: Changing Patterns of Racial Segregation, Urban Affairs Annual Review 32 (Newbury Park, CA: Sage Publications 1987); Gary Or field "Minorities and Suburbanization" in Critical Perspectives on Housing ed. Rachel G. Bratt, Chester Harman and Ann Myerson (Philadelphia: Temple University Press 1986); Douglas Massey and Nancy Denton, American Apartheid: Segregation and the Making of the Underclass (Cambridge, MA: Harvard University Press 1993).

⁶See William Julius Wilson, The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy (Chicago: University of Chicago Press 1987); and When Work Disappears: The World of the New Urban Poor (New York: Vintage Books 1997).

a five percent wage reduction in the 1980s for this group.⁷ High-school dropouts account for less than 10% of the American work force, but make up a significantly larger percentage of the resident central city work force. The wage effects of immigration are concentrated, therefore, in the areas where lower-skilled immigrants and native-born workers are themselves concentrated-- in inner cities.

In addition to these wage effects, there may be some job displacement going on as well. Recent research in the New York and Los Angeles metro areas suggests that immigrant social networks serve to lower the information costs immigrants face in the job market, giving immigrants an advantage in the marketplace for lower-skilled jobs, and driving out competitors--particularly African-Americans (Waldinger 1996). In addition, the National Research Council study notes that several studies have found that employers may also strongly prefer to hire immigrants over inner-city blacks.⁸

Competition does not occur only in the private sphere. Indeed there is every indication that the more intractable competition takes place in the areas of political representation and public-sector hiring. While contestation in the job market may be detrimental to some, outcomes are more open-ended, so a loss of a job in one sector may still allow opportunities in others. This is less likely to be the case in the public sector, which depends on relatively fixed resources. Giving new ethnic groups a share of public jobs means existing jobs-- in city agencies, public schools and other civil service positions-- must be redistributed away from others. This zero-sum situation applies as well to elected representatives: if representation is seen as descriptive,⁹ a gain for one ethnic group entails a loss for another. Public sector employment has been crucial in the 1970s and 1980s for black mobility into the middle class (Soja 1992: 365); to be asked to open up this avenue to immigrant newcomers when there are

⁷ According to Business Week "Low-skilled white men in their 20s saw their annual income fall by 14% after adjusting for inflation, from 1973 to 1989. The annual earnings of white male dropouts in their 20s fell by 33%. But black men in their twenties... suffered the most. Their earnings over the same time period fell by 24% and by ... 50% for high school dropouts" (Farrell 1992: 40).

⁸Smith and Edmonston 1997: 394. See Peter Kasinitz and J. Rosenberg "Missing the Connection? Social Isolation and Employment on the Brooklyn Waterfront" Working Paper of the Michael Harrington Institute, Queens College, New York 1994; J. Kirschenman and K. Neckerman "We'd Love to Hire Them But-- The Meaning of Race for Employers" in Christopher Jencks and Paul Peterson eds. The Urban Underclass (WDC: Brookings) 1991; K. Neckerman and J. Kirschenman "Hiring Strategies, Racial Bias, and Inner City Workers" Social Problems 38(4) 1991 pp. 433-447; and William Julius Wilson, The Truly Disadvantaged: The Inner City, The Underclass, and Public Policy (Chicago: University of Chicago Press 1987).

⁹ Hanna Pitkin draws a distinction between descriptive and substantive representation. Representation is descriptive if the representative shares ascribed characteristics with their constituents: race, ethnicity, gender, or religion. Substantive representation implies that the representative and constituents share similar views of issues, ideology or principles, which may supersede ascribed characteristics. The two modes of representation are not mutually exclusive. Hanna Pitkin The Concept of Representation (Berkeley: University of California Press 1969).

few other occupational niches in which blacks have opportunities on par with other ethnic groups is particularly galling for African-Americans.

Friction among ethnic groups occurs when the actors involved believe they are engaged in a zero-sum game rather than a situation which might have mutually beneficial outcomes. In Los Angeles, for instance, Bobo and Hutchings (1996: 958) found that blacks and Latinos both perceived Asian competition as a zero-sum game, and that "Asian Americans and Latino respondents who are foreign born tend to perceive greater competition with blacks than do their native born co-ethnics." The influx of immigrants thus presents significant challenges for urban institutions. Grievances, both real and perceived, have the potential for triggering sometimes violent conflict.

Economic Restructuring

Flush with resources in a growing economy, these cities might have had the resources to address some of the issues underlying the ethnic tension. The 1970s and 80s, however, were not good decades for American cities. Cities were coping with the massive shifts in employment away from manufacturing and toward "corporate, public and non-profit services; occupation... similarly shifted from manual workers to managers, professionals, secretaries and service workers" (Mollenkopf and Castells 1991: 3). Within a period of twenty-five years, cities lost half their manufacturing base (see Table 2; see also Kasarda 1988). These jobs either moved elsewhere in the United States or overseas. Service sector jobs more than doubled between 1970 and 1995.

[insert Table 2 here]

Immigrants arriving to cities were no longer swept up into blue-collar jobs in large factories, as they had been in the early decades of the twentieth century. Stable union jobs in the manufacturing sector largely disappeared. Instead, immigrants became the preferred source of low-skilled labor in the new nonunionized jobs in the service and light-manufacturing sectors of the economy (Waldinger 1989: 221). Non-unionized service industry and manufacturing jobs, however, proved inherently more vulnerable to economic downturns than the unionized jobs they replaced. As the economy entered into recessions in 1973-1975, 1980-1982 and again from 1987-1990, low-skilled workers bore the brunt of the economic restructuring. This was reflected in the rising gap between wealthiest and poorest residents in cities. Between 1969 and 1987 the proportion of those earning less than \$20,000 and those earning more than \$40,000 increased; those with earnings in between decreased proportionally (Soja 1992: 362-363).

Poverty in the United States, which had fallen to 11% in the 1970s, climbed to 14.7% in the late 1980s. And more of this poverty was in cities--42% in 1992, compared with 30% in 1968 (Farrell et al. 1992: 38). Cities in general became poorer relative to their suburbs.

According to the National League of Cities, “[in] 1980, per capita incomes in central cities were about 90% of suburban per capita incomes. By 1987, per capita incomes of center city residents were only 59% of their suburban neighbors” (Farrell 1992: 42). The effects of recession-- which were deeper and lasted longer in cities than elsewhere in the United States-- were reflected in cities’ falling tax receipts, rising debt and cutbacks in programs. By the end of the 1980s cities actually had less capacity to address the structural changes underway within their borders than they had at the beginning of the period. This can be seen as well in the erosion of their position within the intergovernmental system.

The Broader Policy Context

Changes in urban populations and economies have taken place in the context of broad institutional changes in intergovernmental relations in the United States. Overall, in the postwar period the federal government has become an increasingly important player in local affairs, and particularly in the financing of urban programs. In 1932, only about \$10 million in federal grants was given to cities; by 1960 federal aid to state and local governments reached \$7 billion, representing 7.6 percent of total federal budget outlays and 14.5% of state and local budgets. By 1980, grants totaled \$91 billion, amounting to nearly 16% of federal spending and 26% of state and local outlays. These figures declined under the Reagan administration, but rebounded under Bush. When Clinton came into office in 1992, grants-in-aid totaled \$178 billion and represented 12.9% of federal outlays (Ross and Levine 1996: 400-403).

[insert Table 3 here]

However, there have been clear shifts over the last thirty years from the pattern of direct federalism under President Johnson, to the new federalism of Nixon and devolution of responsibilities to states under Reagan. Under Johnson, the federal government developed a direct relationship with cities, through a variety of grants programs, which essentially bypassed the states. By the late 1970s, between twenty-five and thirty percent of all federal intergovernmental aid bypassed states and was negotiated directly with cities (Walker 1995: 111-113). In the Nixon administration regulations restricting the use of federal grants were loosened, and cities were increasingly given block grants allowing them considerable freedom in allocating funds. With the arrival of the Reagan administration, federal grants-in-aid to localities and states fell to \$88.2 billion in 1982, the first real decline in federal outlays to localities and states. By 1989, grants-in-aid were reduced to less than eleven percent of federal outlays and only seventeen percent of state and local budgets (Ross and Levine 1996: 403). But while the declines in the levels of aid were temporary, there was a more permanent shift in the *way* aid was allocated. Instead of the direct federal-city relationships which had previously characterized postwar intergovernmental relationships, the Reagan administration chose to re-emphasize traditional readings of federalism, underlining states’ authority over cities. There was an increasing reliance on the states as the middlemen for federal funds, a reliance which has continued through the Bush and Clinton administrations.

[insert Table 4 here]

To put it another way, cities in the post-war period have become much more reliant on outside funding, and in particular on state funding. Between 1962 and 1967 the percentage of municipal revenue coming from local property taxes declined from 93.5% to 70%, and fell still further, by 1986, to 49.3% (rising to 52.6% in 1992). In part these figures reflect a shift by cities from property taxes to user fees to raise revenue. But these figures also tell the story of the increasing dependence of cities on intergovernmental aid. By 1992, 37.7% of local government revenues were from intergovernmental aid.¹⁰ Increasingly this aid was coming through the states. In 1954, state aid to cities stood at slightly less than 42% of local own-source revenue. Ten years later, the figure, at 43%, was essentially unchanged. By 1980, however, states were taking on an increasingly larger role in metropolitan finance, and the figure climbed to nearly 64%. Even after the Reagan cutbacks took their toll on state spending, state aid to cities still amounted to 55% of local own-source revenue (Ross and Levine 1996: 396).¹¹

While outside aid has been crucial to cities' ability to maintain infrastructure and provide services, there is no question their dependence on intergovernmental funding has also made them more vulnerable to factors outside their control. The 1980s were a good example of the downside to intergovernmental funding. The Reagan administration cut back its funding to both cities and states, but also shifted urban funding through the states, and allowed states increasing flexibility on how to spend those funds. As states dealt with the economic downturn of the early 1980s they chose to channel this money away from cities to deal with their own budget shortfalls. Cities were hit with a double blow: the federal government cut back on intergovernmental aid and re-directed much of what was left to states, and states chose to keep this money from cities.

Cities dealt with the fiscal shortfalls of the 1980s by cutting back services, neglecting capital improvement, and turning their attention to cost-cutting measures like the subcontracting and privatization of city functions (Ross and Levine 1996: 388). However, even as the immediate crises passed-- first in the late 1980s and again in the mid-1990s-- and cities have turned their attentions once again to basic structural issues, privatization proposals have only gained greater currency. This has been true at the federal level as well: Clinton's proposals in his first term to "reinvent" government, giving greater leeway for experimentation to the states,

¹⁰ U.S. Department of Commerce (1962, 1967) table entitled "General Revenue by Type of Government." For 1986 and 1991 data see Bureau of the Census Governmental Finance 1986 and 1991 respectively. 1992 data provided by the Bureau of the Census.

¹¹ Ross and Levine 1996: 396, drawing from Advisory Commission on Intergovernmental Relations, Significant Features of Fiscal Federalism 1985-1986 (WDC ACIR 1986) Table 45; and ACIR Significant Features of Fiscal Federalism 1989 (WDC ACIR 1989 v II, table 10).

were a symptom of this trend. Government at every level has been reluctant to propose any new spending initiatives to address urban issues. Rather than embark on grand schemes, state and federal governments have instead proposed programs designed to harness private energies without spending public resources.

As a result, the cutting edge of federal urban policy is now on the tax side rather than on the spending side.¹² The best indication of this is that the only major urban proposal to emerge in the 1990s was the creation of “enterprise” or “empowerment” zones. The original impetus behind these zones, as advanced in the Bush administration, was to attempt to “promot[e] local revitalization by *withdrawing* government and thereby creating islands in which free enterprise could flourish” (Ross and Levine 1996: 439). Business would be attracted to areas where taxes were kept low and governmental regulations were relaxed. In spite of their strong endorsement by HUD secretary Jack Kemp, the enterprise zone proposal was not passed under the Bush Administration. Instead, enterprise zones flourished at the state level. By 1993 thirty-five states and the District of Columbia had created over 3,000 enterprise zones, although without any corresponding cuts in federal taxes and regulations. These early zones were rarely targeted for distressed communities, but rather were designed to attract business to the state. Nor were these state zones used on the whole to encourage start-ups, entrepreneurial ventures, or labor intensive businesses (Ross and Levine 1996: 440).

The enterprise zone idea was revived in the Clinton administration as a way to direct business investment to distressed areas, combining traditionally Republican free-market principles with Democratic concerns for cities, in the context of a severely constrained federal budget. The idea behind these new “empowerment zones” was to create public/private partnerships aimed at jump-starting economic development in depressed urban areas. The federal government would provide the resources and act as a kind of ‘contest judge’: the Department of Housing and Urban Development would award tax breaks and a hundred million dollars in federal grant money to cities which put together the best proposals for the zones. Each city was required to work with its private and nonprofit sectors to come up with a plan to aid poorer neighborhoods within its borders. In the first round, urban empowerment zones were awarded to six cities, with two additional cities receiving supplemental zones, and four more cities receiving smaller grants as ‘enhanced enterprise communities’ (Ross and Levine 1996: 442-443).

Beginning in the early 1980s then, the trend in urban financing has been away from directly funding metropolitan areas and towards states, and away from grants towards tax breaks and loans. These shifts--the increased role of the states, the emphasis on privatization, the reliance on tax structure rather than spending to shape urban policy-- continue to define the philosophy of intergovernmental relations in the United States. In general these shifts give cities

¹² Except in the area of crime prevention. Budgets for policing and incarceration both increased substantially in the 1980s and 90s.

less financial flexibility, and hence fewer degrees of freedom in responding to structural changes in cities and their consequent crises. Left to their own devices, cities have had to come up with their own solutions to the structural changes brought about by immigration and a globalizing economy.

The Eruption of Tensions

Given that in the 1980s many of the nation's major cities went through rapid demographic transformations while government cutbacks left new immigrants and older residents in poorer areas of these cities vulnerable to economic restructuring and openly engaged in competition for scarce resources, it shouldn't have come as a surprise that four of the top immigrant-receiving metropolitan areas had serious civil disturbances by the early 1990s (Johnson and Oliver 1989). Los Angeles, New York, Miami, and Washington D.C. were the destination for almost one in three immigrants settling in the United States in this period; the rapid influx of immigration into their neighborhoods had an enormous impact, even as these cities' economies shuddered under the strain of adapting to a radically changing economy. Riots were centered in Miami's Liberty City and Overtown neighborhoods in 1980, 1982, 1987, and 1989; in Washington D.C.'s Mt. Pleasant and Adams Morgan sections in 1991; in Crown Heights, New York in 1992; and in the South Central area of Los Angeles in 1992. These civil disturbances, all involved a mix of recent immigrants and resident minorities, though each had their own distinct dynamic and resolution.

Much of the subsequent attention by policy makers and scholars has been, understandably enough, on the riots themselves, which together caused dozens of deaths and billions of dollars worth of damages. But these disturbances are less interesting for the headlines they produce than for what they indicate about the state of inter-ethnic relations in American cities, and the manner in which institutions respond to the structural problems exposed by civil strife. There hasn't been much attention paid to the inter-ethnic renegotiation of access and resources which takes place in the aftermath of these disturbances, or to the institutional context in which these negotiations take place. Unlike the response to the riots in the 1960s, the rebuilding efforts in the aftermath of the disturbances have received relatively little attention and scant funding from the federal government. These four riot cities, then, provide examples, albeit extreme ones, of the roles of urban institutions in the context of massive structural changes.

I took the opportunity in 1997 to interview key actors in each of the four cities experiencing major disturbances, asking them to take an opportunity several years later to look back at what had been accomplished in the aftermath of these disturbances to address economic and political inequities in these urban areas, and to evaluate successes and failures. These efforts yielded 170 interviews across the four cities, including conversations with members of immigrant and ethnic groups, community activists, business leaders, local party officials, and members of the city government. The goal of the interviews was to see what

could be learned by comparing the experiences of these four cities as they dealt with the aftermath of these civil disturbances. The interviews and other data point to examples of how urban institutions address economic dislocation and rapid demographic shifts, how cities respond to these conditions when they themselves are under severe financial pressures, and how communities build bridge-building efforts spanning ethnic and racial divides.

Problems of Coordination and Coalition-Building

One way to answer questions about the interactions of immigrants with urban institutions and other ethnic groups is to begin with a more abstract discussion of tensions between dynamic and static social actors. The broader theoretical question, then, is how do institutions cope with rapid change? Because institutions and organizations are designed to make environments more predictable, and hence, stable, they are not well suited to dealing with change. Institutions are more likely to resist change than to adapt to it, except on the margins (Jones-Correa 1998; North 1991). So the question of what happens when the context in which institutions operate shifts dramatically, as it has in many U.S. metropolitan areas with the arrival of immigrants, is both interesting and important, theoretically.

If institutions and organizations resist change then, *ceteris paribus*, we would expect that even in the face of overwhelming demographic shifts there would be an increasing “institutional mismatch,” as I hypothesized above, between the personnel, goals, and services of established urban institutions and their potential clientele in their immediate vicinity. As neighborhoods changed, the services provided by community-based organizations would increasingly diverge from the needs of the growing immigrant population. But what happens when things are no longer held constant? In the post-disturbance city, we would expect a renegotiation of institutional access, position, and resources among ethnic groups. What variables affect negotiated outcomes, and what outcomes can we expect?

For negotiation to actually take place, the parties involved have to feel that a negotiated outcome is worthwhile for them, and that the negotiated agreement can be enforced. The first condition requires that negotiation be a better alternative than other alternatives (like not negotiating). The second condition requires that there be an institutional or organizational constraint which acts on the parties involved to hold them to their promises.

These conditions give us some idea of what variables might matter in determining outcomes. Immigrant and ethnic groups in an urban area are unlikely to get involved in serious negotiations over resources, access, and positions if they are likely to end up worse off at the end of the negotiations, and can keep what they have if they stay out of negotiations. Negotiations are also less likely to succeed if they are over zero-sum goods (elected positions, budget items, municipal civil service jobs).

So what are the implications of these points? Cities that have dominant groups (in terms of population and/or power) are unlikely to enter into negotiations with weaker groups (i.e., immigrants) because they have nothing to gain from negotiating, and everything to lose. This is particularly the case because most of the things that new urban constituents want are zero-sum goods (so a gain for them means a loss for someone else).

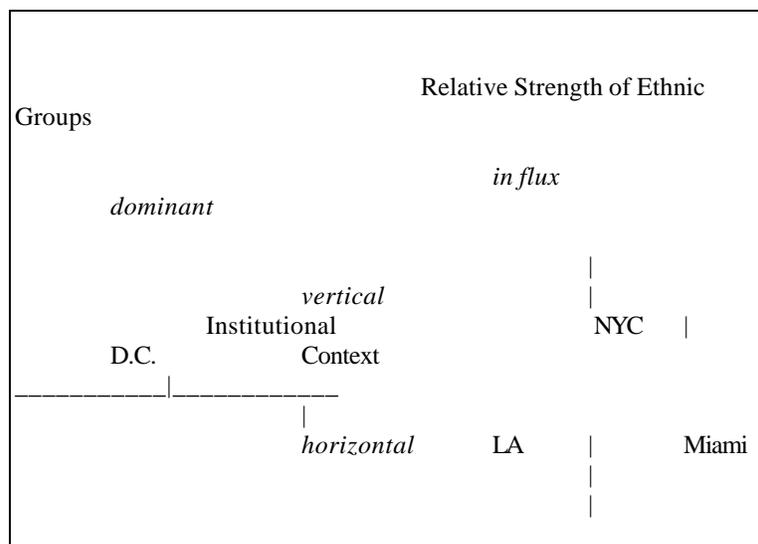
Sometimes these zero-sum contests can be avoided if there are additional resources coming from some other source: a growing tax base or federal funds. Through the late 1980s and into the early 1990s this was not the case in U.S. urban areas. The four cities having serious ethnic disturbances during this time all had serious budgetary constraints, nor were they able to draw on the resources of the federal government, which was in the midst of its own budget crisis.

In the two cities that had clearly dominant ethnic groups (Miami and Washington D.C.) it was unlikely that either of these dominant groups (Cubans and African Americans, respectively) would enter into serious bargaining with the marginalized rioters (African Americans and Central Americans, respectively). Bargaining was more likely in cities where there was no clear dominant group, or where ethnic bargaining positions were in flux (as in Los Angeles and New York City).

Even where ethnic negotiation *did* take place it tended to take place between actors who would be able to enforce the negotiations between them. This happened in one of two ways. The first was that new groups (immigrants) were brought to the table, but not as a group per se. Instead, elites were co-opted who then acted as junior coalition partners. In addition, this only happened when *symbolic* goods were being discussed, not a redistribution of material resources. Negotiations were possible, therefore, when there was an assurance that the costs to the dominant parties would be minimal. This pattern of inclusion of new immigrants was worked out by “governing coalitions”-- composed of elected officials and business elites. There was a second alternative, which was that new groups could be made coalition partners, but only among actors who had long-standing relationships with one another, and were likely to *continue* in these relationships. This kind of relationship existed in two kinds of instances: among ideologically similar civil-rights organizations (Los Angeles), and in the context of a kind of “machine politics” (New York). In these instances, coalition partners were held to cooperative behavior by the *costs* they would suffer among their peer organizations (Los Angeles) or at the hands of a political broker (New York) if they backed out.

This is all to say that negotiated outcomes and coalitional behavior take place only when the costs are low or when there is some way of enforcing that coalitional behavior. Since the overall institutional context of cities goes a long way in determining what kinds of enforcement structures exist, the conclusion is that the institutional context of cities matters a lot in determining what the incorporation and accommodation of new actors (immigrants, for instance) looks like.

At least two variables, then, seem to matter in determining if ethnic negotiations will take place and what shape they will take. The first is the relative strength of ethnic groups in the urban area; it makes a difference if there is a dominant ethnic group or if ethnic groups are in flux. The second factor is the institutional context of the urban area, and in particular, whether cities have dense or loose networks of organizations mediating between elected officials and residents (what I call ‘vertical’ vs. ‘horizontal’ cities). What we end up with then is a two-by-two chart:



This is clearly not the whole story behind the differences in immigrant incorporation and inter-ethnic negotiation. But at least it may allow us to begin to have a discussion about differences and similarities of immigrant and ethnic political experiences across cities.

The Los Angeles Case: The Privatizing Impulse

To put some meat on the bones of this abstract discussion, it’s best to turn to a more detailed discussion of one of the four riot cities. The most visible of these incidents took place in Los Angeles, so this is as good a place to start as any. As the previous discussion suggests, we should expect that responses to the 1992 riots, and attempts to mediate the city’s fluid ethnic demographics, would be shaped by the city’s institutional structure, in particular, the ‘horizontal’ nature of city politics.

If New York City’s politics are organized vertically, Los Angeles is horizontally stratified. Los Angeles doesn’t have *one* politics, but a layered politics-- the various layers of politics in the city having little to do with one another. The city’s executive branch, its

administration, and the city's community-based organizations (CBOs)¹³ all have minimal contact with one another. In part this reflects the city's history as a reform city-- with its characteristic non-partisan, managerial-style politics-- a city characterized by an anti-government political style. Political authority is dispersed and if possible rendered impotent. The city seems to have taken the philosophy of 'every tub on its own bottom' -- a call for fiscal and organizational self-sufficiency-- to heart. Interestingly, the city's reformist history is reflected as much in its *non* -governmental institutions as in its governing structures. The city's political design encourages minimal government, and the privatization of communal efforts, rather than channeling these efforts through public channels. As a result, CBOs orient themselves, on the whole, away from city politics, and toward an alternative political vision of their own.

This is particularly evident in the response to the disturbances in April of 1992, when each sector had independent--and divergent-- responses. These distinct responses were not simply a matter of playing to the strengths of each sector-- each sector working in the area maximizing its comparative advantage-- but of fundamentally different visions of the city. The response of the city's administration-- the mayor's office and the city's administrative agencies-- emphasized an economic vision of the city, while the non-profit sector focused on racial/ethnic tension. These visions are not mutually exclusive, by any means. Many progressive CBOs have an economic program of their own. But again, the interesting thing here is that both the city's and the CBOs' responses to the disturbances were largely private sector rather than public sector responses.

The city's official response to April 1992 was to form a private organization, "Rebuild Los Angeles" (RLA), and pass responsibility for dealing with the aftermath of the crisis to this entity. If one were cynical one might conclude that this was an attempt by the city's administration to foist responsibility for dealing with the crisis on someone else, and let the city, and particularly the mayor's office walk away free and clear. While there may be some truth to this, the fact is that RLA fit in with the city's style-- turning to the private sector to deal with this civic emergency did not seem an unnatural thing to do.

Community -Based Organizations

It's no surprise that the current mayor of Los Angeles is a fan of privatization. In an interview during his re-election campaign Riordan talked, for instance, about the formation of neighborhood groups under his administration and particularly their presence in South Los Angeles. He said: "For two years I've been speaking with them and saying damn near the same thing: 'If you want to solve problems in the community, you have to organize and take

¹³ CBOs: community development organizations, mutual housing organizations, land trusts, reinvestment corporations, and the myriad of other civic, neighborhood and citizen volunteer organizations found in urban areas.

responsibilities.’ At our meetings, somebody will ask me a question about ‘what are you, as mayor, going to do about the tree that’s overhanging my driveway.’ I’ll say, ‘Organize, get something going. Then you go to the council office or come to me as an organization, or better yet, do what I would do. Cut the tree down without asking anybody.’ What’s surprising is that CBOs in Los Angeles seem to believe this as well. Non-profits in Los Angeles are not generally oriented toward city government, or toward altering city policy, but rather see themselves as an *alternative* to government, perhaps at times as a kind of substitute for government-- stepping in to do what government can’t do, or won’t do. Perhaps this comes of working in a system where access to government is difficult and even with access government is generally unresponsive. Whatever the reason, in many ways, CBOs *accept* the city’s ethos of private endeavor.

This is partly the result, or at the very least made possible, by the fiscal independence of CBOs. The city plays a minor role in financing community organizations and other CBOs in the city. Unlike other cities, like New York, where council members have a significant pool of funds at their disposal to use as they wish to fund projects in their communities, the Los Angeles city council has a proportionately much smaller fund to contribute to community groups in their districts. The funds, usually disbursed \$500 at a time, serve mostly as a symbolic token of the council member’s support-- again, unlike New York City, where councilmanic funds can sustain nascent community organizations. In addition, service organizations in New York receive much of their funding through state service contracts which are disbursed through borough or county organizations in the city-- city and county functions overlap. This has the effect of tying CBOs directly to patronage politics in the city, so organizations are beholden to elected officials. In Los Angeles, state funds are allocated through the county board of supervisors, so that CBOs are largely independent of the city’s institutional politics.

On the plus side, this has the effect of weaning non-profits from any dependence on city funding, and giving them significant leeway in their actions. Unlike New York City, CBOs in Los Angeles can choose to operate largely independently of local political considerations. On the negative side of the ledger, the non-profit universe in the city is considerably more fragile than New York’s, not having the public resources to draw on which can make the difference between viability and insignificance. For non-profits which can find alternative sources of funding-- either from federal or county government, from foundations, or from the private sector, Los Angeles’ lack of institutional ties can seem liberating. It can mean having a separate power base from which to play a role in local affairs, a chance to play the role of mediators among the city’s feuding factions. An example of this is the role that MALDEF, the Mexican American Legal Defense and Education fund, played in the redistricting dispute of 1992-- bringing city and state politicians to the table to construct a coordinated strategy. No elected official had the status or perceived impartiality to bring together the city’s various feuding Latino political factions. On the negative side, CBOs’ distance from formal politics results in a relative marginality in city politics-- a weak bargaining position when it comes to

lobbying city government, and little leverage over elected officials. Except in some very clearly defined cases -- the intervention, for instance of the Coalition Against Substance Abuse against the rebuilding of liquor stores in riot-damaged areas-- CBOs have stayed clear of city politics. In short, the lack of institutional linkages between the city's formal and informal political sectors is very much a double-edged sword.

Coalition Building

Los Angeles' political style, and its impact on different political players in the city, has an effect on the mechanics of coalition building in the city. The discussion of coalitions here is based on Sonenshein's discussion of the prerequisites for coalition in his book on Los Angeles, Politics In Black and White (1993). Here he points to three key ingredients to successful coalition building-- common interests, similar ideologies, and strong personal ties among leadership. All three of these factors are important in facilitating coalition building, but I want to emphasize as well that political actors face a different calculus of *costs* to coalition building. It's these costs that I wish to underline in the discussion of three kinds of actors-- the city council, neighborhood service providers, and civil rights organizations-- which follows:

1) the city council

The council is a prime example of the way the costs of coalition building get in the way of ethnic cooperation. Even though there are ideological commonalities among some, maybe even a majority, of the council members, a number of factors work against long-term coalition building among members of the city council. First, the down-turn in the local economy since the late 1980s and the general resistance in California to increased local taxes, has meant the council has had to allocate shrinking resources among an expanding population base. The effect of shrinking resources is exacerbated in turn by the institutional design of the council, which reinforces territorial and ethnic protectiveness. Council members are encouraged to think of their council districts exclusively. The word that came to mind to several of my respondents was 'fiefdom'. Within these fiefdoms, council members are elected in non-partisan elections, which means that in the absence of party politics, ethnic politics is often the path of least resistance, for their constituents if not the council members themselves. Because council members are elected by only about 30% or less of the electorate (and in many districts a much smaller proportion of the total population), they pay much more attention to active voters than apathetic voters. In the city of Los Angeles, this means they have to pay lip service to the racial politics of their constituents, rather than thinking about the longer range benefits of ethnic cooperation in the city, or the importance of introducing new political players into the political system. This short-term perspective is only aggravated, I believe, by term limits. While the impact of term limits is not yet clear, the logic of term limits would seem to reinforce the short term political thinking of council members. The time horizon for most council members now is only two terms away. So in general council members are encouraged to

tailor their plans not stay within the boundaries not only of their districts, but within the limits of their time in office as well.

For elected officials the costs of coalition building are high, and the benefits small. Elected officials are well aware of the changing demographics of the areas which they supposedly serve. But as individuals they can wait the changes out. Potential challengers from other ethnic groups who might conceivably challenge incumbents are also content to wait the changes out. Mexican American politicians, for example, have been reluctant to challenge African American incumbents in Central and South Los Angeles, even though it might be justified simply by looking at the population figures. It seems more politic to continue to work within the limited issue by issue tactical coalitions within the council than to try and institute a new governing coalition at the city level. Elected officials, as individuals, have little to gain from entering into risky ethnic coalitions, or from introducing new political players to the table.

2) neighborhood service providers

Ethnic incorporation and coalition building has not gone any more smoothly at the grassroots level, among the service providers and community organizations working in the city's organizations. It's at the neighborhood level that the city's demographic shifts are felt most deeply. Neighborhood transitions happen much more quickly than institutions can keep up with. In South-Central Los Angeles for instance, community organizations and service providers in the community which were designed to address the needs of the city's African American population in the aftermath of the 1965 Watts civil disturbances, now find themselves in radically different neighborhoods than those of even fifteen years ago, serving a primarily Latino clientele. A number of these older, mature institutions have found it difficult to change to meet these demographic changes, and many have resisted adjusting their personnel or their boards to reflect the new neighborhood population.

For these established community organizations, any change is a net loss for a hard-won African American institutional presence, not to mention jobs, in the area. Seen in this light, the situation seems truly zero-sum. Any gain in Latino organizational presence is perceived as a corresponding black loss. Given this situation, whether real or not, coalition or inclusion efforts come at very high cost. This is not because black-led organizations are *actually* being replaced by Latino organizations or personnel. In most cases, particularly in South Central, this is not the case. There are some highly publicized counter-examples, like the Martin Luther King Hospital, where Latinos and blacks were at odds over staffing hires, and perhaps increasingly in the staffing of the public school system. However the situation in Watts is more typical. Although Latinos make up more than 50% of the population in Watts, Latino organizational presence in the area is so weak as to be almost non-existent. While there are allegedly over sixty African American CBOs in the area, excluding church-related organizations there is only one Latino CBO: the Century/Watts Latino organization. Nevertheless, it's in

Watts, and in South Central more generally, that black community organizations feel most under siege.

While African American institutions are not directly threatened, the long-term picture from the view of African American activists is a zero-sum game. Like black politicians in the city, African American community organizations and service providers calculate that any shift in the current balance of resources is almost certain to leave them with less, not more. On the basis of this analysis, politics at the grassroots level is often extremely conservative. The tragedy of the situation is that there are any number of common issues affecting both older and newer residents, and these common issues could potentially, and have in practice led to coalition efforts. Again, the Coalition Against Substance Abuse is one example. Common efforts around other quality of life issues, schools, crime, drugs, etc. have the potential to lead to greater cooperation. However, the logic of institutional maintenance which drives many older established community organizations is unlikely to make them partners in these efforts.

3) the civil rights community

Most of the ethnic coalition-building attempts in the city have originated within the city's civil rights community. A number of factors facilitate the inclusion of new players and the opportunities for coalition building in this sector. For one, as Sonenshein would point out, there is significant ideological contiguity, particularly among similar types of institutions. Often this ideology includes a commitment to cross-ethnic bridge building efforts. So you get bridge-building efforts among churches and synagogues, for instance, or among dispute resolution groups. Secondly, there are few material interests at stake, and the non-material interests at issue are negotiable, given the common ideological starting points. These are not resource-intensive coalitions. What these civil rights and dispute resolution organizations bring to the table are their services, rarely funding. Last, Sonenshein's third key category, leadership, is often tightly intertwined. Many of the key players in these coalitions have worked together for years, sometimes decades in different incarnations of coalition-building efforts. The individuals involved in these coalition building efforts are, as many respondents pointed out, the 'usual suspects.'

These factors, taken together, significantly lower the costs for coalition efforts and the inclusion of new players at the table in the civil rights community. Coalition building here is a relatively low cost, low risk enterprise. Resources are not perceived as being zero-sum, since there are few material resources at stake. Inclusiveness is seen as a strength, rather than a loss. As I noted before, CBOs in the city are relatively independent of the city's formal political structure. This is also an advantage when it comes to coalition building, since these organizations have few obligations to others, and so there are few toes to be stepped on. Of course the relative independence of coalition organizations means they are relatively weak and impotent as well. So the strongest coalition-building in the city occurs among organizations

marginal to the political process as a whole, which may be the only way these kinds of coalitions can happen.

Some Last Thoughts on LA

Los Angeles' political culture, shaped by the legacy of the city's reform history,¹⁴ have had a profound effect on the non-governmental sector as well as on the city's formal political structure. This was clearly evident in the aftermath of the 1992 civil disturbances. The strategy chosen by non-governmental organizations-- to build coalitions as an alternative to efforts by the city government, even abetted by the city's government-- reflects the city's privatizing ethos. However, if the 1992 civil disturbances had the effect of mobilizing new coalitions, it is also true that the effects of these coalitions have been at the margins. The marginality of these efforts and the low costs of the coalition building unfortunately go hand in hand.

The Role of Foundations

There are powerful structural and institutional constraints on inter-ethnic negotiation and the formation of inter-ethnic coalitions. Coalitions, I've argued, are unlikely to form if there are dominant actors with nothing to gain from negotiation. Even if coalitions do form, they tend to focus on symbolic rather than substantive concerns and are difficult to enforce except under specific conditions. So what role does this leave for foundations and other private funders?

What Foundations Can't Do

First of all, it's important to remember what foundations *can't* do. Thanks to the rising stock market, many foundations, like businesses (and unlike government) have expanding resources. However, these resources, while substantial, are still limited. Private donors are not governments, and don't have the coercive authority to extract resources (i.e. taxation). Withdrawal of government funds is a serious problem because private institutions rarely match the scale, breadth, or staying power of government funding. I would suggest that the strategy of pursuing foundation funding, in and of itself, is futile-- foundations and CBOs simply don't have the resources to match the resources which are available in the public sphere. Going it alone is not a viable option.

Second, as government resources are cut back, as state and municipal governments tend to look to entrepreneurial approaches to service provision, which means subcontracting out service provision to the private or non-profit sectors. If private funders try to pick up the slack and make up for public sector cutbacks, there is a tendency to fund short term

¹⁴ Progressive-era reforms had five main elements: the introduction of the merit system and civil service appointments in city government; detailed accounting procedures; independently elected boards and commissions; the elimination of single-member districts; and the replacement of an elected executive, the mayor, with an appointed executive, the city manager.

“experimental” or “demonstration” programs rather than providing long-term institutional support. The expectation in the past is that community organizations would then turn to local government for long-term financing. But this, as we’ve seen, is less likely to happen today. As a result, many small CBOs find themselves chasing after public and private grants targeted for specific project-related programs. The challenge is how to develop frameworks that allow for organizational maintenance that don’t tie up large portions of foundation budgets.

These points suggest that rather than try institution-building entirely on their own, foundations would be better off building relationships with local governments, businesses and non-profits that would set out and coordinate longer-term goals, with more clearly defined expectations from each player.¹⁵ Foundations’ key role would play a role as brokers and mediators. Foundations would leverage their support by gaining explicit commitments from both public and private actors. The goal would be to increase the resources that could be brought to bear to address the effects of broad structural changes-- like immigration, the shift from manufacturing to services, middle-class flight and the retreat of the federal government from urban issues--on local areas. The greater the resources that could be brought to bear, the more likely some accommodation could be reached between old and new actors (African-Americans and immigrants), and the less likely the relations would descend into recriminations over zero-sum outcomes.

Risk Taking

Apart from this rather obvious point, however, there are other areas where foundations have a clear comparative advantage, and where their contributions can make a real difference to inter-ethnic relations. First of all, foundations should be willing to take risks in underwriting nascent organizations from new social actors. Foundations, like other funding organizations both public and private, tend to be conservative funders. They tend to be unwilling to provide funds to organizations which are new and untested. Whether public or private, donors want to see that their donations are well spent. Perhaps understandably, foundations are unwilling to sink scarce resources into uncertain projects with uncertain returns. Foundations have to shepherd their own assets and thus tend to be risk averse.

Unfortunately, this has the effect of reinforcing the institutional mismatch between local institutions and changing neighborhood demographics and needs. As neighborhoods change rapidly, sometimes within a period of as short as ten years, institutions in these areas become increasingly detached from their surroundings. The tasks they were designed for may no longer

¹⁵ Examples of how this might work are the National Community Development Initiative proposed by the Clinton Administration and HUD in 1994, which leveraged \$25 million in HUD money with an additional \$75 million from private foundations to create a fund to support community economic development projects administered by the Enterprise Foundation and the Local Initiative Support Corporation (LISC), and the National Community Economic Partnership Act, which supported established, non-profit community development corporations which matched funds with non-federal monies (Arguelles et al. 1994: 204).

exist, their *raison d'être* may no longer apply. The fact that organizations are neighborhood-based does not necessarily mean they are responsive to their immediate surrounding community. CBO responsiveness can be diminished by the need for the organization to cultivate its government and nonprofit foundation funding sources.¹⁶

A rapidly changing urban environment inevitably means a higher level of risk for funders. As I noted above, foundations on the whole are risk averse, and change requires living with a higher level of risk. As new actors appear, funders must evaluate their needs and make decisions accordingly. Funders can choose the safe route and fund known quantities: organizations and groups they have worked with in the past. But in rapidly changing urban neighborhoods, this is likely to miss the most pressing needs. With many foundation endowments riding high on the stock market, foundations should embrace risk, and set aside a portion of their expenditures for riskier clients.

Embracing risk also means accepting the higher likelihood of failure. More than governments and CBOs, foundations can absorb, and even budget for, some losses. This should be seen as simply part of the cost of doing business, as it were, with new social actors and nascent organizations. One way to minimize risk in the longer run is for foundations to focus on teaching new actors management, accounting and fundraising skills, rather than simply targeting project areas. The goal should be to develop organizational capacity, so that new organizations create a track record with which they can go on to build partnerships with other actors, whether non-profits, business, or governmental. The key is to build the mutual knowledge and trust necessary for a long-term working relationship.

Coalition-Building

Foundations have some leverage over their grantees. Older organizations can be nudged to work in new directions or with new partners. New actors can be introduced and supported in multi-player discussions. If foundations could coordinate among themselves, this leverage could be increased. Foundations have the potential to influence certain interactions among ethnic groups, but only among particular players. Foundations are unlikely to have much leverage at all with businesses, elected officials or local bureaucracies. However, a better understanding of the structural and institutional context of cities-- of the kinds of economic and demographic shifts underway in metropolitan areas, and the difference that urban institutions make in channeling these structural changes--can give foundations a better understanding of *when* private and public actors might be persuadable.

¹⁶ Part of this has to do simply with the formalization (or bureaucratization) of institutions: "Thinking that their newly won powers will help them eliminate or reduce bureaucracy, community residents are often shocked to find that they must recruit staff, set pay scales, prepare job descriptions for employees, establish criteria for personnel evaluation and promotion, and maintain personnel and financial records. As the neighborhood organization grows and expands, it becomes more bureaucratic" (Ross and Levine 1996: 239). The problem is an old one: as organizations become more established, they can become less responsive (Michels).

Foundations need to think carefully about the institutional context and the differences this context makes. Institutional and structural contexts vary across cities; foundations shouldn't make blanket generalizations about urban problems and solutions to those problems. Rather foundations need to think systematically about how institutions and structures interact, how they give actors different roles across cities, and how they shape the opportunities and constraints of coalition building. In general, if institutions and structures vary systematically, then we should expect cities to channel conflict and consensus differently.

Take Advantage of Openings

The rebounding economy has eased some of the competitive pressures among ethnic groups. Ethnic tensions over jobs and services is less visible now than it was in the late 1980s. However, this is not a sign that foundations should rest peacefully. Rather, it should signal the opposite. If inter-ethnic coalitions are possible, they are more likely when resources are slack than when they are tight. Increased resources, both in the public and private sectors, means there is more leeway for redistribution, and hence greater possibilities for the inclusion of new players. Foundations should use this opportunity to press for inter-ethnic conversations now, and not wait until resources are tight once again, and the next crisis is upon us.

Conclusion

But for these kinds of partnerships to work there has to be a better understanding of the structural and institutional context of cities-- of the kinds of economic and demographic shifts underway in metropolitan areas, and the difference that urban institutions make in channeling these structural changes. We need to think carefully about the institutional context and the differences this context makes. The institutional and structural context varies across cities; we shouldn't make blanket generalizations about urban problems and solutions to those problems. Rather we need to think systematically about how institutions and structures interact, how they give actors different roles across cities, and how they shape the opportunities and constraints of coalition building. In general, if institutions and structures vary systematically, then we should expect cities to channel conflict and consensus differently.

As cities continue their fundamental shifts, local institutions paradoxically need both more change (willingness to open funding to new recipients) and more stability (longer term funding). One way for foundations to try to nurture institutional capacity while minimizing and managing risk is by leveraging their funds by building partnerships or consortia either with public entities or with other donors. As public funds are less available, partnerships with business and government are increasingly necessary for all the actors involved.

Bibliography

- Arguelles, Dennis G., Chanchanit Hirunpidok and Erich Nakano (1994) "Urban Revitalization" in Paul Ong ed. The State of Asian Pacific America: Economic Diversity, Issues and Policies (Los Angeles: LEAP Asian Pacific American Public Policy Institute and UCLA Asian American Studies Center) pp. 193-214.
- Beck, Roy (1994) "The Ordeal of Immigration in Wausau" The Atlantic Monthly 273: 4 April, pp. 84-97.
- Bobo, Larry and Victor Hutchings (1996) "Perceptions of Racial Group Competition: Extending Blumer's Theory of Group Position to a Multiracial Social Context" American Sociological Review 61:6 pp. 951-973.
- Farrell, Christopher Michael Mandel, Michael Schroeder, Joseph Weber, Michele Galen and Gary McWilliams (1992) "The Economic Crisis of Urban America" Business Week May 18 pp.
- Jaret, Charles (1991) "Recent Structural Changes and U.S. Urban Ethnic Minorities" Journal of Urban Affairs 13:3 pp. 307-336.
- Johnson, James H. and Melvin Oliver (1989) "Interethnic Minority Conflict in Urban America: The Effects of Economic and Social Dislocations" Urban Geography 10:5 pp. 449-463.
- Jones-Correa (1998) "Cities As Institutions and the Incorporation of Immigrants as New Urban Actors" Paper presented at the meeting of the American Political Science Association, Boston; September 2-6, 1998.
- Kasarda, John D. (1988) "Jobs, Migration and Emerging Urban Mismatches" in Michael G.H McGeary and Laurence E. Lynn Jr. eds. Urban Change and Poverty (Washington D.C.: National Academy Press).
- Knox, Paul L. (1997) "Globalization and Urban Economic Change" Annals of the American Academy of Political and Social Science v. 551 (May) pp. 17-27.
- Mollenkopf, John and Manuel Castells (1992) "Introduction" in John Mollenkopf and Manuel Castells eds. Dual City: Restructuring New York (New York: Russell Sage Foundation) pp. 3-22.

- North, Douglass (1990) Institutions, Institutional Change, and Economic Performance (New York: Cambridge University Press).
- Portes, Alejandro and Ruben Rumbaut (1990) Immigrant America: A Portrait (Berkeley: University of California Press).
- Ross, Bernard H. and Myron A. Levine (1996) Urban Politics: Power in Metropolitan America (Ithica, IL: F.E. Peacock Publishers).
- Smith, James P. and Barry Edmonston ed. (1997) The New Americans: Economic, Demographic, and Fiscal Effects of Immigration (Washington, D.C.: National Academy Press).
- Soja, Edward W. (1992) "Poles Apart: Economic Restructuring in New York and Los Angeles" in John Hull Mollenkopf and Manuel Castells eds. Dual City: Restructuring New York (New York: Russell Sage Foundation).
- Sonenshein, Raphael (1993) Politics in Black and White: Race and Power in Los Angeles (Princeton: Princeton University Press).
- Roger Waldinger, Still The Promised City: African-Americans and New Immigrants in Post-Industrial New York (Cambridge: Harvard University Press 1996).
- _____ (1989) "Immigration and Urban Change" Annual Review of Sociology v. 15 pp. 211-32.
- David Walker The Rebirth of Federalism (Chatham, NJ: Chatham House, 1995).

Table 1
Cities With Populations of 200,000 or More
Ranked By Percent Foreign Born
and Percent Speaking Language Other Than English

language	Percent of persons		Percent of persons speaking	
	foreign born, 1990		other than English at home, 1990	
	<u>Percent</u>	<u>Rank</u>	<u>Percent</u>	<u>Rank</u>
Miami, FL	59.7	1	73.3	1
Santa Ana, CA	50.9	2	69.2	2
Los Angeles, CA	38.4	3	49.9	4
San Francisco, CA	34.0	4	42.4	6
New York, NY	28.4	5	41.0	9
Anaheim, CA	28.4	5	37.4	11
San Jose, CA	26.5	7	38.5	10
Jersey City, NJ	24.6	8	41.3	8
Long Beach, CA	24.3	9	32.8	16
El Paso, TX	23.4	10	66.7	3
Stockton, CA	22.6	11	36.5	13
Honolulu, HI	21.4	12	33.8	14
San Diego, CA	20.9	13	29.2	18
Boston, MA	20.0	14	25.6	22
Oakland, CA	19.8	15	27.3	20
Newark, NJ	18.7	16	36.8	12
Houston, TX	17.8	17	30.7	17
Fresno, CA	17.1	18	33.1	15
Chicago, IL	16.9	19	29.1	19
Riverside, CA	15.5	20	25.0	24
Sacramento, CA	13.7	21	23.8	25
Seattle, WA	13.1	22	15.4	32
Dallas, TX	12.5	23	22.2	27
Tucson, AZ	10.7	24	27.1	21
Las Vegas, NV	10.3	25	15.2	33
Washington, DC	9.7	26	12.5	37
San Antonio, TX	9.4	27	47.3	5
Fort Worth, TX	9.0	28	19.4	28
Phoenix, AZ	8.6	29	18.7	29
Austin, TX	8.5	30	22.4	26

Source: U.S. Census Bureau

Table 2**Metropolitan Employment in Manufacturing and Services,
Selected Cities, 1970 and 1995 (Percent)**

	Manufacturing		Services	
	1970	1995	1970	1995
Atlanta	20.7	11.5	14.6	29.3
Baltimore	24.8	8.8	17.0	35.5
Boston	22.1	12.4	24.7	38.3
Chicago	31.8	16.9	16.9	30.0
Dallas	24.6	14.5	15.2	28.5
Denver	17.5	9.5	18.1	30.5
Detroit	38.1	21.6	14.3	30.1
Houston	18.6	10.6	18.2	29.1
Kansas City	25.1	12.5	15.7	28.0
Los Angeles-Long Beach	28.9	16.8	18.7	32.2
Miami	15.8	8.8	15.8	32.0
Minneapolis -St. Paul	27.4	18.0	17.7	28.8
New York City	21.1	8.6	20.1	35.1
Newark	31.5	15.2	17.1	28.8
Pittsburgh	32.3	12.9	18.3	33.9
Portland	22.7	16.4	17.9	27.0
St. Louis	30.9	16.2	17.2	30.8
San Diego	17.9	11.6	14.8	31.8
San Francisco	15.9	8.1	17.6	34.8
Seattle	24.8	15.7	15.8	27.9

Source: Knox 1997: 24 Table 1. U.S. Department of Labor, Employment and Earnings
(monthly reports for 1970 and 1995)

Table 3

**Federal Grants-in-Aid in Relation to State and Local Outlays,
Total Federal Outlays and Gross Domestic Product 1955-1993 (Billions)**

	Total Fiscal Year Federal	Amount	Pecent +/-	As a Percentage of Total State-Local Outlays	
	1955	3.2	4.9	10.2	
4.7	1956	3.6	15.6	10.4	
5.0	1957	4.0	8.1	10.5	
5.2	1958	4.9	22.5	11.7	
6.0	1959	6.5	32.7	14.1	
7.0	1960	7.0	7.7	14.5	
7.6	1961	7.1	1.4	13.7	
7.3	1962	7.9	11.3	14.1	
7.4	1963	8.6	8.9	14.2	
7.7	1964	10.2	17.4	15.4	
8.6	1965	10.9	7.9	15.1	
9.2	1966	12.9	19.3	16.1	
9.6	1967	15.2	16.9	16.9	
9.7	1968	18.6	22.4	18.3	
	10.4	1969	20.2	9.1	17.8
	11.0	1970	24.1	18.2	19.0
	12.3	1971	28.1	17.1	19.7
	13.4	1972	34.4	22.4	21.7
	14.9	1973	41.8	21.5	24.0
	17.0				

1974	43.4	3.8	22.3
16.1			
1975	49.8	14.7	22.6
15.0			
1976	59.1	18.7	24.1
15.9			
1977	68.4	15.7	25.5
16.7			
1978	77.9	13.9	26.5
17.0			
1979	82.9	6.4	25.8
16.5			
1980	91.5	10.4	25.8
15.5			
1981	94.8	3.6	24.7
14.0			
1982	88.2	-7.0	21.6
11.8			
1983	92.5	4.9	21.3
11.4			
1984	97.6	5.5	20.9
11.5			
1985	105.9	8.5	20.9
11.2			
1986	112.4	6.1	19.9
11.3			
1987	108.4	-3.6	18.0
10.8			
1988	115.3	6.4	17.7
10.8			
1989	122.0	5.7	17.3
10.7			
1990	135.4	11.0	19.4
10.8			
1991	154.6	14.2	20.5
11.7			
1992	178.3	15.3	22.0
12.9			
1993	203.7	14.2	n.a.
13.8			

Source: Ross and Levine 1996: 404 Table 12.4; ACIR Significant Features of Fiscal Federalism 1994 (Washington D.C.: ACIR 1994) p. 36. Table 10.

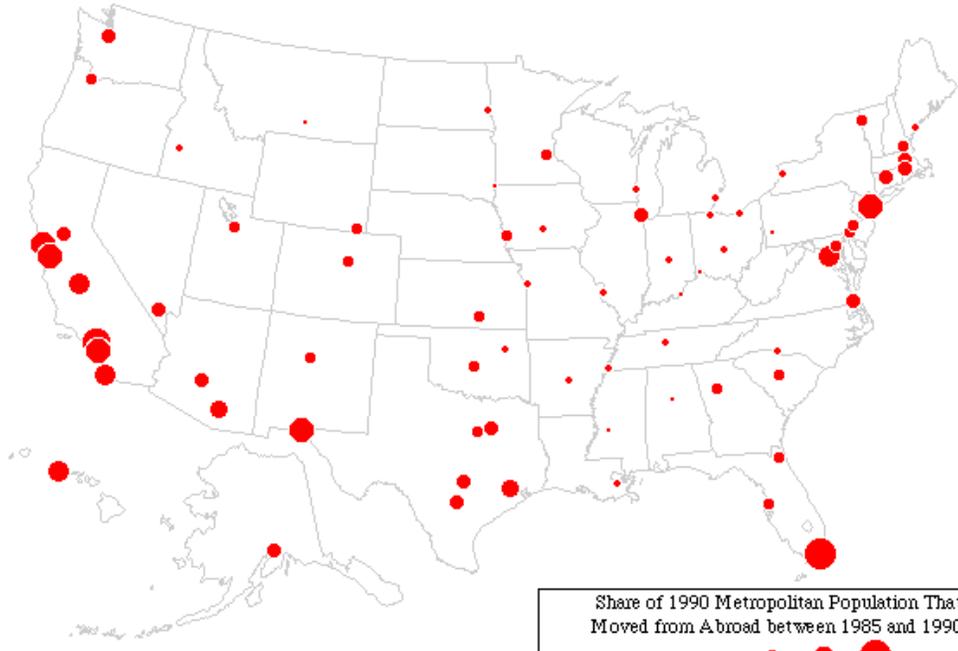
Table 4

**State Intergovernmental Expenditures to Local Governments,
Selected Years 1954-1992 (Millions)**

<u>Fiscal Year</u>	<u>Total Dollars</u>	<u>Annual Percentage Change</u>
1954	5,679	
1964	12,968	8.6
1965	14,173	9.3
1966	16,928	19.4
1967	19,056	12.6
1968	21,949	15.2
1969	24,779	12.9
1970	28,893	16.6
1971	32,640	13.0
1972	36,759	12.6
1973	40,822	11.1
1974	45,940	12.5
1975	51,978	13.1
1976	57,858	11.3
1977	62,470	8.0
1978	67,287	7.7
1979	75,975	12.9
1980	84,505	11.2
1981	93,180	10.3
1982	98,743	6.0
1983	101,309	2.6
1984	108,373	7.0
1985	121,571	12.2
1986	131,966	8.6
1987	141,426	7.2
1988	151,662	7.2
1989	165,506	9.1
1990	175,096	5.8
1991	186,469	6.5
1992	201,313	8.0

Source: Ross and Levine 1996: 388 Table 12.1. Advisory Commission on
Inter-Governmental Relations, Significant Features of Fiscal Federalism 1994 (Washington, D.C.:
ACIR 1996) p. 35, Table 45.

Migration from Abroad, 1985–1990



Share of 1990 Metropolitan Population That Moved from Abroad between 1985 and 1990

1% 3% 5% 7% 9.4%

Data Source:
U.S. Bureau of the Census (1991), *Census of Population and Housing, Summary 7 Tables, 1990*.
[Available on the Web: <http://www.census.gov/cen/www/tables>]
Washington, D.C.: U.S. Department of Commerce.

Foreign Born Population by State of Residence

