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Preface

Minority Merchants: Agents of Neighborhood Change

This study of inner-city neighborhood revitalization responds to an important yet under-explored question: whether and under what conditions minority small business owners influence neighborhood renewal. Although studies of urban revitalization are plentiful, research thus far has emphasized the role of neighborhood residents, housing markets and community based organizations. In contrast, this study focuses on the experiences and insights of minority merchants as an alternative perspective into the process of neighborhood improvement. I find that for minority merchants, social identity, ideology, business practices and civic engagement are important factors that not only inform the character of individual and collective business ventures but also shape neighborhood identity. This research, therefore, explores ways that neighborhood merchants envisioned, represented, and (over time) reconstructed a neighborhood from a stigmatized black ghetto into a desirable cultural enclave through individual foresight and collective action.

I locate this study within the extant debates concerning economic development and urban revitalization evident in scholarly research, public policy and everyday discourse. Though the redevelopment of urban spaces is often a contentious and complex issue, this research is particularly concerned with the degree to which neighborhood small businesses have the capacity to revive inner-city areas. I find much of the literature to be inconclusive as to neighborhood effects produced by small enterprises partly because conventional economic development discourse emphasizes the job creation and tax revenue capacity of large privately capitalized and publicly supported business ventures (e.g., big-box retail, national chain stores, shopping malls, and entertainment venues) (Aldrich and Reiss, 1976; Goodman and Monti, 1999; Koebel, 1999; Porter, 1995). However, little research has been done on *how* small businesses facilitate neighborhood revitalization beyond creating jobs and generating tax revenue or *what* types of enterprises seem to matter during the change process and *when* they seem to matter. This study, therefore, advances existing scholarship by focusing on ways neighborhood merchants contribute to physical, social, symbolic and economic dimensions of localities. More specifically, this study introduces minority neighborhood merchants as agents of local revitalization and conceptualizes ways that neighborhood merchants, wittingly and unwittingly, become purveyors of important neighborhood benefits, which I call "merchant effects;" or the particular

effects merchants have on physical, social, commercial, institutional and communicative dimensions of neighborhood revitalization.

To address the stated concerns, this study draws on two distinct literatures: minority entrepreneurship and neighborhood revitalization. It is worth noting that the nomenclature used to describe neighborhood revitalization is varied - economic development, local economic development, community economic development, redevelopment, community development, and community building – and the distinct dynamics these labels capture has not been clearly articulated. Accordingly, the term "revitalization" is used to refer to: infusing an area with new life by bolstering both the economic and social capacity of a locality. At a minimum, revitalization means that new activities have spurred (outside and inside) interest in the locality (Holcomb and Beauregard, 1981). Revitalization expands options for consumption and interaction for existing residents and increases an area's allure to outsiders.

There is an abundance of entrepreneurship scholarship and a significant subset of scholarship focused on minority entrepreneurship. However, the lacuna in much of the entrepreneurship literature is twofold. First, many studies of entrepreneurship are ethno-racial comparative studies (Bates, 1997; Light and Rosenstein, 1995). Lost from such studies is the relationship between entrepreneurship and neighborhood conditions. Second, studies of entrepreneurship generally fail to incorporate the symbolic or cultural capital enterprises bestow on depressed neighborhoods. Early scholars Drake and Cayton (1945) and Du Bois (1899) explicitly referenced the important role of black entrepreneurship for neighborhood development and stability, and later Hodge and Feagin (1995) posited that for entrepreneurs operating within systems of marginalization and stratification, the inspiration to own a business is often fueled by dual goals of personal and group empowerment. This research contributes to previous scholarship by explicating ways that merchant decisions surrounding self-employment and business location collectively influence business practices and neighborhood conditions. The explicit and implicit practices of small business clusters play an important role in shaping neighborhood perceptions.

The inner-city revitalization debate engenders a range of perspectives. At one end of the spectrum are the place-based strategies that primarily focus on inner-city housing needs and concerns. Numerous scholars have explored the myriad local organizations that influence the production and maintenance of housing such as community development corporations, advocacy groups and religious organizations (Keating and Krumholz, 1999; Wagner, Joder and Mumphrey, 1995; Keating, Krumholz and Star, 1996). The "housing first" model is largely silent toward potential contributions of local entrepreneurs to the change process. Neighborhood commerce is typically presumed a demand-side amenity, meaning once residential areas are stabilized, tenant and homeowner preferences will determine the appropriate array of retail.

Conversely, Michael Porter (1995) emphasizes the efficiency of large and moderate size private enterprises for rebuilding inner cities by capitalizing on an area's competitive advantages. The Porter perspective is largely a people-based conventional economic development model that rests on the human and

financial capital of individual entrepreneurs. Porter argues that through strategic business decisions and leveraging public and private resources, inner cities become competitive locations for large entrepreneurs who in turn generate jobs and revenue for the locality and region. The ethno-racial picture of the entrepreneur and the neighborhood is considered of marginal importance. In many respects, Porter's thesis mirrors the public sector approaches to economic development that he critiques, as both Porter and conventional strategies embolden outside business interests who typically produce indirect benefits for inner-city neighborhoods. Neither strategy considers the relevance of social and cultural capital in the production, growth and sustainability of local economic development.

Drawing on an extended case study of neighborhood revitalization in Fort Greene (a predominately black neighborhood in Brooklyn, New York), this research complicates conventional understandings of agency of minority neighborhood merchants. Indigenous minority entrepreneurs are understood as having an instrumental role in shaping neighborhood outcomes. I locate this study in Fort Greene because there were significant shifts in the perception of and material conditions in the area between 1960 and 2000. In order to explore these shifts and the role of local small business owners, I combine rich ethnographic research with a survey instrument, archival data, and the United States Census tract-level data (1970-2000) to develop a mixed methodology.

Fort Greene has proven to be ideal site for documenting factors that led venerable and newly established minority entrepreneurs into self-employment, the factors that influenced location decisions, and the broader social, economic and political context in which these factors existed. I conducted 44 in-depth interviews of entrepreneurs who had located in Fort Greene between 1952 and 2002. I conducted an additional eleven interviews with representatives of community based organizations, political representatives, and other civic leaders. I created a temporal typology of merchants based on date of arrival that included: "Pioneers" (1952 – 1970s); "Old-Timers" (1980s-1990s), and "Newcomers" (2000-2002). The temporal typology revealed similar experiences, individual-level attributes and entrepreneurial and community philosophies within the three merchant cohorts.

The entrepreneurs' stories concerning self-employment, location decisions and neighborhood dynamics were individually articulated; however, taken together, the merchants' stories speak to both local and extra-local contextual factors that should not be underestimated. Clearly, issues such as small business lending practices, business assistance programs, access to suppliers and consumer demand directly affect minority neighborhood merchants. Merchants expressed numerous indirect factors also at play including social group stigma, popular neighborhood perceptions, as well as dominant (and countervailing) ideologies that inform how we come to understand inner-city neighborhood commerce. In other words, I argue that the popular beliefs, values and attitudes that explain the marginality of minority groups and inner-city localities also typically demonize the commercial activities that occur in these places. As such, early signs of revitalization obvious along commercial corridors are often obscured.

Though each merchant tells a slightly different story, the merchants' meta-narrative illuminates shared experiences and common structural conditions regarding decisions to enter self-employment and to locate in Fort Greene. I learn how merchants' experiences are correlated with levels of civic engagement, in addition to individual and collective strategies employed toward business and neighborhood improvement. By juxtaposing the entrepreneurs' local narratives and global contextual factors, we see in clear detail ways that structural conditions, embedded in public policies, seemingly prosaic institutional practices, and popular frames of reference, inform neighborhood life. In general, I found minority merchants' rationales for embarking on inner-city small business ownership to encompass a broad spectrum from "economic pragmatism" to "social idealism." Most minority old-time entrepreneurs described the importance of civic participation and "thick" collective action that was often indirectly related to individual business activities. In contrast, newcomers articulated and were perceived as less civically engaged. On average, newcomers participated in activities that had direct implications for individual enterprise solvency.

Throughout this study, I highlight important aspects of inner-city neighborhood commerce and social interactions among merchants and between merchants and patrons that largely occur "under the radar." I use the under the radar metaphor to connote the invisibility of inner-city minority entrepreneurship to many neighborhood *outsiders* – property developers, corporate capital, and state actors - who are believed to dominate local planning and decision-making. Outsiders perceived Fort Greene as devoid of vibrant commercial activity, hence proposed a radical redevelopment agenda. However, *insiders* -residents, merchants, and community groups- engaged in community building activities and helped establish a unique neighborhood identity that fostered neighborhood attachment and pride. Many Pioneers and Old-Timers (or insiders) articulate what Michael Dawson calls "linked fate." They articulate a racial ideology that connects the success of their individual enterprises to favorable perceptions of black businesses, generally, and the cluster of enterprises in Fort Greene, more specifically. As such, increased density and variety of black enterprises, coupled with the engagement of merchants in community activities can be considered an indicator of community building and neighborhood advancement.

During the 1960s and 1970s, Fort Greene was almost uniformly described in disparaging terms. Recurring allusions to poverty, crime, unemployment, and racial segregation in Fort Greene perpetuated a 'politic of fear' of and a general disregard for the area. By the 1980s, however, spatial descriptions were far more complicated. Widely held negative perceptions of Fort Greene, as having "departed from its silk stocking past" (*New York Times*, 1984), sat alongside more positive characterizations of the neighborhood as a "black Mecca," a "hip and happening hood" and a "shopping district." During the 1980s through much of the 1990s, *outsiders* continued to disparage Fort Greene and label it a black ghetto. Conversely, many *insiders* began to envision and construct a more favorable neighborhood image of Fort Greene as a cultural enclave. Despite decades of public and private sector disinvestment in Fort Greene during the latter half of the 20th

century, insiders were able to help stabilize the area and develop an alternative neighborhood identity, which eventually appealed to outsiders as well.

During the 1980s and 1990s, savvy business acumen and racial ideology were seen by many merchants to hold great promises for collective advancement. Expressions of collective action, strategic planning, institution building, and the development of countervailing spatial visions were found to flourish amid disparaging neighborhood representations. Many of the black entrepreneurs who located in Fort Greene during this period describe the moment as the "fullest expression of our community." For these merchants, Fort Greene was romanticized as a "black utopia," replete with a plethora of commercial amenities, social services and venues for emerging and established artists. The clustering of fashion design and apparel enterprises in the 1980s and 1990s constructed Fort Greene into a fashion and food enclave and shopping district.

By the end of the 1990s, Fort Greene became hotly contested terrain. There was newfound interest in Fort Greene as a site for outside business investment. Both public and private sector interests re-imagined Fort Greene. New visions for Fort Greene competed with earlier articulations. Additionally, redevelopment plans to transform Downtown Brooklyn (encompassing Fort Greene) into a "Cultural District," were proposed by the Brooklyn Academy of Music Local Development Corporation. Tensions erupted between venerable merchants who considered themselves neighborhood insiders and the influx of newcomers to the neighborhood, who had a different vision of revitalization. The tensions that unfold between old and new merchants, as well as between local merchants and outside redevelopment interests, illuminate the bounds of spatial identity formation and processes of change.

The perceptions and experiences of Fort Greene merchants were neither uniform nor fixed. Some merchants embraced a race-neutral stance on entrepreneurship and the revitalization of Fort Greene, while others adopted a countervailing discourse of neighborhood change, one deeply enmeshed in racial ideology. Disentangling explanations for merchant solidarity (and tension) reveals interesting alliances among old and new merchants, business sectors and geographic location in Fort Greene. Highlighting merchant similarities and differences over time reveals what I call "monumental moments" when merchants seem to have a significant impact in framing local identity and gaining revitalization momentum. Concurrently, tensions that bubble up over time also reveal the limit of local merchants challenged by extra-local interests and sets the stage for another phase of neighborhood entrepreneurship. Taken together, the successes and limitations of neighborhood minority merchants and the emergence of a new group of local entrepreneurs call for better articulation of neighborhood revitalization processes and clearer characterization of actors involved.

... Concluding comments drawn from the final chapter

Change and Conflict

In various chapters I describe the contentious relationship between Fort Greene "outsiders" (e.g., city officials, bankers, real estate developers, locally situate global arts institutions) and "insiders" (e.g., merchants, long-time residents, housing advocates) that intensified around 2002 following the Brooklyn Academy of Music Local Development Corporation (BAM LDC) announcement of the proposed "BAM Cultural District." The proposal to transform a ten-block section of Fort Greene into the BAM Cultural District not only perpetuated low-grade tension between insiders and outsiders but also highlighted fissures among Fort Greene insiders, which manifest along racial lines.

When BAM began to actively invest in Fort Greene by opening a restaurant and cabaret bar and a cinema, in 1997 and 1998 respectively, some insiders suspected that it had larger and potentially detrimental projects on the horizon. However, most insiders welcomed the new four-screen cinema and new performance space as neighborhood enhancements. By 2002, when BAM publicly shared its vision for the Cultural District, it was rebuked by many (longstanding) insiders for being particularly disadvantageous to the image of Fort Greene as a burgeoning black enclave. Moreover, opponents argued that the proposed size and scope of the Cultural District threatened to overwhelm the small businesses along the corridors. More generally, the proposal was challenged for obfuscating the cultural contributions to Fort Greene offered by blacks (merchants and residents). More importantly, the expressions of culture that were seen as virtuous, and thus supported and encouraged to join the Cultural District by occupying the newly constructed and renovated professional and spaces, seemed incongruous with the cultural expressions of Fort Greene as a black enclave.

Fort Greene insiders were not aligned in their opposition to the BAM Cultural District vision. Some insiders, often long-time white Fort Greene residents, espoused the promise of a local "cultural renaissance." Vociferous debates between the BAM LDC and coalitions of insiders came to pass. While opponents of the Cultural District called for a modified Cultural District, proponents largely remained silent. Despite extant debates between coalitions of insiders and BAM LDC, it became clear by 2004 that BAM's original vision for the Cultural District was imminent; the Mark Morris Dance Company already occupied its new building, monies were appointed for the renovation of the James E. Davis Art Building and other facets of the Cultural District were well underway. Negotiations between insiders and the BAM LDC had essentially ceased, but tensions among insiders became more apparent. Insider conflict that became manifest during the Cultural District debates diminished the potential for developing broad strategic alliances in response to other

development concerns, such as the Brooklyn Atlantic Yards (BAY) plan,¹ and racial identity became the central characteristic for organizing distinct insider perspectives.

Through informal conversations with some longstanding merchants I learned that the signs and symbols of change throughout Fort Greene, coupled with the acceptance of the Cultural District, depoliticized the Pioneers, Old-Timers and Newcomers who had envisioned Fort Greene as a black enclave. The earlier community building project articulated by merchants had been usurped by unfettered market forces, conventional economic development, and community fragmentation. Factors that initially drew black merchants to Fort Greene - racial unity, positive black culture, savvy black entrepreneurs, middle-class black residents, an engaged elected official, and the potential to construct a black enclave – were no longer publicly discussed. Even among the more nostalgic merchants, visions of the enclave had become unrealistic ideals. The strategies, goals and aspirations articulated by community advocates (e.g., Develop Don't Destroy) focused on refuting BAY redevelopment rhetoric did not mobilize large numbers of black merchants and residents in Fort Greene. The message "develop don't destroy" did not resonate with black insiders who understood their interests and concerns as being obscured and diminished much earlier with the Cultural District.

For most untutored observers of the economic and cultural revival of Fort Greene, the world-renowned Brooklyn Academy of Music is credited with forging the change. From the disparaging rhetoric regarding Fort Greene's past, in which crime, fear and abandonment framed the popular neighborhood image, it logically follows that BAM (or another large institutional investor) anchored revitalization that led to the neighborhood's renaissance. The longevity of BAM in Fort Greene, coupled with its notable investments during the late-1990s, is considered by some to be evidence of BAM's catalytic influence on the emergence of vibrant neighborhood retail.

An historical perspective of revitalization in Fort Greene highlights alternative explanations, particularly the agency of black neighborhood merchants who stabilized and revived Fort Greene prior to investments from BAM or other institutional actors. A temporal perspective on Fort Greene raises questions about the meaning of revitalization. More pointedly, it raises concerns about how revitalization is perceived when black inner-city neighborhoods remain predominately black following revitalization. Conventional wisdom, reinforced by gentrification scholarship (Eade and Mele, 1998; Kasinitz, 1988), suggests that the tone of inner-city neighborhoods changes once they are revived. When race is employed as a tacit or explicit proxy of neighborhood conditions, it calls into question what types of actions are considered legitimate neighborhood enhancements.

¹ A Forest City Ratner mixed use real estate development, which includes a 19,000 arena for the NBA Nets (which Bruce Ratner jointly purchased in 2003), over 4,000 units of housing, over 2.4 million square feet of office and retail space, six acres of open space and a parking garage for approximately 3,000 cars (Pratt, 2005).

The BAY redevelopment plan may have illuminated conflict among insiders² but this concluding chapter explains how conflict among insiders preceded the BAY announcement. The environmental impact of the BAY, which was proposed by the developer Forest City Ratner and drawn up by Frank Gehry, the primary architect, remains under review. Throughout the review process, insiders (proponents and opponents) have been ensnarled in contentious debate over the perils and advantages of the plan. To the casual observer, the BAY project represents an obvious transgression in democratic planning and decisionmaking, and an insidious feature of public-private development interests that can evade accepted protocol and shape public perception by manipulating visual and rhetorical images (e.g., defining the neighborhood as "blighted"), messaging strategically (e.g., promoting the production of housing and job creation) and invoking nostalgia (e.g., restoring the integrity of Brooklyn lost with the Dodgers). In addition to promoting the banal rhetoric of redevelopment, Forest City Ratner strategically leveraged racial fissures in Fort Greene and used black insiders to buttress the BAY proposal. Despite a cross-racial distrust of capital (development) interests, black and white insiders have been unable to develop a strategic alliance. The current fragmentation is tied to differing beliefs about the neighborhood's identity, neighborhood characteristics worth preserving and enhancing, and by extension the facets of urban redevelopment that help or hinder each side's neighborhood vision.

In the concluding chapter I address two central aims: first, I further explore conflict among insiders as a function of ambiguity regarding the meaning of inner-city revitalization that was heightened during the BAY debates; second, I distill from the Fort Greene case important implications for reconsidering inner-city revitalization by reflecting on urban enclave formation as a laudable goal. If enclaves (and other urban districts) are understood as shaping the comparative advantage of cities, meaning that visitors and residents are attracted to cities that value the unique character of enclaves, how can urban planning practices and policy tools support and sustain these urban areas. More specifically, a long-term view of dynamics in Fort Greene suggests the need for greater analytic clarity about what constitutes inner-city neighborhood revitalization, especially within racialized areas, and how conceptions of revitalization inform accepted (and devalued) planning and policy practices. How might planning practice and public policy consider alternative options for producing "good" inner-city neighborhoods? While the question is seemingly pedestrian, the meaning of "good," "developed," or "revitalized" inner-city neighborhoods remains unclear, and is further blurred when the neighborhood is predominately black.

² The Empire State Development Corporation's Environmental Impact Statement (EIS) for the BAY redevelopment project is still under review. If the BAY plan is developed as envisioned it would be the largest development in Brooklyn's history as it includes sixteen new skyscrapers, an 18,000-seat sports arena, and more than eight and a half million square feet of new development (Municipal Arts Society, 2006).

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