Title
Global-Local Linkages in the Community Economic Development Field

Permalink
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Publication Date
2006-02-28

Peer reviewed
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Community Economic Development (CED) is commonly described as a quintessentially local project, one in which communities reconstruct dysfunctional markets as a way of reconstituting social relations and building political strength. As social policy, CED emphasizes local participation in the design and implementation of affordable housing, job creation, and financing programs. From the perspective of progressive lawyering, CED—which is associated with a form of transactional practice focused on negotiating deals on behalf of community-based organizational clients—values grassroots organization, accountability to community members, and local empowerment. This emphasis on localism, although underscoring important structural aspects of CED practice, can also divert attention from the ways in which CED is embedded in regional, national, and global institutional environments—and how such institutional environments shape opportunities for collective action. This essay therefore seeks to widen the lens of traditional CED analysis by making the connection between the local context within which CED activity is ultimately played out and larger processes of globalization that structure opportunities and constraints. In particular, it identifies major global-local linkages within the field of CED, examining how they generate possibilities for grassroots activism and progressive lawyering, while also setting limits on what they can achieve.

Diffusion

Globalization is not a unified force, but rather a set of competing processes, each seeking to assert itself on the international stage. Neoliberalism is a dominant version of...
globalization associated with market liberalization, free trade, and smaller government. 6 But there are other “counter-hegemonic” globalizations, symbolized by the “anti-globalization” protests at the 1999 Seattle meeting of the World Trade Organization. From a social change perspective, one question is how dissident ideas surface and become communicated from one location to another. The diffusion of ideas can happen deliberatively, as when intermediaries connect groups across borders, or more fluidly, as when groups in one country adapt ideas generated abroad to the local context. 7 One of the main features of globalization is that advances in technology make diffusion easier, thus facilitating the communication of information across expanses of time and space. 8

Within the field of CED, the diffusion of business development models through transnational networks is one important way in which international practice has made its imprint on domestic advocacy. 9 As Dyal-Chand and Pitegoff highlight in this volume, 10 two well-known models of business activity in the American CED context are microenterprise and worker-owned cooperative development. Microenterprise is associated with the provision of “small loans, peer support, and/or technical assistance” to very small businesses, 11 usually defined as those with fewer than five workers or capitalized with less than $5,000. 12 Despite academic skepticism of microenterprise’s effectiveness as a job creation strategy, 13 microenterprise has nevertheless gained attention in US policy-making circles as one model of welfare-to-work, resulting in explicit governmental support for microenterprise programs. 14 It has also become an important aspect of CED lawyering. 15 Part of the appeal of microenterprise lies in its resonance with the entrepreneurial ethic of American capitalism. Cooperative development, on the other hand, stresses an ethic of collectivism that is in tension with

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7 Donatella Della Porta & Sidney Tarrow, Transnational Processes and Social Activism: An Introduction, in Transnational Protest and Global Activism 1, 3 (Donatella della Porta & Sidney Tarrow eds., 2005).

8 Id. at 4.

9 The defining work on transnational networks is Margaret E. Keck & Kathryn Sikkink, Activists Beyond Borders: Advocacy Networks in International Politics (1998).

10 See Rashmi Dyal-Chand, Lawyering the Microcredit Industry: An Essay on Practice and Theory, this volume at ___; Peter Pitegoff, The Market for Change: Community Economic Development on a Wider Stage, this volume at ___.


14 See Jones, supra note 11 at 91-92 n.30 (listing federal government programs supporting microenterprise).

the core principle of American individualism, while promoting a notion of worker ownership at odds with basic tenets of rational choice economic theory. Accordingly, cooperative development has not been spotlighted in the national policy debate, but has instead maintained a strong, if limited, following among grassroots CED practitioners.

What both microenterprise and cooperative development have in common, though, is an international lineage. Interest in microenterprise development can be traced to the microlending model made famous by the Grameen Bank in Bangladesh. The Bank, founded in 1983, gained notoriety for its use of peer-based lending, in which uncollateralized loans are made through small solidarity groups that monitor borrowers and create incentives for repayment by conditioning the ability of other group members to borrow upon repayment of outstanding member loans. It now attracts financial support from all over the world, including the World Bank. Acción International, started in 1973, has also used a version of the solidarity group to provide microcredit to the poor in Latin America. These international efforts, and others like them, have inspired the formation of microenterprise programs in the US. With the support of foundations like the Charles Stewart Mott Foundation (which began making major investments in the microenterprise field in 1985), intermediary groups like the Corporation for Enterprise Development, and research centers like the Aspen Institute’s Self-Employment Learning Project, the US microenterprise industry expanded rapidly in the 1990s, with well-known groups like the Chicago Women’s Self-Employment Project and California’s Coalition for Women’s Economic Development receiving national attention for their work with women microentrepreneurs. These initiatives, in turn, created opportunities for progressive lawyers to represent both microenterprise programs and microentrepreneurs, while drawing the attention of legal academics interested in alternative methods of building grassroots businesses.

Similar transnational networks have promoted worker-owned cooperatives as a CED tactic. Cooperative business development was made famous by the success of the Mondragon cooperatives in the Basque region of Spain, which began operating in the 1950s and have grown into a large and diversified industrial structure. Asserting the priority of labor over capital, worker cooperatives, in contrast to the conventional...
corporate form, have a legal structure that attaches the rights to vote on business affairs and to receive a share of business profits to the status of being a worker.26 The cooperative emphasis on worker control and democratic governance has made it attractive to progressive activists and lawyers seeking to replace workplace hierarchy with greater collaboration and empowerment.27 With the support of the Industrial Cooperative Association, established in 1978 to support worker ownership, the Mondragon model was first codified in Massachusetts;28 all states now have general cooperative statutes that can be used to form worker cooperatives, while a number of states have specific worker cooperative statutes.29 In the wake of 1980s deindustrialization, the cooperative idea gained momentum among labor organizers as a way of leveraging worker ownership in the face of industrial plant closings.30 More recently, with the support of progressive foundations,31 the cooperative has re-emerged among activists and progressive lawyers in urban centers experimenting with different forms of immigrant worker organizing in industries like day labor and domestic service.32

While international initiatives have provided templates for bringing microenterprise and cooperative development into the US CED field, they have also exposed the limitations of efforts at domestic implementation. Although there are some positive results,33 the success stories in both the microenterprise and cooperative arenas are generally few and far between, with domestic programs unable to approach the scale and sustainability of their international counterparts. One reason for this is the dramatically different social, political, and economic environment in the US. For instance, while successful cooperatives abroad have been situated in regions characterized by strong cultural commitments to egalitarian social arrangements and have received significant governmental assistance,34 cooperatives in the US cut strongly against the ideological grain and often must make due with meager foundation support. Microenterprise, in contrast, may resonate with dominant cultural themes of self-help; however, it operates in

30 See Ellerman & Pitegoff, supra note 26, at 448-49; see also Deborah Groban Olson, *Union Experiences with Worker Ownership: Legal and Practical Issues Raised by ESOPs, TRASOPs, Stock Purchases, and Cooperatives*, 1982 Wis. L. Rev. 729 (1982).
31 In Los Angeles, for example, the Liberty Hill Foundation has funded organizations developing worker cooperatives. See Liberty Hill Foundation, *The Seed Fund*, at http://www.libertyhill.org/donor/seed.html (awarding $15,000 in 2005 to the Pilipino Worker Center of Southern California to help support a workers cooperative).
32 See Cummings, supra note 1, at 477; Cummings, supra note 26, at 189-94.
33 See CLARK & KAYS, supra note 21, at vii (reporting at a “very large majority—72%—of poor microentrepreneurs experienced gains in household income over five years”); Pitegoff, supra note 29, at 252-55 (discussing the Cooperative Home Care Associates).
34 See *The Mondragon Cooperative Movement*, supra note 25, at 4 (discussing the influence of Catholic Social Thought on the development of the Mondragon cooperatives); Gulati, Isaac & Klein, supra note 16, at 1430-33 (highlighting the support of government officials and leftist unions in launching the Kerala Dinesh Beedi cooperative).
a domestic context where the economic opportunity structures and regulatory environment do not favor its growth. Unlike the more isolated villages in Bangladesh and Latin America where it has had some success, microenterprise in the US typically competes in more developed and interconnected urban markets, making self-employment a high-risk venture—one that many low-income people would not choose over sustained wage employment. In the US context, licensing requirements also raise barriers for low-income entrepreneurs that may not exist in less developed countries. There are, of course, entrepreneurial opportunities in the informal sector of the economy, but these are even more volatile and subject to abuse.35

Moreover, to the extent that microenterprise and cooperative development have focused on welfare recipients and immigrant workers, they target populations that have the hardest time making the transition to self-employment.36 These limitations speak to the major difficulties of adapting business models from less developed countries to the most highly developed and globally integrated economic system in the world, where small-scale business owners must carve out specialized niches in protected economic sectors or open themselves to the forces of international competition.

**Internationalization**

A key issue in studies of globalization and the law is how international influences shape the political opportunities faced by domestic lawyers in their daily practice.37 How has economic globalization, particularly its neoliberal form, structured the domestic opportunities for CED? One way is through the alignment of the domestic political system with the free market principles of neoliberalism.38 There are many aspects of this alignment, as well as many counter-examples of ways in which domestic policy has deviated from neoliberal ideas. However, in the area of social welfare programs, the push to shrink federal government entitlements has met with considerable success, taking the shape of decentralization and privatization initiatives, which have been carried out over the past twenty-five years.39 CED, viewed as a self-help alternative to the welfare state defined by local community action to promote private market development, has emerged as an important component of this neoliberal social policy regime.

Both the decentralization and privatization impulses can be seen in the design of CED programs. Since the 1970s, the shift has been away from federally centralized antipoverty programs and toward more flexible block grants—such as the Community Development Block Grant and HOME Investment Partnerships programs—which

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36 See, e.g., Howells, supra note 13, at 168 (“Individuals who are dependent on welfare find themselves in circumstances that are inversely related to successful business entrepreneurship.”).


distribute funding for economic development and affordable housing to local governments, while mandating specific requirements for community participation in the planning process. CED also reflects the move toward greater privatization. Nonprofit community development corporations have long been key vehicles for developing housing, creating jobs, and providing social services like child care, health care, and job training.\(^{40}\) In order to encourage private investment in low-income communities, CED policy has also created incentives to promote for-profit business involvement in local development activities. For example, the Low-Income Housing Tax Credit Program, which since its creation in 1986 has been the largest supply-side affordable housing program, subsidizes private development through the sale of federal tax credits to private investors. A similar program, called the New Markets Tax Credit, is now in place to subsidize business development in low-income neighborhoods. The HOPE VI program, which funds major public housing demolition and rehabilitation, is also designed to leverage private investment to develop mixed-income, low-density, affordable housing.\(^{41}\) In addition, there are federal subsidies available for community development financial institutions that leverage private resources to meet the banking needs of poor areas.\(^{42}\) The rise of CED, in turn, has created opportunities for a distinct type of lawyering in poor communities that deploys transactional skills to help community organizations undertake complex public-private housing and commercial development deals.

In addition to shifting the domestic policy terrain in ways that have promoted CED, neoliberal policy has also produced significant economic restructuring in major metropolitan areas, which are the primary locations of CED activity. Sassen has focused on how market liberalization and free trade have been associated with the development of the “global city,” which includes “centers for the servicing and financing of international trade, investment, and headquarter operations” at the high end, and spaces for low-income “others”—African Americans, immigrants, and women occupying low-wage service industry jobs—on the low end.\(^{43}\) This segmentation creates division and marginality, visible in the dynamics of neighborhood gentrification and displacement, as well as the extension of underground economic activity.

But the concentration of haves and have-nots within a defined geographic space also produces opportunities for political organization and resistance. One significant development has been the creation of community-labor coalitions that have sought to take advantage of the leverage points in urban economies to press for opportunities for the working poor. These coalitions have focused on organizing around non-exportable job centers in the global city: the service sector—particularly the janitorial and hospitality industries—and the local governmental sector. Los Angeles, for example, has been the site of a number of innovative organizing campaigns, most notably the Service Employees International Union’s Justice for Janitors and home health care workers


\(^{41}\) See Ngai Pindell, Is There Hope for Hope VI?: Community Development and Localism, 35 Conn. L. Rev. 385 (2003).


campaigns,\(^{44}\) as well as the more recent success of the Hotel Employees and Restaurant Employees International Union in negotiating a favorable contract with several major Los Angeles hotels. In conjunction with local community organizations such as the Los Angeles Alliance for a New Economy, the unions have engineered a string of local organizing successes, which have included the passage of a living wage ordinance in 1997,\(^{45}\) and the enactment of a “superstores ordinance” that requires big-box retail stores of over 100,000 square feet (read: Wal-Mart) to undertake independent studies of their economic impact in order to obtain necessary land use entitlements from the city.\(^{46}\)

In addition, community-labor coalitions have successfully negotiated a series of “community benefits agreements” with publicly subsidized developers, which require that developers provide specific levels of affordable housing, jobs, and other benefits in exchange for community support for project approvals and public subsidies.\(^{47}\) Recent agreements in connection with the redevelopment of downtown Los Angeles and the Los Angeles International Airport have resulted in significant funding for affordable housing and job training programs. Progressive lawyers have played critical roles in representing coalition groups in these campaigns,\(^{48}\) using the leverage afforded by the legal process for approving development entitlements and environmental standards to draft innovative agreements.\(^{49}\) These forms of CED activism have therefore sought to repoliticize the process of local market construction, making explicit the distributional aspect of local governmental support for development projects.

Transnationalism

The emergence of transnational migratory circuits has reconfigured the concept of “community” across national borders,\(^{50}\) giving rise to new versions of CED. Two types of immigrant organization receive attention here: Mexican hometown associations—grassroots organizations that transfer immigrant remittances to development projects in México—and day labor associations.

Mexican hometown associations have a long history in the US and, in this respect, parallel the formation of mutual aid associations by immigrant groups from all parts of

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\(^{44}\) See Gordon, supra note 35, at 62-63.

\(^{45}\) See Cummings, supra note 1, at 471.


\(^{48}\) Id.


Although there were Mexican associational structures in the US dating back to the nineteenth century, providing welfare services to community members and promoting cultural traditions, the first Mexican mutual aid associations arose in the 1920s.51 The establishment of the first contemporary hometown associations can be traced to the 1950s and one association from the Mexican state of Chihuahua (Club Avala in Los Angeles) has been in continuous existence since that time.52 The formation of hometown associations reflects the hometown-based migratory pattern of Mexican immigration. Mexican immigrants to Los Angeles, for example, are overwhelming from the states of Jalisco, Michoacan, and Zacatecas.53 This pattern is reflected in the size and strength of local hometown associations: La Federación de Clubes Zacatecanos del Sur de California (Federation of Zacatecan Clubs of Southern California), along with the Federación de Clubes Jalisciences (Federation of Jaliscan Clubs), are the two largest and most influential hometown associations in Los Angeles.54

Although hometown associations have tended to form organically to meet the needs of both migrants and hometown communities alike, they have received significant support from the Mexican government. In Los Angeles, for instance, the Mexican Consulate plays an important role in promoting the formation and expansion of hometown associations. Consular staff keeps a database of Mexican immigrants who have applied for identity cards and informs hometown members of visits from their municipal government officials, which are financed by México.55 The Consulate fosters hometown associations to advance a variety of governmental goals: “The consuls are apt to see the associations as vehicles for providing services and protection to Mexican citizens in the U.S., for identifying ‘natural leaders’ in the Mexican community, and for developing awareness of Mexico’s position on issues.”56 In addition to consular services, US-based support for hometown associations has also emerged within university and foundation circles. Major foundations, such as Rockefeller and MacArthur, have funded hometown association research and activism, while university-based centers, such as UCLA’s North American Integration and Development Center57 and USC’s hometown association leadership group,58 have fostered academic and community-based work.

As a result of this support, the number of official hometown associations has grown significantly in recent years. “By 1998, some 500 Mexican hometown associations in the United States had registered with Mexican consulates.”59 In Los Angeles alone, there were 170 registered hometown associations in 1998 and nearly 230 in 1999.60

52 Id.
54 Id. at 15-18.
55 Id. at 8.
56 LEIKEN, supra note 51, at 14.
59 LEIKEN, supra note 51, at 12.
60 Id.
number is undoubtedly higher. The structure of these hometown associations is varied. Although some individual hometown associations are nonprofit organizations with federal tax-exempt status, the majority are unincorporated associations. Some, like those from Zacatecas and Jalisco, form federations that link together intra-state hometown associations.\(^{61}\) The federations tend to be tax-exempt, nonprofit corporations, and they play a particularly important role in the coordination, selection, and approval of hometown development projects.

Hometown associations engage in a broad range of activities both in the US and México: they provide social fora, offer legal and immigration assistance, furnish job referrals, and promote cultural traditions.\(^{62}\) There is also evidence of hometown association involvement in US and Mexican political activities.\(^{63}\) What is unique about hometown associations from a CED perspective is that they create an economic nexus between local Mexican development projects and the Mexican Diaspora. In particular, hometown associations are vehicles for raising funds, typically through events such as dances and beauty pageants, that are used primarily to subsidize public works projects in the hometown community.\(^{64}\) Examples of these projects include hospitals, water sewage treatment plants, roads, schools, and health clinics.

Much has been made of the amount of immigrant remittances and their impact on Latin American economies. Indeed, the magnitude of remittances is growing at a staggering pace. In 2000, remittances by Mexican emigrants were estimated at $8 billion, representing “the country’s third-largest source of foreign exchange.”\(^{65}\) By 2004, the amount had more than doubled, to $17 billion.\(^{66}\) Yet the portion of remittances actually channeled through hometown associations—referred to as “collective” remittances\(^ {67}\)—is only a subset of the total, and the portion spent on economic development projects, although growing, is still relatively minor.

Much of the reinvestment that occurs has been spurred by governmental initiative. Most significant is the Programa de Atención a Comunidades Mexicanas en el Extranjero (Program for Mexican Communities Abroad, or PACME), which was started by the Salinas administration in 1990 in response to the growing demographic presence of Mexican emigrants. The objectives of PACME are to develop cooperative relationships

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\(^{61}\) See Zabin & Escala, supra note 53, at 8 (noting that the Federación de Clubes Zacatecanos had 51 member clubs as of 1998, while the Federación de Clubes Jaliscienses had 49).

\(^{62}\) See LEIKEN, supra note 51, at 15.

\(^{63}\) See Zabin & Escala, supra note 53, at 14, 23-33


\(^{65}\) See Meg Sullivan, supra note 58; see also DAVIS, supra note 63, at 80 (“More than ever, repatriated ‘migradollars’ (an estimated $8 billion to $10 billion annually during the 1990s) are a principal resource for rural communities throughout Mexico and Central America.”); INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, 1999 WORLD DEVELOPMENT INDICATORS (1999) (finding that remittances to México were valued at almost $5 billion in 1997).


with US-based Mexican American and Mexican organizations; augment the lobbying power of México in the US; assist immigrants subject to abuse in the US; and improve the image of Mexican migrants in México.68

PACME staff, in connection with Mexico’s state and local governments, have been critical in the development of a number of different government programs designed to augment remittances. The most important program is called “Three for One,” which is a matching grant initiative under which Mexico’s federal, state, and local governments contribute one dollar for every dollar raised by hometown associations for approved projects. This program was initially created as a tri-partite relationship between hometown associations, the state government of Zacatecas, and the Salinas administration.69 The program was then revised to include a contribution from the municipal government as well (hence “Three for One”).70 In 1998, the first year of Three for One, “the Zacatecas state program raised nearly $5 million for 193 projects focusing on infrastructure development in twenty-seven Zacatecas municipalities.”71 In the case of Zacatecas, projects submitted to hometown associations in the US must receive approval of the Federation, the local mayor, and relevant state officials in Zacatecas before work begins.72 Other states have started similar programs.73

The bulk of hometown association remittances have been used to fund infrastructure development, the donation of equipment for nonprofit purposes, charitable ventures such as the construction of orphanages, and educational programs such as scholarship funds and school construction.74 Job creation efforts have been given a lower priority, although there is a growing effort to invest in “productive projects.”75 At the supranational level, the North American Development Bank, chartered under NAFTA, has established a Community Adjustment and Investment Program designed to support business development in Mexican communities.76 At the federal level, the Mexican government has initiated FONAES, a program that guarantees loans and coordinates lines of credit for

68 See LEIKEN, supra note 51, at 9-10.
69 See LEIKEN, supra note 51, at 35 (“During the Salinas administration between 1993 and 1995, the Two for One program was a federal operation coordinated by the PCME and the Ministry of Social Development.”); B. LINDSAY LOWELL & RODOLFO O. DE LA GARZA, THE DEVELOPMENTAL ROLE OF REMITTANCES IN U.S. LATINO COMMUNITIES AND IN LATIN AMERICAN COUNTRIES 13 (2000), available at http://www.thedialogue.org/publications/pdf/lowell.pdf (“In 1992, the Mexican state government of Zacatecas began a formal tripartite two-for-one ‘matching fund’ project—that is, for every dollar donated by the emigrants, the federal and state governments each contributed an additional dollar.”).
70 LEIKEN, supra note 51, at 35.
71 Id.
72 Id. (“The funding, project selection, execution, and monitoring process have been formalized and unified. Accordingly, the process begins with a project proposal’s presentation to its federation, after an analysis of the village’s needs. If approved, the federation submits the proposal to the representative of the Zacatecas state government in Los Angeles and to the Presidente Municipal (mayor) for approval. The mayor sends the technical plan to the relevant state offices. If it is approved, work begins on the project.”)
73 Id.
74 See Zabin & Escala, supra note 53, at 13.
75 Telephone Interview with Efrain Jimenez, Secretary of Projects, Federación de Clubes Zacatecanos (Sept. 26, 2005). Jimenez notes that under the Three for One system, contributions from the municipal and state governments for productive projects are made in the form of interest-free loans. Id.
productive investments, typically in small-scale agricultural or industrial projects.\textsuperscript{77} State programs are also expanding. In Jalisco, remittances are being used to support a state-subsidized fund designed to support microenterprise in poor areas.\textsuperscript{78} Programs in Guanajuato and Guerrero have also been implemented to promote business investment.\textsuperscript{79} Guanajuato, in particular, has promoted hometown association investment in local maquiladoras.\textsuperscript{80} However, these programs are in their infancy and collective remittances continue to be invested in job creation activities to a lesser degree than public works projects, although some hometown associations—most notably the Federación de Clubes Jalisciences\textsuperscript{81}—are working to change this.

The emergence of hometown associations as important grassroots actors in immigrant communities has created new opportunities for CED lawyering.\textsuperscript{82} A handful of CED lawyers in Los Angeles have taken advantage of these opportunities by conducting trainings and providing direct legal assistance to a number of hometown associations on issues related to organizational structure, tax-exemption, contract formation, and cross-border investments. The provision of this type of legal assistance is primarily designed to foster the collective action of hometown groups by helping to strengthen organizational structures. Many hometown associations are nonprofit corporations and even those that are not often have formal organizational documents, such as bylaws or membership rules. These structures and rules are designed to promote cohesion and create an atmosphere of seriousness that fosters member commitment. They create protocols for collective decision making and mechanisms for accountability. In addition, tax-exemption makes it easier for hometown associations to raise funds from private donors, as well as receive other types of philanthropic and charitable support.

\textsuperscript{77} See Ortiz, supra note 64, at 20; Zabin & Escala, supra note 53, at 14.
\textsuperscript{78} See Leiken, supra note 51, at 35 (“In Jalisco, a fiduciary fund Fideraza, through a mechanism called Raza Express, provides nonbanking financial services to those who send remittances to their families. The purpose is to create a guaranteed fund (Fondo de Garantias) with an initial donation by the state government and 25 cents for every dollar remitted. The fund is dedicated to the support of small and micro enterprises in the regions of highest migration.”). Jalisco has also established a fund called Fojal, which is directed toward productive investments. Unlike Fideraza, however, Fojal funds are mostly given in the form of loans with interest rates typically quite high. See Ortiz, supra note 64, at 20.
\textsuperscript{79} See Leiken, supra note 51, at 36-37 (discussing Guanajuato’s Mi Comunidad program, designed “to create sources of employment in the poorest communities through the participation of hometown associations in the U.S.,” and the Guerrero-Chicago program, establishing a three-for-one matching program for productive development projects).
\textsuperscript{80} See Lowell & De la Garza, supra note 68, at 15 (“[T]he Mexican state government of Guanajuato has taken a lead in pitching investment in garment maquiladoras to its émigré HTAs. Although not large manufacturing plants, these cost $60,000 to $100,000, employ more than 30 people each, and include many investors on the board of directors.”); Michael Peter Smith, The Social Construction of Transnational Citizenship, 9 U.C. Davis J. Int’l L. & Pol’y 105, 114-15 (2003).
\textsuperscript{81} See Ortiz, supra note 64, at 17.
\textsuperscript{82} Progressive lawyers have also supported other types of transnational immigrant groups. California Rural Legal Assistance’s Indigenous Farmworker Project, for instance, has worked with the Frente Indígena Oaxaqueño Binacional, a binational organization engaged in political and economic organizing in the US and México on behalf of indigenous Mixtec and Zapotec immigrants. See Jack Daniel, Alegria de la Cruz, Mike Meuter & Jeff Ponting, Indigenous Farmworker Project: Legal Protection for California’s Isolated Farmworkers, 38 CLEARINGHOUSE REV. 290 (Sept.-Oct. 2004); Gaspar Rivera-Salgado, Transnational Political Strategies: The Case of Mexican Indigenous Migrants, in IMMIGRATION RESEARCH FOR A NEW CENTURY: MULTIDISCIPLINARY PERSPECTIVES 134, 141 (Nancy Foner, Ruben G. Rumbaut & Steven J. Gold eds., 2000).
However, the political terrain of hometown association work constrains its utility as a model of immigrant empowerment. In México, the institutionalization of remittance programs has placed final approval of development projects in the hands of government officials. Hometown associations, as grassroots actors, are cast in the role of institutional clients of the state, recipients of a state service rather than independent developers of indigenous projects. In addition, while Three for One and other matching fund programs create opportunities for leveraging remittances, they also provide mechanisms for co-optation by elites. The results of this can be seen in the types of projects that are funded with remittances. Perhaps the starkest example of this is Guerrero’s program to use remittances to fund the expansion of garment maquiladoras, where low wages and lax labor standards are prevalent. In this case, money earned by low-wage immigrant workers in the US is used to fund productive enterprises in México that reproduce low-wage jobs.

Day laborer economic development initiatives are also linked to transnational migration. Day laborers are immigrant men who congregate on street corners in search of informal work arrangements. A number of factors combine to generate day labor: large-scale immigration, global economic restructuring, and the decline of formal work activities regulated by the state. According to a 1999 study, in Southern California alone, there are between 15,000 and 20,000 day laborers who assemble at over 100 day labor sites. Sites vary based on the type of labor activity involved. Some are connected to specific industries and are thus located adjacent to relevant retail stores—home improvement stores, nurseries, paint vendors, and moving van companies are examples. Other sites are not tethered to specific industries, but rather have arisen by virtue of convenience or historical accident. Still other sites are sponsored by government entities or community-based organizations.

The day labor industry in Los Angeles is bifurcated. While most day laborers in Los Angeles are from México (about 80 percent) and about half have been in the US for less than five years, almost twenty-five percent have been in the US for more than eleven years and ten percent for over twenty years. While most face poor working conditions, earn low wages, and view the work as transitional, a significant number of day laborers are “value entrepreneurs”—that is, “their participation in [the day labor market] is somewhat optional, in part driven by values and attributes not necessarily related to wages or yearly earnings.”

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83 For instance, in the Zacatecas Three for One program, projects proposed by hometown associations must be approved by governmental officials at the federal, state, and local levels to qualify for matching funds. See Telephone Interview with Jiminez, supra note 75.
85 Id. at 1.
86 Id. at 5.
87 Id.
88 Id.
89 Id. at 6.
90 Id.
91 Id. at 14.
Lawyers have responded to the dual nature of day labor work by instituting a number of different economic development activities to enhance day laborer economic opportunity and to protect laborers from workplace abuse. For the majority of day laborers facing exploitation and arduous conditions, lawyers have sought to raise labor standards by fostering collective organizing and enhancing employment skills. Examples of these projects include formal associations designed to aggregate bargaining power to create wage thresholds, as well as education and outreach programs designed to enhance social capital. There has also been a major effort to establish day labor centers in connection with the development of Home Depot stores, which attract large day labor contingents. For those day laborers who fall into the “value entrepreneur” category, lawyers have sought to capitalize on their entrepreneurial skills to move them from contingent worker status to licensed contractors or other types of small business owners.

Conclusion
Mapping the impact of globalization on domestic CED efforts highlights the nature of current transnational linkages and spotlights innovative grassroots responses to global economic and political processes. From the perspective of progressive lawyering, it also underscores the scale of the challenges to coordinated action on behalf of marginalized domestic groups. In the end, community-level business development or organizing initiatives can do little to counteract the accumulation of power at the height of the global economy, where highly networked, heavily capitalized transnational corporations are able to use their leverage to influence social policy around the world. For progressive lawyers representing groups linked into the global marketplace, the issue becomes how they can use their connections and expertise to institutionalize local efforts, expand their linkages to other social movement actors, and make strategic connections with more powerful economic and political allies. As one possible example, lawyers working with community-labor coalitions advocating for stronger labor standards in local redevelopment could work with hometown associations to attach labor-enhancing conditions on remittances. By experiment with these types of collaborations, progressive lawyers might begin to meet the challenges posed by globalizing markets, using their skills to give voice to the concerns of the less fortunate in the ongoing project of constructing the new global order.

94 Neighborhood Legal Services in Los Angeles has worked to initiate one such program, sponsoring a UCLA law student to develop a project to help day laborers become licensed contractors. See C. Pamela Gómez, The Feasibility of a Contractor’s License for Day Laborers (on file with author).