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The Informal Welfare State in Philadelphia: Recasting Polanyian Insights for the Kensington Recovery House Movement

This paper focuses on a selective scale of welfare state transformation in postindustrial Philadelphia. Specifically, the paper explores, ethnographically and theoretically, the relationship between the restructuring of an urban and state-level social welfare system, on the one hand, and informal street-level urban poverty survival strategies, on the other. A central objective of the paper is to understand the nexus between the lived experience of addiction/recovery and the devolution and implementation of social welfare policy and practice reforms. I seek to understand how this nexus differentially distributes life opportunities for poor and predominantly African American drug users. In this respect, my work is situated in a long line of scholarship that envisages welfare systems as fundamentally stratifying institutions, insofar as they differentially distribute rights and opportunities along racial, class, and gender lines.

And yet while the stratifying functions of welfare practices have long been recognized, there has been a paucity of empirical work on the sifting and sorting mechanisms of contemporary welfare arrangements operating in the granular realm of urban informality. Through the use of an ethnographic case example, the paper contends that nuanced transformations operating across institutional scales—from the micro to the mezzo and macro level—are essential to the project of making and remaking of citizenship in accordance with the broader political economic imperatives of postindustrial capitalism. Contrary to the prevailing argument that the ostensible end to Marshalian statecraft has led to the end of the welfare state, a central analytic objective is to illustrate how welfare arrangements—albeit perhaps in altered form and yet still or even *especially* in an era of

market liberalism—are more necessary than ever for the empowerment of a new class of market actors via dis-embedding and re-commodification.

My work unpacks the ways in which small scale state building projects—formal and informal—entail a making and remaking of race, rights, and citizenship in accordance with the regulatory imperatives of the welfare state and the political economy of postindustrial Philadelphia. As Schram, Soss, and Fording[1] point out, poverty governance can never be fixed. It must always keep time with the political and economic rhythms of urban restructure. In this sense my analysis provides theoretical nuance to the pressing questions explored by the authors of this series: how can welfare scholars better discern historical novelty from continuity in the transformation of welfare arrangements? How are social rights changing, in geographically contingent and politically specific ways, as market discipline forges alliances on the ground across the institutionally inherited landscapes of welfare reform? I contend that empirical exploration of informal arrangements in the poor relief tradition, or outdoor relief, are an essential part of this puzzle. These relatively obscure and inexpensive programs are continuously essential to setting the rules of the game and the conditions of possibility for the management, regulation, and governance of problem or surplus urban populations. And yet, urban informality as pertains to welfare remains vastly understudied.

This paper proceeds as follows. First, I begin by exploring – selectively – the extant literature preoccupied with historical transformations in the *regulatory functions* of relief and security. Welfare theorists have taken up the question of regulation from varying philosophical and theoretical positions, and at different points in time: from its Poor Law foundations to its Victorian era antecedents in civil society to its national (Keynesian, Fordist, New Deal/Great Society) form in the welfarist era and its market form in the post-welfare (neoliberal, post-Keynesian, post-Fordist, advanced liberal) era. A brief analysis of these debates, relying critically on Polanyi's notion of the

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[1] Soss, J, Fording, R, & Schram, S. (2011). *Disciplining the Poor: Neoliberal Paternalism and the Persistence of Race.* Chicago: University of Chicago Press.

double movement, sets the stakes for empirical study of the present. In the second section of the paper, I explore the pathways and channels of informal welfare restructure in the Kensington recovery house movement by studying mezzo level institutional arrangements in public welfare and licenses and inspection, the two nominal entities (excepting OAS) charged with oversight by default.

Polanyi's *Great Transformation*: Townsend, Speenhamland, and the double movement

> The study of Speenhamland is the study of 19th century civilization … our social consciousness is cast in its mold[2].

Ample debate has transpired about the ways in which the transformation from a Keynesian/Fordist welfare state to a post-Keynesian, 'post-welfare' regime of capitalist accumulation has produced new (i.e., historically novel) modalities of welfare governance and a concomitantly new mix of rights, responsibilities, and opportunities for poor citizens. A central analytical objective of this paper is to consider how one might go about the task of discerning the extent to which continuity versus rupture is sought in the shifting regulatory principles of contemporary welfare policy and practice. Late 20th century claims as to the subjugation of the political to the economic and the declining significance of national sovereignty producing a wholesale root-and-branch realignment of welfare states are now subject to criticism, qualification, and revision. It is perhaps more prudent for welfare critics to consider how the institutionally-inherited landscapes of welfarism continue to *matter* in contemporary urban welfare state restructure. Vestigial welfare forms fundamentally slow the rate of change (Polanyi, 1944), producing chronic unevenness and partiality as stubborn path dependencies yield hybrid modalities of governance. These modalities of governance, operating within the folds of urban informality, differentially sort and re-allocate rights and responsibilities, increasingly at a quintessentially local scale: the street.

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[2] Polanyi, 2001, p. 87

But the regulatory antecedents of contemporary welfare governance derive from earlier philosophical debates concerning poverty, pauperism, security, and the proper relationship between states, markets, and civil society more broadly. All of these concepts are immanent to the principle of *laissez-faire* from classical economics, perhaps the most 'celebrated slogan-formula' in the history of liberal thought[3]. For Polanyi, *the fountainhead* – or 'fount and matrix' of 19th century civilization is the self-regulating market, which gives rise to a very specific configuration of the social and a very violent set of originating forces to political economy for welfare scholars. Polanyi[4] turned the notion of *laissez faire* on its head, however, with his concept of the *double movement*. Produced in the clash of the organizing principles of economic liberalism and social protection, the double movement produced "deep-seated institutional strain" that shaped the contours of 19th century social history.

Polanyi insisted that dis-embedding the economy from social relationships and political institutions necessarily entails an ongoing role for the state in managing and regulating the 'fictitious commodities' of land, labor, and money[5]. By illustrating how the role of the state is to be found, empirically, in welfare measures seeking to alter, regulate, or slow the rate of change, Polanyi's study gave birth to a long analytical tradition in regulation theory and political economy. The central intervention lies in his argument that liberal thinkers, however, have misread the history of the industrial revolution by over-privileging the free market. For Polanyi, the misreading in question relates to the critical importance of poverty and welfare regulation as central drivers of 19th century enlightenment thought. It is in this spirit that he offers a meta-analytical claim about the significance of poverty and relief practices for 19th century governance:

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[3] C Gordon, "Governmental Rationality: An Introduction," in *The Foucault Effect: Studies in Governmentality: With Two Lectures by and an Interview with Michel Foucault*, ed. G. Burchell, C. Gordon, and P. Miller (Chicago: University Of Chicago Press, 1991).

[4] Polanyi, 2001

[5] Ibid

> The problem of poverty centered around two closely related subjects: pauperism and political economy. Though we will deal with their impact on modern consciousness separately, they formed part of one indivisible whole: *the discovery of society*[6].

Polanyi discusses the crucial shift in reflections on pauperism between 1780 and 1800, from Adam Smith's *Wealth of Nations* to Townsend's *Dissertation on the Poor Laws*[7]. The transitional period in question marked an interregnum between an age dominated by the inventors of state (More and Machiavelli, Luther and Calvin) to an age in which thinkers from Hegel to Ricardo to Malthus discovered the existence of a society not subject to the laws of the state, but rather one that subjected the state to its own laws. Questions of modern welfare governance are all here. From Smith's humanist thesis on the wealth of nations as depending crucially upon a balance of power between material wealth and government policy in safety in security, to Bentham's utilitarian schema to derive surplus from the labor of paupers, to Owen's syndicalist visions for worker cooperatives and Colleges of Industry[8].

For our purposes, I want to underline the matter of pauperism and its regulatory imperatives under economic liberalism. Deliberations on pauperism deeply influenced a century and a half of Enlightenment thought. This truism places the question of social welfare squarely within the traditions of political economy, philosophy, and modern governance. Two substantive case analyses from the *Great Transformation* illustrate this with exceptional clarity. First, Polanyi analyses Townsend's *Dissertation on the Poor Laws*. This rather obscure study produced a new starting point for political science by injecting naturalism into matters concerning the proper size and scale of the state. Perhaps originating the economic parlor game of 'Crusoe Economics', Townsend wrote of an island in the Pacific Ocean populated by goats and dogs (goats stocked by the English for future food supply in colonialist exploits; dogs landed by the Spanish as a counter strategy to kill said food

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[6] emphasis added, Polanyi, 2001, p. 108
[7] Polanyi, 2001
[8] Ibid

supply). In Townsend's treatise, the fortuitous - if mythical - experiment revealed how balance was restored in nature. By way of a most seductive lapse into naturalism, Townsend deduced that 'it is the quantity of food which regulates the number of the human species' (in Polanyi, 2001, p. 118). None other than Malthus and Darwin followed on from the 'maxims which Townsend deduced from goats and dogs', the substance of which was applied - at Townsend's behest - to the reform of the Poor Law. In essence, Townsend argued men have only a right to their *natural entitlement to their own hunger*, which, when unadulterated, would impel them to labor in a 'peaceable' way. Added mechanisms of political provision or coercion are, therefore, not only superfluous, but by extension even *unjust* since paternalistic impulses create an aporia to the motivating force of hunger. In this conception, pangs of hunger – i.e. natural incentives - become the foundation for the self-regulating market and the concept of freedom in a liberal polity. As summarized by Polanyi:

> Hobbes had argued the need for a despot because men were like beasts; Townsend insisted that they were *actually* beasts and that, precisely for that reason, only a minimum of government was required[9].

It was from this premise, Polanyi argues, that free society came to be imagined as comprising 'two races: property owners and laborers. The number of the latter was limited by the amount of food; and as long as property was safe (hence the neoclassical legitimation of the role of the state in setting private property rights), hunger would drive (laborers) to work'[10]. This new foundation of 19th century thought accorded with the emerging market system and its transformations in private property, regimes of accumulation, and social modes of regulation. The insoluble problem of poverty (poverty surviving in nature), Polanyi states, forced the likes of Malthus, Ricardo, and Burke to endorse Townsend's lapse into naturalism and, therefore, to shift the locus of regulatory intervention and its principles from the sovereign body politic to the laws of population and the

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[9] Polanyi, 2001, p. 119, emphasis in original
[10] Ibid, p. 120

administrative problems of pauperism[11]. Put simply, Townsend's solution for reform lay in the abolition of the Elizabethan Poor Law statutes such that labor could find its natural price in the market. In Polanyi's final assessment, 'it was from the island of goats and dogs that Victorian England drew its sentimental education'[12].

The second site of analysis for Polanyi is the subject of the Speenhamland laws, implemented on a national scale - although locally administered - in England from 1795 to 1834. The Speenhamland Law antedates capitalism, or perhaps better stated, slowed the rate of change toward market liberalism by preventing the creation of a labor market proper in England. The law provided a 'right to live' through the guarantee of a subsistence wage, scaled to the fluctuating prices of bread, via public relief subsidies or 'aid in wages'. It proclaimed "no man should starve, as the parish would enable him to subsist however little he earned."[13] But the results of Speenhamland were 'ghastly': Protecting rural England and the laboring population against 'the full force of the market mechanism' would eventually '[eat] into the marrow of society.'[14]

The reasons for this are complex, but infinitely significant. The Speenhamland Law stood as an obstacle to the new capitalist economy, as paternalistic regulation prevented workers from taking their place in the free market. In essence, 'workers were forced to sell their labor, but deprived its market value … a class of employers was born, but no corresponding class of employees.'[15] Under aid in wages, there were few incentives to work efficiently or effectively with a guaranteed right to life. The self-respect of the common man sank to the low point where he preferred relief to wages, and employers also had a bottomless capacity to depress the price of labor given its public subsidization. In time employers would realize pauperized labor was insidiously destructive to their

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[11] Ibid
[12] Polanyi, 2001, p. 123
[13] Ibid, p. 104
[14] Ibid, p. 106
[15] Ibid, p. 84

own interests as well. The central contradiction lay in the miraculous growth in early 19th century production in England, accompanied by near starvation of the masses.

I want to argue that the case of Speenhamland embodies and reveals the rationalities and postulates of thought underlying the regulatory principles of welfare governance to this day. The foundational and durable significance of Speenhamland rests, Polanyi notes, in the protracted effects of the allowance system that made it possible to explain the human and social degradation of early capitalism. Regulatory attempts to slow the rate of change had injured those meant to be protected. For Polanyi, the historical consequences of this experiment were critical to the subsequent state-building projects of 19th century *laissez-faire* doctrine: 'The laws governing (market liberalism) had asserted themselves and manifested their radical antagonism to the principle of paternalism.'[16] The impossibility of a capitalist order with a public wage system had become clear: human labor had to become fully commodified.

The advent of the market wage system required a withdrawal of the 'right to live', or the legal claim to subsistence, which, in turn, led to the *Reform Bill of 1832* and *Poor Law Reform of 1834*. These two enactments are commonly regarded as the starting point of modern capitalism. Poor Law Reform outlawed and abolished outdoor relief, and with it the right to live as an obstruction to the labor market. To be sure, severe suffering followed with the rupturing transformations of a primitively competitive labor market. But the repeal finally cleared the way for proletarianization. By 1870s, the laboring poor eventually formed trade unions for protection and brought on a labor market proper in the process. The self-protection of society eventually took shape in the factory laws and social welfare legislation that joined the industrial working class movement.

The Speenhamland Law illustrates Polanyi's thesis of the double movement. Protective measures originating in vestigial political forms reacted against the forces of commodification in land

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[16] Ibid, p. 84

and labor in order to slow the rate of change. But perhaps more importantly, the study of Speenhamland is significant for its lasting influence on 19th century thought. Under the auspices of the Speenhamland experiment, as well as its abolishment, 'a world was uncovered the very existence of which had not been suspected, that of the laws governing complex *society*.'[17] It is here that Polanyi locates the origins of political economy in matters of welfare governance, the study of the economic affairs of the state in relation to collective well-being.

While Polanyi's historical focus was the 19th century, several scholars have extended his analysis by showing how greater reliance on the self-regulating market increasingly dictates and shapes the parameters of regulation in late 20th century capitalism. Whether speaking of 'advanced marginality' (Wacquant) or 'bare life' (Agamben), the ratcheting down of social protections and the escalation of risk and vulnerability are posited as adjuncts to contemporary market liberalization and – at least in Wacquant's case – as a measure of both state withdrawal and the ascendancy of the 'carceral-assistential' state. Polanyi's work has influenced several welfare scholars, from Titmuss to Beveridge, David Harvey to Jacob Hacker.

As Bernard Harcourt argues in his indictment of the Chicago School[18], the tension of 19th century classical economic thought has led to what several have referred to as the cost of our current political and economic arrangements: the price we pay for our unyielding belief in the economy as the realm of natural orderliness (dating back to the Physiocrats) and the concomitant belief that the legitimate and competent sphere of government lies in policing. Harcourt documents how this messianic belief bestows upon a series of thinkers, from Adam Smith to von Hayek to Epstein, Bentham to Becker and Posner, to the task of establishing a theory and philosophy of punishment and welfare for classical liberals and their neoliberal counterparts. Ultimately the steep price lies in

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[17] Ibid, p. 88

[18] Harcourt, B. (2011). *The Illusion of free markets: Punishment and the myth of natural order.* Cambridge: Harvard University Press

the consequences 1) we naturalize markets the myriad existing regulatory mechanisms in contemporary markets, thereby obfuscating the distributional consequences of these very mechanisms; and 2) we resort to mass incarceration and a poor relief tradition as the only legitimate form of state building vis-a-vis the question of poverty, conceived of by the Chicago school of Law and Economics as "market bypassing."

This paper shares an obsession with the roots of this vision that replicates the curious alchemy of orderliness in the economic sphere, and state intervention/competence in the penal sphere. Ultimately, however, I want to suggest that the theories of Polanyi, Wacquant and Harcourt carry only monolithic visions of the iron fist of the state or underdeveloped notions of the double movement of paternalism to slow the rate of change. The contradictions of post-Keynesian welfare restructure open the door for novel types of state building that are more nuanced: a softer, gentler, and more activist realm of state power and political development at the interface of welfare institutions and poverty survival.

Kensington's Double Movement

I turn now to excerpts from the ethnographic fieldwork for my recent book, *How it Works: Recovering Citizens in Post-Welfare Philadelphia* (2009). This ethnographic study chronicles an informal housing strategy for drug addicts and alcoholics located in Philadelphia's poorest and most heavily blighted zones. It focuses primarily on one of an estimated 400-500 row homes that have been transformed into unregulated, unlicensed recovery houses since the early 1980's. Recovery houses have no official licensure or regulatory board in Pennsylvania, and they are run almost entirely by non-professional recovering addicts. With very few exceptions, the houses operate without formal state or city funding. They do so by pooling the resources of impoverished addicts, which derived, before July 1 2012 at least, primarily from General Assistance in the form of cash assistance and

food stamps. Using these resources, recovery houses generate sustainable economies that combine food and shelter with a street-level brand of 12-step/self-help recovery.

My work seeks to explore, ethnographically, the myriad factors that explain how recovery houses have managed not only to survive, but to burgeon in postindustrial Philadelphia. The recovery house movement has taken shape at the vortex of several factors – among them a degraded postindustrial landscape (Philadelphia now contains 60,000 vacant properties), modest pump-priming dollars from a declining welfare state, a selectively lax and strategic regulatory culture, and the agency of recovery house operators themselves. In each regard, I argue that Kensington recovery houses have become sustainable economies by promulgating systems of knowledge/power that are attuned to the contingencies of the social, economic, and welfare politics of the post-Keynesian era. Forging ethnographic linkages between the survival mechanisms of poor subjects, meso level urban institutions, and the state, I illustrate how governmentality operates at two levels in the recovery house movement. One is at the street level, within the recovery house system itself, which acts as an anti-poverty mechanism through calculated interventions deployed to exact certain desired outcomes in governance - autonomy, sobriety, self-responsibility, good citizenship, surveillance, financial subsistence, and the regulation of bodies through a free market. The fierce competition for bodies and the intense downward pressure on operating costs are transmuted onto recovering subjects, effectively producing a street-level mode of regulation and a complex, historically specific postwelfare poverty management system for the state. This leads to a secondary vector of governmentality, which operates between the recovery house movement and the city. The meta-analysis of urban institutions exposes a variegated governance regime of regulation, tolerance, and indifference among city elites, elucidating the ways that recovery houses have become situated within the fabric of Philadelphia's social service sector as an informal mechanism of the welfare state. Taken together, these factors help to explain the persistence and proliferation of an extralegal

and irregular form of housing located conspicuously in Philadelphia's most notorious areas of spatially concentrated poverty.

The primary contributions of the fieldwork are two-fold: first, to illustrate the fall out, or *lived* realities, of contemporary social policies and urban processes associated with welfare state restructure and postindustrial decline; and second, to illustrate the agonistic reconfiguration and reconstitution of vestigial poverty survival strategies and forms of urban subjectivity in accordance with the reconstructed and rescaled economic and social policies of neoliberalism. In other words, ethnographic data are deployed to illustrate how mechanisms of poverty survival are induced by neoliberal reform, while simultaneously acting as a form of resistance to these trends. Along these lines, the state's variegated responses to recovery houses are shown to not simply enable an informal economy to persist, but in fact these responses *deepen* urban informality while attenuating and accelerating the capacity of informal actors to function as agents of urban restructuring. The restructuring in question here refers to meso level institutions such as public welfare and criminal justice, as well as to relationships between citizen and state and the contemporary boundary institutions of the postindustrial city. At the street level, this occurs within the informal subsistence economies of recovery house markets, which are driven by the many innovations in informal welfare provision and in highly competitive census building projects that illustrate the ways in which operators remake the rules of General Assistance and SSI. Apart from the predatory markets of recovery houses themselves, processes related to "relapse" and the "wreckage of one's past" reveal the ways in which addicts are caught up not only in informal and highly contingent low wage labor markets, but also any number of meso level disciplinary nets, from child support, to criminal justice, to public welfare. And while these processes pertain to the recovering self, I have also revealed recent citywide efforts to formalize the recovery *house* as a form of statecraft (through the Office of Addiction Services, or OAS) operating within the compendium of the workfare state and the prison.

Taking these points together, I have in some ways followed Peck's lead in conceiving of the recovery house system as a highly localized and heavily variegated regulatory *project* – a set of interrelated tendencies expressed through chronic unevenness, instability, and insecurity rather than a coherent or achieved post-welfare regulatory end state (Peck, 2001). Perhaps most importantly, ethnographic research enables us to conceive of the ways in which street-level actors respond to, interpret, and manipulate state selectivity and differentiation at the level of *conduct*. Poverty survival strategies, in this case those that regulate and discipline subjects informally, embody the stakes in political struggles; as local actors in the recovery house movement act through local strongholds (at the street and the urban institutional level), capitalizing on a recovery knowledge that has both parochial and universal appeals to morality and ethics, as well as local economic appeals to subsistence and profiteering. The recovery house operator must build on, complement, and accelerate the objectives of a variegated set of institutional regulatory logics that in turn facilitate the broader restructuring imperatives of the postindustrial city.

What's at stake here are questions concerning the *persistence* of informal settlement space, which provides inroads to questions of how non-intervention manifests as a mechanism of power in its own rite; as well as how informal regulatory measures are taken up on the street.

As a way to explore these questions further, I will trace the contours of enabling relationships between recovery house actors and the department of licensing and inspections, the welfare state, city government, and the geography of Kensington. Recovery houses become visible not merely as a haven for either benevolent self-helpers or unscrupulous actors in the informal economy, but rather as a manifestation of postindustrial decline and post-Keynesian trends in social welfare.

Ecologies and Conjunctures

There are a number of cursory ecological or conjunctural factors that enable recovery house proliferation in Philadelphia. The glut of a cheap and degraded housing stock in non-gentrifying

urban enclosures, and the dearth of affordable housing across the city, is an obvious place to start. On the side of the operator, the presence of some 30,0000 abandoned row homes, located mostly in West Philly, North Philly, and Kensington, suppresses housing values to readily accessible (if not fire sale) levels. On the side of the client, my fieldwork showed that perhaps equally important as the agenda of "recovery," recovery houses provided much needed alternatives to fair market rents. Over the past 30 years, there has been an increasing state of housing "un-affordability" in Philadelphia.[19] Earned income and public assistance have not kept pace with increasing housing costs, as the value of the minimum wage has declined by 30% while the buying power of welfare payments has decreased by 60%.[20] Philadelphia has a deficit of 30,000 affordable housing units for rental households with incomes below $20,000. In this context, recovery houses play a vital role in providing affordable housing for the impoverished, particularly those living on $205 per month. In fact, many operators stated that people rarely entered recovery houses to achieve sobriety, but rather did so simply because they could not afford a place to live. For the same reason, the lack of transitional housing and the in-attainability of independent living often kept men trapped in recovery houses for years at a time.

Clustered around a cheap housing supply in areas of spatially concentrated poverty, the presence of recovery houses drew large numbers of addicts into one of the only *expanding* forms of affordable housing and social service provision in Philadelphia. The ability to generate revenue through an informal social service market is another explanatory factor that allows recovery houses to persist, particularly given their location in opportunity-starved environments. But perhaps more importantly, and especially since profits are so rarely achieved, most recovery entrepreneurs believed that their presence and capacity to persist stemmed from the social services they provided in absence

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[19] A. & Culhane Hillier, D., "Closing the Gap: Housing (Un)-Affordability in Philadelphia.," (University of Pennsylvania Cartographic Modeling Lab, 2003).

[20] This is especially true of General Assistance. Unlike the modest increases seen in TANF and SSI across the 1990's, GA benefits remained constant from1982-2012, until they were finally cut by Tom Corbett.

of formal funding. Informal service delivery accommodated not only the mandates of fiscal austerity, but also the contemporary obsession with market models and the impulse to capitalize on the innovations of recovery entrepreneurs.

The product of "recovering technologies"[21] also suggests a great confluence between recovery house knowledge/power and the contemporary rationalities of the post-welfare state. Recovery forges alliances between the liberation of the self and the pathways to personal success, ostensibly allowing subjects to break the chains of poverty, welfare dependency, and incarceration.[22] Recovery has emerged as post-welfare anti-poverty mechanism *par excellence*; assuring subjects they can change, achieve self mastery, control their own destiny, and transform into the oft-repeated phrase, "productive members of society." By maximizing self-interest and empowerment in service of a recovery lifestyle, the conduct of everyday existence is recast as a series of problems to be managed in the informal realm of civil society. The ethics of recovery enterprise infuse previously unruly segments of the populace with mechanisms of self-governance by mirroring (and in some cases refracting or deflecting) state bureaucracies. Traditional forms of regulation become seemingly obsolete, no longer necessary to ensure harmony between the social objectives of the state and the personal desires of addicts. The discourse of recovery, drawing on the self-steering capacities of impoverished subjects, becomes an able partner for the devolutionary welfare state.

The stabilizing, ancillary functions of the recovery house system in Philadelphia, both in terms of crime control and their unique function in an age of fiscal austerity, is widely extolled by recovery house operators and even by Philadelphia OAS officials such as Roland Lamb, William White, and Sam Cutler. Factors ranging from the provision of informal social services, to crime reduction, to an elective affinity with the contemporary welfare moment, are common explanations

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[21] M. Valverde, *Diseases of the Will: Alcohol and the Dilemmas of Freedom* (Cambridge University Press, 1998).

[22] For analysis of myriad discursive regimes operating toward similar objectives, see N. Rose, *Governing the Soul: The Shaping of the Private Self* (Routledge, 1990).

for understanding the persistence and proliferation of recovery houses in the city of Philadelphia. At first glance, recovery houses may seem a purely functional if not logical manifestation of a particular historical moment, following in a sense the classic ecological model of disorganization and reorganization. But a more sophisticated understanding requires deeper exploration of the state's response to the recovery house movement. The following sections explore how regulation is understood and experienced by city officials; as well as how the concept of "un-regulation" – when put under critical scrutiny – prompts us to rethink Polanyi's concept of the double movement.

The State response: L&I and the generative aspects of inertial persistence

"There can be a million of them so long as they are safe….so long as they are in compliance."

- L&I Unit Supervisor Stanley Robinson

The primary default agency for regulation of recovery houses in Philadelphia is the Department of Licensing and Inspection (L&I). Information concerning the ways in which L&I conceptualizes, oversees and regulates recovery houses revealed, at least in part, how and why recovery house networks persist in Kensington. L&I is the institution responsible for setting minimum health, safety and maintenance standards for all of the city's houses, apartments and commercial structures. The agency assumed regulatory jurisdiction for recovery houses in the same way as it would for any other type of multiple-occupancy residential building. Unit Supervisor Stanley Robinson and Inspector David Perez explained to me the basic requirements for multiple-occupancy licensure; carefully noting that they are concerned solely with the structure itself, and not with what goes on programmatically within its walls:

> Robinson: First of all, zoning is the first step in order to establish the legal occupancy of the structure. If they are not properly zoned they are illegal.
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> RF: That's different from a boarding room license…..
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> Robinson: Right, you should be unable to get your license unless you have proper zoning.
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> RF: Zoning basically means the land use is appropriate for the neighborhood?
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> Robinson: That's part of it, you are registering your use with the city, you are letting us know what's going on behind the door of that address.Beyond zoning we are not so much concerned with the agency itself [i.e. what the agency *does*], but we are concerned with the legality of the location, which is where licensure also comes in. All structures fall on the lap of licensing and inspection, whether it is commercial, industrial or residential, it has

> to fall on us. Now if there was another quasi-agent that dealt with the *quality* of these (recovery houses), that would fall under them. But we don't get into the quality of the programs, we simply make sure that the structures are up to code so that whoever is inside, for whatever reason, is safe, and doesn't have to worry about a fire or anything like that.
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> RF: So you are concerned with space, bricks and mortar, the building, period.
>
> Robinson: The structure, right, we do not regulate the actual programs that they are running.
>
> Perez: It is what you might call life safety, the health and welfare of the person within the four walls.

L&I's jurisdiction pertained to the registration of use, and the legality of the location. Since the agency considered most recovery houses to be structurally "not in compliance" with zoning and licensing regulations, they classified them en masse as an "illegal" form of settlement. Stanley Robinson articulated the agency's basic position on the matter:

> Robinson: Recovery houses became an issue for the city mainly in the 1990's, and it started because most of these programs were illegal. If we had a list of these things we would be on it. Because as far as we're concerned, unless we are there to check and give the location a clean bill of health, these people are at risk every time they go to sleep at night. That's our position, because we believe, especially since they are being operated illegally, that there are short cuts being taken in order to maximize profits. And not that we want to eliminate so much profits, but we want to eliminate short cuts at the risk of health and safety.

As Robinson makes clear, operator malfeasance is an important issue. From the agency's perspective, financially motivated non-compliance led inexorably to "short cuts."

> Robinson: These places know what they are supposed to be doing, and they just choose not to. Everybody that has any even minimal knowledge of the city of Philadelphia knows that you need zoning and licenses. But that incurs costs, that incurs the possibility of getting turned down, that incurs a lot of things. Especially if they are receiving money from different agencies or organizations, they want to be able to grab that money up until they get caught by us, because if we get them it's going to hurt in the pocket. Basically we want to eliminate short cuts at the risk of health and safety. (And again) not so much that we care about profits, we just want to make sure that they are safe, period.

Specifically, L&I's regulatory attention was tuned to wiring, overcrowding, smoke detectors, use of double key locks, "main drain" or plumbing problems, and appropriate number of bathrooms. Robinson and Perez explained the basic concerns, as well as their protocol for violations:

> Perez: Usually these recovery houses are illegal when we walk in, there are a lot of problems we have to proceed with. You go into some of these houses and you see that they have like home made bunk beds; they establish an illegal occupancy until we get 'em. It's actually an eye sore to the neighborhood until it is properly zoned, or they have become educated in how to operate a so-called recovery house.
>
> Robinson: Any of those violations may exist, and depending on how severe those violations are that will determine our course of action. Sometimes we (give them 30 days to comply and then) come back. Then the next inspection will send them to municipal court. Or, we might just cease the operation immediately because we could believe that something could happen tonight that could cause a loss of life.

Despite the sense that illegally operated recovery houses posed a threat to the safety of their residents, Perez and Robinson cited several factors that inhibited their efforts s to "get a better handle on them." For one, the agency's main strategy to identify the houses was only marginally effective, at best.

> Perez: (For the most part) we rely on neighborhood complaints in order to learn about these things.
>
> RF: So, if a program slips itself into a neighborhood that's tolerant of the house they can go on for years…
>
> Perez: For years without us knowing, that's right. Unless we go there for a survey and they open the doors to us, and we end up going in and making an inspection.
>
> Robinson: Which has happened. We have gone there with regular program surveys and stumbled across them.
>
> Perez: But this is a problem within the department because we don't know about them unless we get complaints from the communities, like community groups and the neighborhoods.
>
> Robinson: And in some neighborhoods, I would guess that Kensington would be an example of this, if they have existed for a great length of time it is a normal way of life for them. So they may not know any different, they might not know it as illegal they just see it as *being,* because that's what they are used to.

The agency's reactive stance allowed hundreds of recovery houses to elude their scrutiny – particularly since they had become so normalized in places like Kensington. Moreover, even when they did locate non-compliant actors, L&I faced challenges with enforcement. For one thing, the surfeit of cheap and degraded housing in Kensington often meant that when a house came under L&I scrutiny, operators simply abandoned the location.

> Robinson: If we go to your location, and you're illegal and the location is bad enough, we're shutting you down. But unfortunately what happens is they can go move somewhere else, you know what I mean, (which is easy to do in Kensington). Once they get caught, they move somewhere else, until we catch them again, and that's how we stand right now.
>
> Perez: It's true, once we get them they probably try to get zoning, or go through the zoning process, but if they can't get it they just move to another location, without our knowledge of where they are moving to.

The issue of abandonment was further compounded by inadequate resources and staffing at L&I. According to Robinson, his chronically under-funded agency could not keep pace with all of the demands that it faced in a postindustrial city with 60,000 vacant properties.

> Robinson: We do have an annual program in which we try to go out and inspect and locate all the multiple occupancies that are out there. But unfortunately there is always the personnel issue. We have so many responsibilities in this unit and there is only so many people allocated that can catch up to these things…
>
> Perez: Exactly.

> Robinson: I mean, our entire unit only has about 45 inspectors for all of the tens of thousands of locations that there are in the city. So, we're not going to say these things [recovery houses] are a low priority because it deals with life safety issues, but it's just a matter of resources, which is unfortunate. It's the same old song but it's true here, you know what I mean. Unfortunately we just don't have the man power or the resources to make going out to these places enough of a preventive measure, even though we shut down a lot of them when we come across them.

He described his woes in this regard as admittedly the "same old song." Nonetheless, the song was important. Making matters worse, L&I inspectors had no way of even getting their heads around either the numbers of actual recovery houses in the city, or their locations. L&I inspectors doubted that any one in the city really knew how many recovery houses – legal or illegal - actually existed:

> RF: So does L&I track these, do you have some estimates of how many recovery houses there are, or would they just be categorized as boarding room houses, which could be….

> Robinson: [interrupts] It could be any number of things, right…Again I can't personally off the top of my head say how many illegal ones are out there. Are there a lot of illegal ones out there? Yeah, sure.

> Perez: We got plenty of illegal ones but we don't (have a way to really know about them).

> Robinson: And see even the legal ones we don't really know if they are recovery houses, because for different reasons many different locations that fall under the category of multiple-occupancy could be considered a recovery house, but we don't use that term.

> RF: Because the term really doesn't exist licensure-wise, there is no license for recovery houses as things stand?

> Perez: Right, so we don't use that term. Its simple, we go there, they have up to five clients, it is still classifiable as an R3 which is a single family home. You go into that sixth person it becomes an R2, which is a multiple occupancy, so we'll cite him for a rooming house license.

> Robinson: And there can be any number of activities going on in that R2, but we just see it as an R2

> RF: So it is possible, I mean, they would only show up on your screen as R2's if they have gone through the proper channels. And the ones that you call illegal, we really have no way of estimating what the numbers are in this office, or perhaps even in the city.

> Perez: Absolutely not, because they bring 'em in undercover without the knowledge of the department.

> Robinson: I would say that is about right.

Because they are categorized in the same way as other forms of "multiple room occupancy" (e.g., an apartment building, or any other structure containing six or more unrelated persons), the city lacks the ability to track "legal" recovery houses. They are also unable to track "illegal" houses since they come in "undercover." Here the impossibility of tracking moves beyond a problem of unreliable intelligence mechanisms (i.e. community complaints), to one of categorical legitimacy. In contrast to their recognition of personal care homes for the elderly, child care centers, and mental

health boarding homes - each of which held a separate form of licensure with the state – "recovery house" simply translated to "R-2" in the language of L&I:

> Robinson: We have caught a lot of programs that we call multiple-occupancy programs, from surveys, and that's how we wound up getting these properties, so called recovery houses, which to the knowledge of our code is actually just a rooming house. We don't use the term recovery house. That is a name that is given by *them*, not us. And all we know is that there are a lot of constituents out there that are opening these houses without licenses and inspections knowledge, until they get caught.
>
> Perez: They started with the name halfway house and named it a halfway house, now they call it recovery houses, which is the same thing to us, a form of shelter. You are sheltering people in this structure, often without proper zoning and proper usage, and therefore you are illegal.

This set of circumstances effectively blurred the city's vision not only in terms of numbers, but more importantly in terms of legibility. L&I refused to recognize the term "recovery house," as to their eyes no such category existed. This did not, however, stop the agency from holding recovery houses in contempt as *potential* objects of surveillance.

To summarize, each of these factors - the reliance on a community complaints; the actions of the operators themselves; the capacity for geographic mobility; the absence of any sort of list or data base that could provide a sense of the numbers involved as well as their locations; the lack of resources and staffing; and the conceptual ambiguity concerning the term recovery house itself - produced a robust constellation of non-intervention that all but assured the persistence of informal recovery houses.

Yet even while rationalizing their own impotence, Robinson and Perez brainstormed on how simple it might be to get a better handle on things. They followed the money trail and suggested that if the agencies that indirectly funded recovery houses (i.e. public welfare and the treatment agencies which kept them lucrative with referrals) were to take action, the houses would become traceable. The simple failure among city officials to coordinate – which could begin with communication between welfare, the formal treatment sector and L&I – created regulatory loopholes:

> RF: So there is no communication between public welfare and this office to say, 'look, what's up with this address, it calls itself a recovery house?'

> Perez: There is no communication (between these departments) because we are not involved with the agencies like that. All we do is make inspections. But if an agency like welfare calls and says I would like to have this property inspected, yes we will go out and do it. Also, if the treatment agency itself communicates with the city about where they are placing these people that would alleviate the problem. I mean who placed them there? The treatment organizations are placing these people in recovery houses when they come out, they don't go there by themselves.

> RF: In other words they come out of an inpatient treatment center and a case manager says I'm going to send you over here to this house.

> Robinson: Exactly. Now you see and along those same lines, if they were to actually do that, we would have a tighter reign on them. The illegal ones that are out there, they're hard to get a grip on because we have to stumble across them unless they are reported. However, my understanding with a recovery house is that everyone is sent by an agency of some sort, and if they notify us that they are sending someone to a location, then we can get a grip on practically every location and go out an inspect.

Robinson and Perez pointed out that with communication from the welfare office, L&I could easily verify a recovery house address as legal or illegal, while notification from treatment providers of their referrals to recovery houses could also serve the same purpose.

At the end of the day, licensing recovery houses was most significant in their eyes. Specific legislation for recovery houses would tie their funding (and legitimacy) to a licensure protocol requiring L&I inspection:

> Robinson: It's really the licensure, because with family day cares there is a mechanism in place, where if a person was to legalize a family daycare, they have to contact us *and* the state. And we get inspections that way for legalized family day cares all the time. Same thing with like CLA's, mental care, personal care, and Elwin care homes. If they are getting funding from somewhere, they could tip us off too. CODAAP does do that, but if the department of Public welfare is giving money to any of these agencies, or to all of these agencies, they could easily let us know too.

A separate form of licensure with the state would require recovery houses to obtain licensure with L&I prior to receipt of funding. These comments suggest a certain feasibility to the question of regulating recovery houses - or at the very least getting "a tighter reign on them."

But the actual feasibility of these steps relates to the *location* of recovery houses. It also relates to the resources it would take to create a regulatory board, to formerly fund recovery houses, and to disrupt the city's advantageous reliance upon recovery houses in their provision of informal and inexpensive services. Meanwhile, in the face of bureaucratic inertia and government non-

intervention, just as the welfare department abdicated responsibility by stating, "we just cut checks;" the department of L&I similarly insisted that, "all we do is make inspections."

Lacking any regulatory board that might otherwise track and/or recognize them, recovery houses faced a crisis of legitimacy. In effect, recovery house operators are forced to shape their programs in an informal manner. In one sense then, for those that ascribe to the popular and much-hyped "unmonitored" and "unlicensed" narrative, they are "illegal" only on a technicality. It would take state legislation to regulate their programmatic content, which to this point does not exist. In a more accurate sense, the houses are only "illegal" in one very specific way, i.e. when they are non-compliant with L&I. In either case, under the status quo the city and state's non-intervention creates an elusive vector of governmentality, by devolving authority to an informal entity that is denied legitimacy and kept in a constant state of fear and self-governance. At this historical juncture, the future of the informal, unlicensed recovery house seemed entirely secure. Its tenure is inhibited only by a feckless and unlikely agency named L&I - which continues to stand ever at the ready in absence of any concerted regulatory effort; at least so far as the recovery *house* is concerned:

> Perez: The issue of recovery houses, I would say it is low on the scale of priorities for the most part. And they are going to keep opening them up, because until we have knowledge of where these locations are at, they are going to keep doing it. They have done it for years.
>
> Robinson: But I mean if someone should have a list we would be more than happy to go over it.
>
> Perez: Oh yes.

Public Welfare

My interview with Public Welfare Department Unit Manager Jeffrey Blumberg suggested that the state was unmotivated to ask questions given its relative indifference and the benefits it enjoyed from the presence of informal recovery houses. To begin, Blumberg spoke of several enabling loopholes that helped to flesh out the movement's reputation as an "unmonitored" phenomenon. The Pennsylvania Welfare Reform Act of 1982 did more than merely produce pump

priming dollars for the movement; it also reconfigured the state's relationship with an ever-shifting

GA population.

> JB: In a lot of ways there has been a system disconnect between the department of welfare and the general assistance population. As we've reduced benefits, we've lost sight of a lot of them. There are a lot of initiatives happening right now for single people, like non-custodial fatherhood, or homeless initiatives, where we are connecting with them more and more. But there has been a system disconnect with addicts on GA. And even if they get cash, cash from welfare is only $205 a month, its better than nothing but its not going to make anybody wealthy. I'm thinking its been 20 years we haven't had a welfare increase. So they are not much of a priority because we are not referring them to places and we are not overseeing their income support.

> RF: But if you take that $205 per month and multiply it by ten in a place like Kensington…..

> JB: You got a nice little business, that's right. But really we just pay them, so we're not going to oversee where they spend it and live.

> RF: There isn't any case management, so you are just cutting checks.

> JB: Yeah, not that they are unimportant but they are not a priority in terms of the agency focus. They would be aware of recovery houses in each district, but they probably don't come up too much on the radar screen because they are not a priority, the thinking being that the maximum (a person) will get is nine months any way. Not that we would tolerate abuse or anything like that, and once we found out we would act on it. But you know, they bring us the medical forms and after that we only have to see them once during the nine-month period because they're not going to have any employment or training requirements, so they receive minimal intervention from our system. It's people with children, when you deal with children they are always a priority. But there has been a real disconnect for single people, and that's a major issue.

The reduction in benefits and the shift in legislation, when combined with the absence of

work and training requirements and the paltry, time-limited allotments, further relegated the

recovery house population to an ostensibly "unmonitored" and "unregulated" sphere. Whereas

other populations get "more connect" (particularly workfare populations with dependents), the

addict population gets class-specific recovery houses. We can see how the state benefits from

recovery houses, how they act as an ancillary mechanism, or able partner, for the declining welfare

state. Who else would take homeless drug addicts and alcoholics in off the street, provide them an

address as required by public welfare, house them for less than $205 a month (uninhibited by factors

such as first/last month's rent and security deposit), and feed them three times a day on $139 in

food stamps? In what other housing situation would these addicts also be monitored and *required* to

attend formal drug and alcohol treatment - a typical recovery house rule that works in concert with

GA requirements – and provided informal case management? Even Blumberg acknowledged the

value of these informal support mechanisms, voicing his faith that most recovery houses are

providing good service in absence of oversight:

> JB: Our hope is that in Kensington the majority of the houses are run well and are very conscientious. Some of them even look out for opportunities for people, it may not be case management in the traditional sense but something like 'hey why don't you go here for a job, here's job leads,' you know, and they give them other services too. I'm sure there is more of that (type of positive activity happening), or there would be much more in the news, you'd hear much more about them.

Blumberg's reflections on the connections between public welfare and the recovery houses

also suggested that market persistence - borne out of bureaucratic indifference and the pump-

priming dollars of public assistance - was one of the most important issues helping to explain the

proliferation of the movement.[23] On this matter, it seems important to note that profiteering is not

illegal. The welfare department did not take issue with people making money in situations of

collective living, no matter how informal, *unless* there was fraud involved. This held true whether the

recipient was living in a licensed or unlicensed home. My interviews with city officials revealed tha

the chronically under-funded public sector was ill-equipped to get a handle on the issue. And even if

the city could get organized, Blumberg was not optimistic about the results it might produce. The

city hadn't done well in regulating licensed operations such as mental health boarding houses and

day care centers:

> JB: The more the recovery houses are standardized and overseen, (it might) help people to not be taken advantage of. However, there are a lot of regulations for mental health boarding houses, but a lot of those people still get taken advantage of.
>
> RF: Because the city is slow to respond to poor conditions?
>
> JB: And to inspect. The question is do they have the staff to go out and inspect. The city budget is tight right now and that also influences the number of inspections that can take place. Plus you would almost have to be an entire agency to monitor these things. (And even then), we have childcare licenses in this building here, and they rarely can get to the informal day care homes. They don't have the staff, so they focus on the licensed day care centers, the group day care centers, the family day care centers where they have a lot of children. I'm sure if there is a fire or something that would put them on the radar screen, but without that, with so many homes, they would have to have the manpower to do it.

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[23] Blumberg also acknowledged that several GA recipients continue to find ways to stay on welfare, either by procuring a co-occurring disorder or by getting on SSI/SSDI, the result being that bodies stay solvent as economic inputs for the recovery industry.

Blumberg's statements suggested that the city lacked the financial and staffing resources to regulate recovery houses, as it would require an entire agency to do so effectively. In its absence, the city basically took a "no news is good news" approach. As for the local welfare offices, they not only tolerated the recovery house networks, they cooperated with them in most instances.

In the final analysis, Blumberg conceptualized recovery house networks as a cross-hatch of historical motivations. The recovery house is at first "dictated by need," and then formulated at the intersection of fiscal austerity, urban informality, and a declining welfare state:

> JB: The need is there obviously or it wouldn't have generated that many houses. Substance abuse is unfortunately always going to be here, and the population is going to need (recovery houses). That's a very large operation, 400 houses…and its kind of formed on its own, not quite underground but in an informal way. It is interesting how it has developed within the existing formal systems like the welfare system, it really is interesting. Dictated by need, and also by opportunity for the entrepreneurs, so there are a lot of motives at play. One way or another, communities pick up ways to meet single person needs, and we pay so little, so this is one way (that the community has responded creatively) to need.

Having taken shape "not quite underground but in an informal way….within existing formal systems like welfare," recovery houses are both historically contiguous, and specific. Within a contextually embedded, unregulated market fueled by the miserly pittance of cash assistance, they provide opportunities for street level "entrepreneurs." But we are also seeing a redistribution of responsibility, as states devolve authority by displacing misery to cities, while cities displace misery into the streets.[24] This is the scale at which, "one way or another, communities find ways to meet single person needs."

At first glance, it is the conjuncture of factors - uneven enforcement, an absence of formal licensure, system disconnect – that begins to explain the "unregulated," "unmonitored" and "unworthy" character of the recovery house. As a low priority population, the only event that would bring attention – or better stated scrutiny - to the GA recipient was a fire, or fraudulent practices such as food stamp abuse; undisclosed income; identity theft; or false address. Perhaps Blumberg summarized it best by saying: "Not that they are not important but they are not a priority in terms of

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[24] M. B. Katz, *The Price of Citizenship: Redefining the American Welfare State* (Holt Paperbacks, 2001).

agency focus…not that we would tolerate abuse or anything like that, and once we found out we would act on it."

There is little question that the houses begin with a legislative restructuring of welfare settlements, characterized in this case by a "disconnect" whereby the state "loses sight" of the GA population. But there is a form of politics at play that is not solely an act of state disavowal or neglect, as the process of resettlement becomes generative on several levels. First, it enables, or "unleashes" operator mobility and entrepreneurialism, to the effect that an informal realm of social service delivery is constructed as a convenient instrument for the administration of welfare. Second, disconnect enables a reconstruction of welfare hierarchies according to class (certain populations get "more connect," others get the recovery house), in addition to breeding new forms of vulnerability. And finally, while it may appear at first glance that addicts on GA receive only "bare bones" state surveillance in the form of address verification (via formal/informal welfare administration) and fraud investigations (which derive from the formal state, as well as the "eyes and ears on the street"), the ratcheting down of social security to austere categories of "fraud and abuse" is far from inconsequential. The consequences of non-intervention and un-regulation in Philadelphia - while certainly indicative of selective indifference, unevenness, negligence and incompetence - were in many respects a quite formidable mechanism of regulation in their own rite. Indeed, the simultaneity of illegality and normalcy puts the state not so much in a reactionary as a regulatory position, on several fronts.

According to my interviews with L&I and Public Welfare as well as the operators themselves, the city lacked the financial and staffing resources, if not the will alone, to monitor recovery houses. In some sense, this created a "regulatory vacuum" that enabled a peculiar form of entrepreneurialism, characterized as it were by the accumulation of welfare bodies in a cheap and degraded housing stock. But our analysis of barriers to regulation on behalf of the state must be

augmented by consideration of the very real obstacles that operators face in achieving legitimacy. The data suggest that with L&I and public welfare serving as the nominal apparatuses for governmental oversight, recovery houses were forced to take shape informally, extra-legally, and even "illegally." Without channels to achieve legitimacy, key informant Bilal assured me that the industry would take shape along very particular lines:

> Bilal: Listen, if they don't legalize the system, we're going to have to help ourselves, so it is going to create a boot-strap industry. We can never totally clean up this industry….we can attempt to manage it and control it, but we can never totally clean it up.

That is, operator protagonism unfolds within a preconfigured script that is both enabling and constraining. On the enabling side, illegitimacy accommodates the addict cum entrepreneur, who is in some ways predisposed to resist state intervention and institutionalization. But the denial of legitimacy also comes with an excise tax. For the state, it establishes an imaginary of disorder, which in turn facilitates a strategy of "managing and controlling" (rather than eradicating) malfeasance. Both agencies hold out the houses as unruly and prosaic, demonizing while in a sense normalizing them at the same time. In other words, Robinson assumes (somewhat correctly) that the houses are seen by residents as simply "being," or regularized as part of the urban fabric, at the same time that the agency designates them as illegal. This is a very particular type of regularization. For the operator, the set up engenders a pervasive sense of vulnerability and paranoia. Part of this stems from the "illicit" activities operators must resort to as a matter of survival, which Bilal alluded to in saying, "if they don't legalize the system, we're going to have to help ourselves". The structural constitution and acceleration of urban informality only increases dependency on these practices, thrusting operators further into a zone of illegitimacy, deepening inter-operator suspicion, intensifying market competition, and creating a culture of anxiety more generally. As the houses are simultaneously deemed forever disordered and regularized, the territorialized uncertainty of state intervention is secured.

Reinterpreting the state's position on regulation, recasting the double movement

Several welfare scholars have asked me repeatedly whether my book would argue in favor of

recovery house regulation. Put simply, I believe that the normative question of whether or not to

regulate recovery houses is the wrong question to ask. The discourse on recovery houses has been

driven (on both sides) by an obsession with the absence of one type of licensure (recovery house

licensure, or the broad and amorphous notion of "government oversight"), and a concomitant

obsession with one type of regulation (L&I). There is no question that the analytical framework of

"regulated versus unregulated" is wholly inadequate. Certainly, the interviews and fieldwork

presented in this paper reveal a series of missteps, oversights and loopholes – all of which rest

implicitly on the original sin of a regulatory *void* that enables operator mobility and recovery house

persistence. State inaction (of one form) is key here, as the absence of regulation breeds a fear-based

industry operating in areas of spatially concentrated poverty. This set of circumstances, in some

respects itself created by deregulatory impulses of "system disconnect" and retrenchment, clearly

creates barriers to legitimacy. But quite importantly, this set of circumstances also serves as an

inroad to *re*-regulation in the double movement.

Shifting historical conditions of urban informality reconfigure the state's capacity to

intervene at a particular site, while still accommodating the universally constant reflexive questioning

of the proper scope (and rationale) of political power endemic to liberalism.[25] Along these lines,

when we consider urban informality in the conventional sense, as part of a marginalized sector

comprised of the survival mechanisms of the urban poor,[26] we search for policy measures

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[25] This foundational question was pithily summarized by Foucault with the simple query, "why must one govern?" See M. Foucault, "The Birth of Biopolitics.," in *Ethics: Subjectivity and Truth*, ed. P. Rabinow (New York: New Press, 1997), p.75., See also M. Valverde, "'Despotism' and Ethical Liberal Governance. ," *Economy and Society* 25, no. 3 (1996).

[26] N. AlSayyad, "Urban Informality as a 'New' Way of Life. ," in *Urban Informality: Transnational Perspectives from the Middle East, Latin America, and South Asia*, ed. A. Roy and N. AlSayyad (New York: Lexington Books, 2004).

convenient for the eradication of malfeasance, or ask questions about why and how the state keeps its hands off the recovery house. We are left accordingly with explanatory key words such as accordance, tolerance, able partnerships, and "ancillary" modes of treatment. We avail ourselves descriptions of the enjoyment of "benefits," or the "feckless" nature of failed regulation. Otherwise, the analysis depends upon a strategy of revealing "voids," "vacuums", non-intervention, retrenchment, roll-back, and withdrawal. These terms are all clearly important. They explain an ecological vector, or historical conjuncture, created (in part) by fiscal austerity and the roll back of the state. Such processes have enabled mobility for the recovering addict cum entrepreneur.

But the utility of this argument hinges on very particular conceptions of urban informality and regulation. I would like to add to my analysis by building toward a second conception of urban informality; that which is deeply enmeshed with the formal sector as an essential and perhaps permanent component of the modern economy and the modern welfare state.[27] Put another way, urban informality becomes both an effect of retrenchment logic, and an instrument of an ever-transforming matrix of state regulatory power. The effect of managed persistence then, as I will conceive of it here, is to translate the "unregulated" recovery house into a troubled site of regulation, on several fronts.

The recovery house matrix enables us to discern emerging regulatory structures, logics, and relationships (both material forms and discursive strategies), many of which may be "creatures of crises rather than constituent elements of some (planned) resolution".[28] The affinity between the formal welfare state and informal self-help movements has only accelerated in the post-Keynesian era, within which welfare state transformation has been a primary engine of urban transformation

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[27] Ibid., p.11.,

[28] J. Peck, *Workfare States* (The Guilford Press, 2001), p.38., A. Tickell and J. A. Peck, "Social Regulation after Fordism: Regulation Theory, Neo-Liberalism and the Global-Local Nexus," *Economy and Society* 24, no. 3 (1995).

and redevelopment. This is what Nezar Alsayyad,[29] in reframing the NGO notion of the quiet revolution, terms the "quiet encroachment." One the one hand, the shift in analytical sensibility implied here allows us to examine the ways in which recovering subjectivity has been induced by the operations of neoliberalism and welfare state retrenchment, while simultaneously being configured as a form of resistance to these trends. On the other, it allows us to push back against received notions of retrenchment to see how the state redistributes risk, responsibility, and regulatory functions in the post-welfare age.

Consider for example the question of licensure itself. L&I licensure was mostly conceived of as in adequate tool of regulation by operators and city officials alike. At another level altogether, however, licensing allows for the promotion of urban order and civility through measures that target spaces and activities. Rather than to offend liberal sensibilities with the direct presence of state authority, licensing enables policing functions to take effect by turning the work of risk management over to the private sector. This allows government to ensure that spaces are under constant surveillance and subject to immediate disciplinary measures, without involving centralized state knowledges.[30] But we should be careful not to proceed un-reflexively with the stories that liberal governance tells about itself. There are two matters that I would like to take up with respect to this refrain. First, while licensing devolves authority to private actors, it allows the state nonetheless to continue its obsessions with the unevenness of comportment and the constant need to enframe violations within a discourse of security.[31] Boarding room licensure thus designates a threshold of liberal governance and an administrative framework for the question of state intervention.

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[29] AlSayyad, "Urban Informality as a 'New' Way of Life."

[30] M. Valverde, "Police Science, British Style: Pub Licensing and Knowledges of Urban Disorder," *Economy and Society* 32, no. 2 (2003): p.236.

[31] Ibid. C. Gordon, "Governmental Rationality: An Introduction," in *The Foucault Effect: Studies in Governmentality: With Two Lectures by and an Interview with Michel Foucault*, ed. G. Burchell, C. Gordon, and P. Miller (Chicago: University Of Chicago Press, 1991).

While the Keynesian state generated policies to "spread" or share risk through networks of redistribution, the neoliberal state in an era of fiscal austerity and welfare state retrenchment devolves authority to locally administered networks of experts.[32] The job of these experts, in part, is to manage the risk that emerges from urban informality and its concomitant states of "advanced marginality".[33] The population's collective sense of security from the state is ratcheted down to "bare bones" structural safety in the form of uneven code enforcement from a hapless L&I inspector. The state responds perhaps *only* to points of crisis, but quite significantly, *to* points of crisis. As a new mode of governance, risk management has emerged as the welfare state's last vestiges have been abandoned.

My second and much more complex point draws once again on Valverde and Foucault. Knowledge about specific social spaces is central to liberal governance (e.g., "you are letting us know what's going on behind the door of that address"), as the differentiation of spaces of allows contradictory modes of governance to co-exist.[34] It is here that fragmentation and unevenness become significant, with respect to what Valverde calls a "geographicalization of spaces." L&I licensure enables a "geographicalization" of space by setting in place a different mode of governance between the multiple occupancy home (the R-2) and the single family home (R-3). Thus it is important to note that recovery houses *are* regulated under L&I's boarding room licensure requirements. However, this is a zoning category controlled by municipalities, which is quite apart from state legislation that has the authority to regulate the delivery of social services and health care.

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[32] V. Malkin, "The End of Welfare as We Know It. What Happens When the Judge Is in Charge?," *Critique of Anthropology* 25 (2005).

[33] See L. Wacquant, "Urban Marginality in the Coming Millennium," *Urban Studies* 36, no. 10 (1999). And ————, "Deadly Symbiosis: When Ghetto and Prison Meet and Mesh," *Punishment & Society* 3, no. 1 (2001).

[34] As Valverde notes, there are differences between home and workplace, rural and urban, public private, that justify and are rooted in different modes of governance. For example, we do not expect small private businesses to uphold the same bureaucratic standards around issues such as affirmative action that we expect of large public instiutions. In effect, by being "geographicalized, a particular mode of governance avoids being judged by the standards of a neighboring but distinct space." See for example, Valverde, "'Despotism' and Ethical Liberal Governance. ," p368., and ————, "Police Science, British Style: Pub Licensing and Knowledges of Urban Disorder."

The only level of government that could legally regulate recovery houses would be the state – under professional licensing systems, health care statutes, or regulations issued pursuant to the welfare statute Act 75. These factors extend the scope of critique in this paper, from city level omission and neglect to the inaction of state level politicians and bureaucrats.[35] At this level, the *absence* of recovery house licensure is undoubtedly more complex.

This absence is a product of multiple factors related to the practical dilemmas of regulation more generally: for one, the unlikelihood that the state would have the resources to inspect; for another, the unlikelihood that proper building standards could be maintained on the small amounts of money that operators collect from their clients. But my interest here is more in the *effects* of state inaction than in any attempt to call for state level regulation, per se. There is a multi-scalar downloading of responsibility at play here, from the state to the city to the street, which is indicative of wider trends in contemporary welfare state restructure. State inaction enables what Ananya Roy refers to as an "unmapping" of space, which in turn guarantees a "territorialized uncertainty and flexibility" of state intervention. As Roy deploys this concept in squatter settlements in Calcutta, the power of the state is derived from an unmapping that ensures a constant negotiability regarding land rights, property rights, and even citizenship.[36] In a similar vein, the regulatory void stemming from the absence of recovery house licensure, "de-geographicalizes" the space,[37] mobilizing actors (or allowing them to mobilize). It discards the "visible grid" of regulated space in favor of what Gordon refers to as "the necessarily opaque, dense autonomous character of the processes of *population*".[38]

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[35] I am indebted to an anonymous reviewer for these insights.

[36] A. Roy, *City Requiem, Calcutta: Gender and the Politics of Poverty* (Minneapolis, MN: University of Minnesota Press, 2003). See also Roy and AlSayyad, eds., *Urban Informality: Transnational Perspectives from the Middle East, Latin America, and South Asia*.

[37] Just as deconstruction has been illuminating with respect to denaturalization in liberal doctrine, Valverde suggests as well that "de-geographicalization" is an important analytical practice for understanding the generative aspects of licensure. See Valverde, "Police Science, British Style: Pub Licensing and Knowledges of Urban Disorder."

[38] Gordon, "Governmental Rationality: An Introduction," p.21.

We have seen a peculiar logic of ratcheting down, made even more acute by the 2012 GA cuts, that engenders vulnerability and reconfigures the role of the state in devolutionary welfare partnerships. In the process, the state not only appeals to - but effectively constitutes through the logic of retrenchment - new modes of informality and new strategies of survival. There is value-added in informal arrangements situated within unregulated markets, as the constellation is guaranteed to fulminate a full spectrum of ethical comportment. Which brings us back to a key informant's important assessment: "basically, all they want to do is stop fraud and abuse. That's it, basically." I want to add to this statement, only fraud and abuse, *but* fraud and abuse. In the case of recovery houses, it is the informal operators themselves who have fundamentally restructured the rules of social service provision and the ways in which individuals "take up" public assistance. It is in this sense that they act as regulatory agents, or sites of rule making and enforcement within a locally specific, informal poverty management system.[39] But questions of fraud and abuse are alive and well, and highly contingent and always inflected with racial and class markers. Operators are constantly at risk of being the wrong kinds of entrepreneurs and the wrong kinds of civic actors, even in the age of devolution, voluntarism, and the growing reliance on market models for public policy. And, at the same time that operators seek autonomy from regulations and the discipline imposed by the modern state, they also somehow need the security that comes from state surveillance. Consequently, there is a negotiation between autonomy and integration that spreads across a spectrum of formality to informality, legal to extralegal. It is in this light that urban informality, operator protagonism, and even subsistence appear not only as formidable barriers to legitimacy and regulation, but perhaps better stated, as post-welfare mechanisms of institutional restructure. I want to argue then, that neoliberalism effectively evacuates the capacity of the double movement to act as a form of shelter,

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[39] J. Peck and N. Theodore, "Contingent Chicago: Restructuring the Spaces of Temporary Labor," *International Journal of Urban and Regional Research* 25, no. 3 (2001). J. Wolch and G. DeVerteuil, "New Landscapes of Urban Poverty Management," in *Timespace: Geographies of Temporality*, ed. J. May. N. Thrift. (London: Routledge, 2001).

slowing the rate of change. Instead, the double movement in the realm of informal urban entrepreneurialism activates market subjects, foments primitive informality, reconfigures and denudes the relationship between citizen and state. And of course, the political ham-fistedness of Governor Tom Corbett in cutting Pennsylvania General Assistance altogether in 2012 further suggests how informal welfare entrepreneurialism that initially granted a residual "right to live" actually *accelerates* the rate of change with its final revocation. Whether further pauperization of recovering addicts can result in proletarianization and protections as it did in the fallout of Speenhamland seems (at best) unlikely in the postindustrial economy.

Instead, contemporary paupers, or destitute addicts, are left to churn in regulatory eddies of a denuded welfare system and its adjunct sphere of self help entrepreneurialism. To say that recovery houses are "unmomitored" and "unregulated" is simply untenable. With no effective means of redress and a highly contingent state of tenure, the recovery house actors become trapped within a series of regulatory forces that operate in concert with the formal treatment sector and the informal recovery house. The recovery house experience ensures a constant negotiability concerning factors well beyond L&I or recovery house licensure; such as matters regarding welfare eligibility, probation and parole, child support, and low wage employment for both operators and clients. In this sense, recovery houses are but one element of an emergent, multifarious public/private regime of regulation. Men in recovery are caught up within the nets of welfare administration, criminal justice, child support, the informal labor economy, the behavioral health system, and the market structure of the houses themselves. Under chronic conditions of insecurity, the state avails itself a new form of authority over the industry that does its bidding, as well as multiple forms of authority over the subject caught up in its nets of discipline.

Taken together, the state's variegated responses do not simply enable an informal economy to persist, but in fact they *deepen and accelerate* urban informality as an engine of contemporary

restructure. In this sense, the experiences of the recovery house actors evince a kind of remapping, a re-regulation, and a redistribution of rights and responsibilities taking place in postindustrial Philadelphia.

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