December 1993

Neighborhood-Based Initiative to Address Poverty: Lessons From Experience

Robert Halpern

Erikson Institute, Chicago

Neighborhood-Based Initiative to Address Poverty: Lessons From Experience

ROBERT HALPERN

Erikson Institute
Chicago, Illinois

Neighborhood-Based Initiatives to Address Poverty

The neighborhood has long been an important locus for efforts to address the causes and consequences of poverty in American society. Over the course of the past century neighborhood-based initiatives have been called on to reduce class conflict, counter feelings of alienation, localize control of social institutions, create jobs and reverse neighborhood economic decline, improve human services, and address a variety of specific poverty-related problems, ranging from infant mortality to juvenile delinquency. In this essay I draw on the historical experience with neighborhood initiative to illuminate its strengths and limitations as a strategy for addressing poverty and its correlates. I also use the particular history to point up enduring dilemmas in American society's efforts to address poverty.

Neighborhood-level initiative has played an important role in efforts to address poverty because it is consonant with the ways in which Americans prefer to think about and deal with poverty; that is, as an individually- and locally-rooted problem, a product of individual weakness or unhealthy community environments, rather than inadequate wages, a changing labor market, or exclusion from social and economic opportunities. Poor people, separated from the basic social, economic, and political contexts which shape their lives, "are presented as a mere aggregation of personal cases, each with its own logic and self-contained causes" (Wacquant & Wilson, 1989, p. 9). Certainly people who have had and continue to have difficult lives do make more than their share of bad decisions—a residue of such lives (Polansky, 1981). People eventually internalize social neglect and depredation in their outlook and their behavior. But too often the focus on individual or group responses to hardship

and exclusion has served as an excuse for ignoring underlying causes of poverty-related problems.

The preference for focusing on poverty and its correlates as individual and local problems itself is due to a reluctance to acknowledge that American society's collective economic and social choices bear inherent costs—in hardship, inequality, and marginality—as well as benefits. Acknowledging these costs presumably would threaten the ideals and myths underlying American culture. Americans therefore struggle to find approaches to addressing hardship, inequality, and marginality that allow basic myths to be maintained, for example that ours is an open society with few impediments to social mobility. Neighborhood initiative not only fits comfortably with our ideals and myths, it has been built on them.

American reformers since the Progressive era have believed that the local community is the ground on which our society could compensate for and counteract the costs inherent in its priorities and arrangements. They have believed that the local community can be different in values and dynamics than the larger society in which it is embedded (Wiebe, 1975, ch. 6). Thus, for example, it is presumed that in a society driven by self-interest it is easier to identify common interests within a local community. In an individualistic society, feelings of responsibility for others' well-being are stronger within a local community. In other words, reformers have believed that something done in the community can solve problems the larger society has been unable or unwilling to resolve.

The historical experience with neighborhood initiative raises doubts both about the ways in which Americans have preferred to deal with poverty, and the ways in which they have used the idea of community. This experience suggests that poverty and social exclusion are not problems which local citizens coming together can address on their own, especially if it is only those citizens experiencing these problems. Neighborhood initiatives have provided residents of poor neighborhoods a voice in defining important issues in their lives, and a vehicle for acting in concert to gain a measure of control over those issues. The services they have created have provided poor people critical support in coping with poverty-related stresses.

They have assumed leadership in municipal poverty-fighting efforts. Too frequently, though, neighborhood initiatives have been undermined by inappropriate social tasks, overly optimistic views of community, and ambivalence on the part of government about community control in poor communities. Too frequently, local and federal government has used the presence of neighborhood initiatives as an implicit excuse for inaction on larger issues, such as residential segregation. All too frequently neighborhood initiatives have been undermined by the very community depletion they were designed to address. Rather than reshaping the larger social context, most initiatives have been progressively shaped by it.

Herein lies a central dilemma of neighborhood initiative in poor neighborhoods. Neglected and depleted local communities do not create themselves. They are created largely by the decisions of others not to invest in, insure, support, or interact with those communities and their residents; indeed often to withdraw resources from those communities, and let existing investments deteriorate. It is problematic to then turn around and encourage these same communities to draw on the very types of resources that have been depleted to renew themselves. Under such conditions, neighborhood initiative becomes a false choice, rather than a genuine one. Members of neglected and depleted communities have not only chosen, they have had no choice but to rely on their own efforts to counter the effects of their exclusion. They have done do so in response to the indifference of the larger society, in an effort not to let that indifference destroy their communities. They have done so to counter hopelessness and anger, and to secure a modicum of self-determination.

The Emergence of Neighborhood Initiative

Neighborhood renewal emerged as a major problem solving approach in the last decade of the nineteenth century. Progressives started out with a broad agenda, including regulation of working conditions, tenement reform, women's suffrage, public health reform, and family preservation. Woven through the specific elements of this agenda, and emerging over time as a

central theme binding it together, was renewal of community. When Progressives looked at poor neighborhoods they saw not only horrendous living conditions, but conflict among religious and ethnic groups, lack of neighborliness and lack of order. They saw the poor as alienated from their work, their communities and each other (Kirschener, 1986, p. 179), and as unassimilated into society. Progressive reformers sought responses to hardship and inequality that were not as moralistic as those of the nineteenth century, that did not raise questions about the basic tenets of American society, and that were neither too trivial nor too radical as a response to poverty. They also needed problem solving strategies that addressed the perceived decline in social cohesion. Neighborhood initiative seemed well-suited to all these objectives.

If the neighborhood was going to be "the unit of civic and national reconstruction" (Robert Wood, cited in Chambers, 1963, p. 116), something had to be created that symbolized and represented the neighborhood as a whole, and that had the means to pull disparate elements together. The settlement, already emerging in many poor neighborhoods to provide specific services to neighborhood residents, seemed well-suited to this purpose (Chambers, 1963). Settlements' immediate attraction to the residents of poor immigrant neighborhoods was the wide variety of services provided. Settlement leaders had a larger vision. They wanted settlements to become neighborhood centers in the broadest sense. They organized residents to push for improved neighborhood conditions, ranging from closed sewers to public baths, to parks and playgrounds. They tried to use the settlement as the vehicle for reconciling the diversity of group beliefs, interests, and behavioral patterns that made up poor neighborhoods (Daniels, 1920).

A notable exception to the settlements' efforts to promote social integration involved African Americans, whom most settlements refused to serve (Philpott, 1978). By the early part of the century, urban African Americans were already being residentially isolated from other groups, through restrictive covenants, steering and violence. Nonetheless as more African Americans moved north they overspilled the boundaries of black districts, and many lived in the catchment areas of particular settlements.

Settlement leaders supported the maintenance of the "color line" when they could. When they found African Americans in their neighborhoods they constructed elaborate rationales not to serve them (Philpott, 1978, p. 301). They argued that racial integration would lead to neighborhood conflict. They argued that the whole aim of neighborhood work was to bring people together voluntarily, and if one group objected there was nothing to be done (Philpott, 1978, p. 311).

Aside from the issue of race, the settlements' efforts at neutrality and ecumenism limited their role in social problem-solving and community development. They were ambivalent about the industrial strife of the period, identifying with workers but refusing to acknowledge the roots of workers' grievances in the basic premises of corporate capitalism (see Jane Addams' reflections on George Pullman in "An American Lear", reproduced in Lasch, 1965). Settlements refused to acknowledge the critical role that churches and mutual aid associations played in immigrants' lives, further marginalizing them in neighborhoods in which they were often already viewed as outsiders. Over time settlements' aspirations to reform society from the bottom up weakened, as did the broader reform impulses of the Progressive era. Nonetheless, settlements maintained their role as social sentinal. They were among the first to sense and warn of the coming Great Depression, though no one would listen to their warnings (Hall, 1971, ch. 1).

During the early decades of the century other neighborhood-based strategies also emerged in poor neighborhoods. The public schools experimented (briefly) with efforts to become neighborhood service centers and development agencies (Fisher, 1977). As human services became more bureaucratized in the 1920s and 1930s, some cities developed local welfare or neighborhood councils, designed to assure local citizen input into service planning. Innovative neighborhood service models emerged in a number of cities. Clifford Shaw's Chicago Area Project, for example, tried to reduce juvenile delinquency by addressing the breakdown in community social controls thought to nurture it. The Project recruited young adults from the community (some former delinquents) as "curbstone counselors", to provide gang members the caring, feedback, guidance and

monitoring that presumably had dissipated in the community (Schlossman & Sedlak, 1983).

Also in Chicago, the Back of the Yards Neighborhood Council (BYNC) was emerging as a prototype for community-wide reform organizations. Originated by Joseph Meegan, a community leader, and Saul Alinsky, BYNC sought to mobilize the Back of the Yards community around local priorities identified through democratic processes (Slayton, 1986). Meegan's and Alinsky's vision, though more militant than that of the settlement leaders, was in many respects just as pragmatic and optimistic. They assumed that most people in a segmented multi-ethnic community wanted a setting where they could temporarily set aside their narrow interests in the service of common interests, whether an Infant Welfare Station, a free lunch program, better city services, or better access to mortgage loans. The idea of mobilizing a segmented community by focusing on neglect or exploitation by outside institutions, and at the same time setting clear, realistic objectives, would be central to Alinsky's subsequent organizing work (Alinsky, 1970).

During the 1940s and 1950s there were also major shifts occurring in urban community life. Manufacturing was leaving inner-city neighborhoods for the suburbs, taking hundreds of thousands of jobs with it. At the same time three million blacks were making their way from the south to inner-city areas of the north and midwest (Mollenkopf, 1983, p. 82). Local governments joined white neighborhood associations and real estate interests in an effort to control the process of neighborhood change; but such efforts could not withstand the pressure of the enormous numbers involved. A rapid and sometimes violent process of racial transition took place at the edges of expanding black ghettos.

As whites fled inner-city neighborhoods the political relationship of those neighborhoods to municipal government changed dramatically. Contracting urban resources provided an excuse for decreased patronage and investment in schools, police, sanitation, and infrastructure in both the historic ghetto and newly black neighborhoods (Mollenkopf, 1983). A growing proportion of absentee landlords saw little reason to maintain properties in neighborhoods perceived to be declining anyway.

Urban renewal, the predominant poverty-fighting strategy of the era, became a tool to buffer city centers from the tide of African American migration, and to reinforce territorial segregation through zoning, selection of transportation routes, and location of public housing (Fainstein & Fainstein, 1983). Hundreds of thousands of poor people, mostly minorities, were relocated from the viable living neighborhoods into other poor neighborhoods that soon themselves became overcrowded and overwhelmed (Gans, 1965). The federal highway program, which displaced almost as many poor people as urban renewal, was often used to cut off poor, minority communities from the rest of the city (Mollenkopf, 1983). High rise public housing projects became the anchor, locating, solidifying, and holding the ghettos in place as one after another of the major institutions of society deserted them (Kotlowitz, 1991).

Responses: From Outside and From Within

The Ford Foundation felt impelled to respond to what was happening in the cities with a program that provided both prototype and impetus for the unprecedented neighborhood initiatives of the 1960s. Ford Foundation staff, notably Paul Ylvisaker, were frustrated by the unresponsiveness of predominant urban institutions, notably municipal governments and schools, to the support needs of the growing numbers of minority migrants to the cities (Ford Foundation, 1964). They recognized, albeit dimly, that there was growing anger in the inner-city about the process and fruits of urban renewal, and that this anger had to be contained and converted to something positive (Ylvisaker, 1973, pp. 19, 23). They were interested in a strategy broader than one sector (e.g. school reform) and more substantive than Ford's prevailing program of municipal government reorganization.

The motives for Gray Areas were nonetheless conservative ones. Paul Ylvisaker and colleagues, like their progressive era predecessors, believed that America's values, political and social system were essentially sound; they just sometimes needed some "re-balancing" (Aaron & Hahn, 1991, p. 3). They, like others at the time, had a fear of social disorder and a perception that it could only be prevented through greater equality

(Kenniston, 1960). Not least, like the settlements, Gray Areas was built on the presumption that mainstream institutions and disenfranchised residents of poor neighborhoods had the same interests but were frustrated by not knowing how to combine their energies in a constructive process.

Gray Areas involved the infusion of relatively large amounts of Ford Foundation money and some technical assistance into a small number of cities—Boston, New Haven, Oakland, Philadelphia, Washington, D.C.—typically through a newly created, private coordinating agency, and typically with a focus on one or a few specific inner-city neighborhoods. These monies were to be used in part to spur innovation in local social, health and educational services, in part to finance the development of a comprehensive neighborhood renewal plan that would serve as the basis for attracting other funds for reform. The local organizing agencies would avoid the trap of becoming just another agency fighting for its prerogatives "by repudiating any claim to permanence or direct control" (Marris & Rein, 1982, p. 284).

The New Haven Gray Areas program, under the auspices of Community Progress Inc (CPI), was perhaps the best known and most widely publicized. A small, tightly knit group of professionals developed the plan, sold it to Ford, and ran the program (Powledge, 1970). While community residents were involved in service provision, there was little citizen participation in planning or governance. CPI's concern with New Haven's inner-city community was "largely anticipatory and defensive, a strategic posture rooted in the fear that the antipoverty project would become embroiled in political controversy and fail to accomplish its purpose" (Murphy, 1971, p. 119).

The New Haven program focused particularly on educational programs such as community schools, preschool education, community work experience for youth, lay teacher aides, and home school coordinators; and corollary programs such as after school programs, summer camps, and expanded neighborhood libraries (Murphy, 1971). It also developed employment centers, and had a rent supplementation program. Program leadership viewed it as "a pioneering effort, aiming at kind of a comprehensive social plan that has never before been prepared

(Murphy, 1971, p. 68). This was not quite true. The eclectic mixture of services reflected a renewal of many earlier ideas. More important, CPI was out of step with a growing demand by inner-city community leaders for greater community participation in program planning and management (Powledge, 1970, p. 142).

At the same time that Ford was funding Gray Areas two other initiatives were developing that would provide conceptual foundations for community action, the programmatic centerpiece of the decade. The President's Council on Juvenile Delinquency (PCJD) funded demonstrations in 16 cities, focused on breaking the poverty cycle at the point just before youth were lost to the streets, primarily through education programs, and some street corner social work reminiscent of the Chicago Area Project of the 1930s. The PCJD program ran into many of the same local obstacles as did the Gray Areas projects, including demands for greater community participation, and local school bureaucracies resistant to even modest reforms.

The other initiative, Mobilization for Youth (MFY), originated at the Henry Street settlement in New York, was charting a different course than Gray Areas and PCJD. The designers of MFY believed that prevailing social institutions needed reform more than did poor people. Strategically, they believed that cooperation would only lead to cooptation, and thus assumed a more aggressive approach to reform (Marris & Rein, 1982). They were also committed to letting poor people themselves define the MFY agenda, although within a framework of professional guidance. MFY did sometimes try to persuade established institutions, including schools and welfare offices, to be more responsive to community residents. For example, MFY staff helped organize a group of Puerto Rican mothers to press for modest reforms in their children's school, including more flexible scheduling of parent-teacher meetings, and permission to take books home (Marris & Rein, 1982, p. 67). When efforts to persuade broke down, MFY encouraged neighborhood residents to turn to protest and demand on mainstream institutions, and helped develop the protest strategies (Cloward & Ellman, 1973). MFY's effort to raise the stakes of local reform made it a variety of enemies, including some who had started out as

allies (Hall, 1971, p. 274). The program eventually stabilized as an important community institution. In its difficult early history it left a number of lessons that should have been but were not digested by those designing the coming War on Poverty.

Community Action

Miller and Rein (1973) note that many of our social reform movements are stories of the compromises that have to be made to mobilize support for reform in the U.S. context. The War on Poverty, in which a structural analysis of poverty by senior government officials, focusing on unequal access to jobs, was converted into a primarily service-based strategy, was certainly one such story (Katz, 1989). The conversion was facilitated by the enormous financial costs and political constraints to a major public sector job creation program. It was furthered by the availability of prototypes for a neighborhood-based strategy.

As it emerged, the War on Poverty had two thrusts: equal opportunity and community action (Katz, 1989). The first was reflected in specific health, education, social service, and job training programs intended to help poor children, youth, and to a lesser extent adults become prepared to take advantage of "new" opportunities. The other, community action, was built on the idea of strengthening poor communities' own ability to meet their residents' needs (or at least assure those needs were met). This would be done through two strategies. First, established institutions and the new Office of Economic Opportunity (OEO) programs would come together in a reform coalition that would adopt a common strategy for improving community members' well-being. Second, community members would take a significant role in determining the priorities and activities of the local "War on Poverty". This latter was referred to as the principle of maximum feasible participation. A new institution, the community action agency (CAA), was created to embody and implement these ideas. The CAAs' authority and leverage consisted of control over the grants for some of the new OEO direct service programs, and the influence embodied in their boards, which were supposed to include representatives of different segments of the community.

The principle of maximum feasible participation was a broad idea that resonated strongly with basic American beliefs. Nonetheless, OEO never defined what it meant by the term. It was probably intended to mean advisement by community residents in local planning and decision-making coalitions, and employment of poor people in helping roles vis a vis their neighbors and peers. There was an assumption that participation was inherently good both for poor people and for society. It would improve poor people's mental health by countering their sense of alienation; and it would strengthen democracy. It was certainly not viewed in the early OEO discussions as a vehicle for increasing the political power of formerly powerless groups. But that is what it became.

Efforts to clarify the meaning of participation were reflected in battles over representation on CAA boards. Established interests, especially local city halls and major human service institutions, quickly mobilized to take control of the boards. Partly in response, Congress passed legislation requiring that one third of each CAA board be made up of representatives of the poor. Gaining a measure of control over CAA boards also became a focus of the civil rights organizers and militant community leaders (Morone, 1990). Most neighborhood residents continued to feel unrepresented throughout the battles over governance. As CAAs resolved internal issues they moved on to face equally difficult questions about their purpose, role, authority and legitimacy in the local community. One putative task of the CAAs was coordination of the general poverty-fighting effort in a community. In this they were hampered by limited resources, an unclear mandate, and by the fact that they were a new, externally-created institution. For example, the CAAs were never really able to gain a role in community economic development, an indigenous movement that was becoming a principal engine of development in inner-city communities.

The CAAs struggled particularly with issues of authority and role in the area of human service coordination and reform. As private agencies they had no authority, and only such legitimacy as resided in their boards, to take the lead in coordinating community services. With respect to reform,

there was a tendency to try to have it both ways—to ask es-
tablished institutions to work with them, and simultaneously
to pressure them to reform. Community Action Agencies often
found themselves organizing community residents to demand
reform of the very institutions—schools, welfare departments,
housing authorities—that they were trying to bring together in
a common strategy to improve the community.

Over time, most community action agencies settled on a co-
operative rather than confrontational stance, scaled down their
ambitions, and began seeking a defensible niche in their com-
munities. In this they were helped along by the Office of Eco-
nomic Opportunity, which, responding to the lack of clarity
in CAA purposes, and to the tendency for some CAAs to use
federal funds to support militant actions against established
powerholders in their cities, began to seek greater control over
local community action programs. It did so by earmarking an in-
creasing proportion of community action funds for national pri-
ority programs, converting many CAAs primarily into grantees
for specific programs such as Head Start, community health
centers, and Job Corps.

In the end, the results of the community action strategy
were mixed. In addition to providing a local base for new
neighborhood-based services, community action created or
stimulated the creation of new affiliations and organizations,
including single-issue coalitions, tenant organizations, legal ser-
vices, public interest law firms, and various rights organizations.
These new groups and organizations gave poor people critical
support in coping with poverty-related stresses, and a voice
in at least some the issues shaping their lives. They came to
play a critical role in securing and protecting the rights of poor
children and families against the unchecked discretion of the
public service and public assistance bureaucracies. The oppor-
tunity afforded to community members to assume key staff and
advisory roles planted the seed for the eventual emergence of
a black municipal bureaucracy. Not least, community action
brought people together who would not normally have come
together, leading to dialogue, new relationships, and occasion-
ally to coalition-building.

Community action as a strategy was nonetheless limited
in critical ways. It faced an inherent dilemma in its strategic

focus within the boundaries of poor neighborhoods themselves. Community action was developing during a period of worsening residential segregation in most cities. Many moderate black leaders were beginning to see the goal of integration as a chimera, and therefore supported the strategy of "separate development" as a necessary alternative (Altsbuler, 1970). But while an internal orientation made immediate sense, it could not address the problem of community neglect by major social and economic institutions, including banks and large corporations; nor residents' growing exclusion from mainstream social and economic opportunities.

Community action was further undermined by the half-hearted support of its own sponsor. When residents of poor communities finally began to take the federal government up on its offer, and attempted to define community action on their own terms, the federal government began backing away from its commitments to them. When the poor in a particular community did manage to achieve a tactical victory on a key local issue they received little support from OEO in building on such achievement to develop a constructive program of local action. Established institutions and service agencies "transformed the institutional change strategy to guarantee their own survival by redirecting the focus onto the client group and away from the institutional order" (Rose, 1972, p. 148).

Morone (1990, p. 250) argues that in the community action program "the state mediated the tension between the need for action and its inability to undertake it by organizing a program grounded in a potent myth". That was the myth of a coherent, like-minded community mobilizing itself for its common good. In reality it proved impossible in most instances to build the common interest around which to pull together the diverse segments of local communities. Indeed it has been argued that in community action and related programs, as well as broader events of the 1960s, "revealed a national style that was sectarian, not pragmatic. When Americans encountered problems they looked not for the common ground but for the boundary dividing it" (Wiebe, 1975, p. 8). To the residents of poor neighborhoods, the participatory structures and process set up by community action yielded little compared both to the promises made and the turmoil engendered.

Model Cities

During the late 1960s the residual federal government inter-
est in addressing poverty shifted to a new initiative that was
to be implemented through the very political structures—local
governments—that community action had been designed to
by-pass. Model Cities was legislated into being in 1966 and
administered by the new Department of Housing and Urban
Development. It's purpose was to strengthen local governments'
commitment and ability to rehabilitate inner-city neighbor-
hoods, through careful planning and centralized coordination.
Model Cities was to be community development decoupled
from community action, particularly its more militant aspects.
Nonetheless, the social, political and institutional context for
reform was profoundly different than it had been just a few
years earlier.

Anger and frustration was at a much higher level in inner-
city neighborhoods. Poor people and their local leadership were
increasingly disillusioned by a sense of unfulfilled promises and
betrayal by both the federal and local governments. They had
learned that public and private resources for poor communities
"come with a price tag that virtually never leaves local goals
unchanged" (Perry, 1985, p. 16). They had also learned that "in
a coalition form of decision-making, such as the Community
Action Boards...they could be outmaneuvered and outvoted
by more powerful interests" (Warren, 1969, p. 248). They were
unwilling to let themselves be outmaneuvered once again. Es-
tablished institutions positioned themselves carefully to gain a
piece of the new pie, without becoming embroiled in strug-
gles over priority-setting and organizational structures. Finally,
both mayors and Congress wanted to be sure of control over
the program.

Cities interested in a Model Cities grant had to develop
an elaborate plan, that included most or all existing human
service agencies or programs. The plan was to be developed by a
newly created body called a City Demonstration Agency (CDA),
composed of elected officials, representatives of major agencies
like the schools, local housing authorities, health and welfare,
employment, civic, labor and business leaders. The CDA was

supposed to be under the authority of the elected city council and the mayor, who had veto power over any plans developed. In many respects, Model Cities was set up to minimize rather than maximize the governance roles of residents of the target neighborhoods. The guidelines developed by HUD interpreted the citizen participation requirements in the legislation to mean only that citizens have access to the decision-making process (Arnstein, 1971). There was a tendency for the planning process to be tightly held, with plans voted on by the city council before the poor could mobilize. This was sometimes due to time pressure, as the program priorities set in Washington kept shifting. Nonetheless, power-sharing with residents tended to occur primarily when organized protest by target neighborhood citizen groups threatened to block planning or program monies from HUD to a particular city, as in Philadelphia; or when local government chose to work through a neighborhood corporation, as in New Haven. In a few cities, groups representing the poor turned to the courts to enforce citizen participation provisions.

One key principle of Model Cities was supposed to be concentration of federal and local resources in the targeted poor neighborhoods. In reality there was a strong tendency for resources committed to Model Cities by the schools, housing authority, and other agencies to be re-absorbed by those agencies, through the technique of defining needed services as what they already provided. Other federal programs that were supposed to pitch in withheld their resources till it became too late to use them. A second key principle, coordination, also became a kind of shell game (Gardner, 1989).

A portion of Model Cities monies were intended to be used for an updated attempt at urban renewal, this time with a more serious focus on increasing the supply of decent housing for poor families. But while the idea of urban renewal had been updated, the politics of urban renewal had not been. Non-profit housing and community development agencies that attempted to take advantage of HUD's interest found little support from local urban renewal boards and commissions, which still tended to be controlled by large real estate and construction interests, and to be susceptible to pressure from residents of wealthy neighborhoods. Ideas such as scatter-site housing and building

code reform rarely made it through local legislative or regula-
tory processes. Within a few months of his election President
Nixon declared the "urban crisis" over (Haar, 1975, p. 193). At
the same time that its coverage was being expanded from about
75 to 150 cities, largely for political purposes, its funding was
being cut from $500 million to about $300 million. Within a few
years Model Cities was off the Nixon administration's social
policy agenda.

Community Development Corporations:
A Different Approach, Constrained All the Same

Of all the neighborhood-based poverty-fighting strategies
that have evolved in the United States community economic
development is the most direct and powerful. It is also one
of the few that was not imposed on poor communities, but
grew out of their own efforts to define their needs. That is why
its relatively modest effects (Carlson & Martinez, 1988, p. 292)
are so instructive. The idea of community economic develop-
ment, as embodied in the community development corporations
(CDCs), emerged in the mid-1960s out of a growing conviction
among community leaders that the economic renewal of their
communities was of little concern to the private sector or to
government (Perry, 1987). It was also motivated by belief that
the anger being expressed in urban riots, as often turned in-
ward as outward, had to be re-directed into constructive activity
if inner-city communities were to survive. Most of the early
CDCs were locally-created, community-owned institutions. A
few, such as The Woodlawn Organization and Philadelphia's
Opportunities Industrialization Center, started out as protest
organizations. In the late 1960s the federal government became
involved in stimulating and supporting CDCs, through OEO,
the Small Business Administration, and later through the Com-
munity Services Administration. By the late 1970s the Ford
Foundation became involved, through the Local Initiative Sup-
port Corporation (LISC).

The first generation of CDCs were relatively large orga-
nizations, often involved in planning and overseeing sizable
commercial projects, such as a shopping center; and in efforts to
bring some manufacturing back to the inner-city. They also took

equity stakes in or purchased businesses that otherwise would have closed down (Carlson & Martinez, 1988; Faux, 1971). These early CDCs were modestly successful in attracting private capital back to inner-city communities. They generated a modest number of local jobs. In both their projects and their own offices they provided a training ground for minority bankers, planners, accountants and so forth. About half the businesses they helped create or maintain became profitable, at least for a time (Perry, 1987). But the depleted state of many inner-city communities by the late 1960s and early 1970s, often compounded by the destruction of businesses through looting and arson during the riots, strongly constrained the early CDC experience. The efforts of even the best-capitalized and managed CDCs, such as the Bedford Stuyvesant Restoration Corporation, were dwarfed by "the basic patterns of deterioration in the community, in terms of broad measures of joblessness, poverty levels, or housing and community infrastructure decay" (Carlson & Martinez, 1988, p. 292).

Over time both the surviving older CDCs and hundreds of newly emergent ones became smaller, more opportunistic, and more pragmatic. In general CDCs shifted more toward building or rehabilitating housing (80 percent of new low-cost housing in Boston is CDC built); and putting together private loan pools (funded by private individuals, foundations, churches, and the like, sometimes guaranteed by government agencies) in order to make mortgage or other capital loans to business ventures that were too high-risk to secure regular bank loans (Pearce & Steinbach, 1987). When later CDCs embarked on a business venture it was likely to be small, providing fewer but more sustainable jobs than in the past, by filling a specialized niche in the local economy—a bakery, a catering service, or a roofing firm.

CDCs also became less likely over time to take a confrontational stand on contentious issues such as bank lending practices or how crucial zoning decisions are made (Pearce & Steinbach, 1987, p. 32). By and large CDCs have opted for a cooperative approach in their projects, appealing to the self-interest of established institutions, and when possible bringing those institutions in as partners. It is not clear if the CDCs' new partners will stay the course. Historically investors in CDC

projects have had to be extraordinarily patient to see even very low returns.

The CDC movement also has not yet resolved the basic tensions between the objectives of nurturing successful businesses and entrepeneurs and redeveloping inner-city communities. For example, should profits be invested back in the business, or used for some general community purpose? Should businesses hire only community residents, even if they lacked the skills needed for a particular job? Should the management evict the resident of a CDC building who could not keep up with his or her rent? These are philosophical questions, reflecting the tensions between the demands of capitalism and those of community (see Gunn & Gunn, 1991). But they also reflect the cruel choices created in forcing neglected communities to take responsibility for renewing themselves.

A New Generation of Neighborhood-Based Initiatives

The process of social and economic disinvestment in inner-city communities that began in the 1950s only slowed modestly during the 1960s and 1970s, and has since intensified. During the 1970s and 1980s hundreds of thousands of jobs were lost from central city areas (Kasarda, 1989). Little effort was made to maintain the older housing stock of central cities, nor such public institutions as schools and hospitals. Cities received a declining share of federal spending. With the loss of the local tax base, the continuing constriction of municipal budgets, and the outmigration of remaining middle class families, inner-city communities no longer had the resources to support the full range of social, religious, and economic institutions that are critical to daily living and that provide the paths toward social mobility (Wacquant & Wilson, 1989). For example, local churches no longer generated the resources to provide educational, social and recreational programs.

After having observed the well-being of poor minority families and the fabric of their neighborhoods deteriorate over the past decade, city governments, foundations, and increasingly the business community, have once again become interested in

efforts to address that deterioration. Much of the renewed attack on persistent poverty is going into programs designed implicitly or explicitly to help individual families escape the inner-city, through education, job training, assistance in finding jobs, and so forth. Nonetheless, the idea of renewing and strengthening inner-city communities is once again receiving at least modest attention.

Casey, Commonwealth, Ford, Mott, Rockefeller, and numerous community foundations have local or multi-city neighborhood renewal initiatives in various stages of development. For instance, the Ford Foundation is sponsoring a four-city (Detroit, Hartford, Memphis, Milwaukee) demonstration called the "Neighborhood and Family Initiative". New York City has two initiatives on the drawing board. Its Human Resource Administration recently proposed "The New Citi Plan", a five year demonstration project "to facilitate community renewal and empowerment" in inner-city neighborhoods (Reed & Bennett, 1990, p. 1). A growing movement for comprehensive human service reform in many states and cities builds on the notion of the neighborhood as the locus of a reconceptualized system of services. For example, New York State has begun a demonstration called the "Neighborhood-Based Initiative", which will focus initially on crisis intervention services and comprehensive case management, but will expand to include a variety of "neighborhood revitalization" activities.

The current generation of neighborhood-based initiatives is focusing relatively more on the integrated nature of neighborhood renewal than did its predecessors. Proponents recognize that it is hard to talk a small businessman or woman into opening a business in a neighborhood full of abandoned buildings; or to convince a child to stick with schooling if no one that child knows has a regular job. At the same time, recognizing the growing difficulty of obtaining outside "concessions, subsidies and investments", sponsors of current initiatives have kept the general ideas of mobilizing community residents on their own behalf and of bringing together diverse local stakeholders to act in concert at the heart of their agendas (Kretzman, undated).

Issues For Current and Future Initiatives

The history reviewed here offers some discrete lessons and raises basic questions about reliance on neighborhood initiative to address problems of poverty, inequality and social exclusion. The social and economic context of neighborhood initiatives in poor, isolated neighborhoods creates a variety of dilemmas with respect to both purpose and strategy. Neighborhood initiatives seem to have been most successful when they have managed to maintain a balance, a middle ground, between the poles of these dilemmas.

Perhaps the central dilemma in neighborhood initiative is what Minow (1990) calls the "difference dilemma", the question of how to address one's social depredation and social exclusion. On the one hand, it is not possible to solve these problems by striving to create a separate local society. Indeed focusing on separate development implies a degree of acceptance of the permanent nature of one's exclusion. On the other hand, efforts to integrate into the larger society offer "no solution unless the majority itself changes by sharing power, accepting members of the minority as equal participants, and resisting the temptation to attribute as personal inadequacies the legacy of disadvantage experienced by the group (Minow, 1990, p. 25). This dilemma finds expression—and therefore has to be attended to—in almost all aspects of neighborhood work in poor urban neighborhoods. It has been expressed as a tension between whether to focus more on community-building or on addressing inequality. It has been expressed as a tension between reconciliation and confrontation and between pragmatic and more radical aims.

A different type of dilemma in neighborhood initiative in poor neighborhoods has been between concern for individual progress and concern for community development. Community economic development in particular has struggled with whether it should and can be an ideological alternative to capitalism. Some of those involved with the movement have struggled to find a middle ground, arguing that individual and community success should be viewed as interdependent. Nonetheless, local experiments with alternative approaches to economic relations,

such as cooperatives, have proven difficult to sustain, in part because the larger social environment continues to seek out and recognize individual achievement.

Still a third dilemma in neighborhood initiative has been how much to build an initiative on the presumption that beyond the disparate interests of those holding and those seeking power there is an overarching common interest; and that this common interest can serve as a basis for mutual trust. Certainly the experiences of neighborhood initiatives in the 1960s and 1970s do not support these presumptions. People from outside disenfranchised communities and people from inside rarely were willing to take the risks necessary to gain each other's trust. Those who came to the negotiating table already controlling decisions, access and resources often remained unconvinced of the wisdom of relinquishing these prerogatives or resources to those who claimed they represented disenfranchised community members. Clearly there was a strong measure of self-interest in their reluctance. But there were also questions about whether the representatives of the powerless really had the common interests of the community in mind. Those who came to the table to fight for the interests of neighborhood residents also often came with a good deal of mistrust regarding the intentions of established interests. This mistrust was often reinforced by ensuing events.

At a basic level, if they are to be sustainable as a discrete problem-solving strategy, future neighborhood initiatives will have to be more realistic about what can and cannot be accomplished by just focusing reform efforts within poor neighborhoods themselves. Current initiatives still appear to be making unrealistic claims, in part to secure necessary support. There are sound rationales for neighborhood-based initiative. Diverse problems and social issues tend to intersect at the local level, and often can be more directly addressed at that level (Hunter, 1983). Neighborhood initiatives have been distinct in their understanding of social, economic and political concerns as linked, and in their struggle to address these concerns together. There are many untapped strengths, energies and resources within inner-city communities. Residents' energies should be focused within the community to some extent, and their contributions

to the community should be legitimized and recognized, for example counting as legitimate activity in programs that tie receipt of public assistance to some kind of effort (Herr & Halpern, 1991).

Nonetheless, neighborhood initiative has to be supported in the context of an understanding that poor, isolated neighborhoods cannot be transformed, nor the life chances of their residents significantly improved, by focusing reform just within the neighborhood itself. Most of the problems that plague poor neighborhoods and their residents—the continued sanctioning of residential segregation, lack of employment opportunities, the inadequacy of public assistance in meeting basic needs, lack of health care, poor schools—are not purely "neighborhood" concerns. They are the priorities and arrangements of society as reflected in a particular locale. Those responsible for social problem solving cannot just consider a local community without considering the broad social forces shaping it. The beliefs, priorities, and practices of people and institutions rooted outside poor neighborhoods have a profound effect on the quality life within them.

Conclusion

The American preference for addressing poverty and its correlates through neighborhood-based initiatives has left a mixed legacy. The institutional reforms and the new resources, opportunities, and services associated with neighborhood initiatives have tempered the hardship and despair resulting from societal disinvestment in poor neighborhoods and poor people. Nonetheless, the historic experience indicates that it is an ameliorative, not a transforming, problem solving strategy. Neighborhood initiative invariably has left the relationship between poor neighborhoods and the rest of society unchanged. Indeed, the reliance on neighborhood initiatives has reinforced an American tendency to label and separate out poor neighborhoods and their residents, to think of them as an exception to rather than an integral part of the larger society.

Poor, physically deteriorated and socially isolated neighborhoods don't create themselves. To some extent they are the

product of Americans' instinctive mobility, as those with resources move on to the next, presumably better, place. To a major extent they are the product of deliberate, short-sighted and sometimes discriminatory business practices, a laissez faire culture, and a reluctant government. In these and other ways poor neighborhoods are tied to the society surrounding them, if only as byproducts. Reform initiatives of the future have to take these connections into account. At a minimum, neighborhood-based initiative should not continue to be cast as a broad enough problem solving strategy to excuse governmental and private sector inaction on many other fronts.

References

Aaron, P. & Hahn, A. 1991 (April). Fighting urban poverty in the 1990s: Philanthropy, knowledge development, and the mobilization of political will. Paper prepared for the Rockefeller Foundation.

Altshuler, A. 1970. Community control. New York: Praeger.

Alinsky, S. 1970. Citizen participation and community organization in planning and urban renewal. In F. Cox et al (Eds.) Strategies of community organization. Itasca, Illinois: Peacock Publishers.

Arnstein, S. 1971. Eight rungs on the ladder of citizen participation. In E. Cahn & B. Passett (Eds.) Citizen participation: Effecting community change. New York: Praeger.

Carlson, D. & Martinez, A. 1988. The economics of community change. Report prepared for the Ford Foundation by the Center for Policy Development.

Chambers, C. 1963. Seedtime of reform. Minneapolis: University of Minnesota Press.

Cloward, R. & Elman, R. 1973. Advocacy in the ghetto. In M. Pilisuk & P. Pilisuk (Eds.) How we lost the War on Poverty. New Jersey: Transaction Books.

Cunningham, J. 1967. New approaches to creating strong neighborhoods. In F. Cox et al (Eds.) Strategies of community organization. Itasca, IL.: Peacock Publishers.

Daniels, J. 1920. America via the neighborhood. New York: Harper Brothers.

Dillick, S. Community organization for neighborhood development: Past and present. New York: Morrow, 1953.

Fainstein, N. & Fainstein, S. 1983. Regime strategies, communal resistance and economic forces. In S. Fainstein, N. Fainstein, R. Hill, D. Judd & M. Smith (Eds.), Restructuring the city. New York: Longman.

Faux, J. 1971. New hope for the inner-city. New York: Twentieth Century Fund.

Feingold, E. 1970. A political scientist's view of the neighborhood health center as a new social institution. Medical Care, 8, 113–

Fisher, R. 1977. Community organizing and citizen participation: The efforts of the People's Institute of New York City. Social Service Review, 51, 1, 474–490.

Ford Foundation. 1964. Gray Areas Program Review Paper. New York: Author.

Fuchs, L. 1991. Quote from an interview about "The American Kaleidoscope" in the Brandeis Review, Spring, p. 17.

Gans, H. 1965. The failure of urban renewal. Commentary, April.

Gardner, S. 1989. Failure by fragmentation. California Tomorrow, Summer, 3–9.

Greenberg, P. 1990 (revision). The devil has slippery shoes. Washington, D.C.: Youth Policy institute.

Haar, . Between the idea and the reality.

Herr, T. & Halpern, R. 1991. Changing what counts: Re-thinking the journey out of welfare. Evanston: Center for Urban Affairs and Policy Research, Northwestern University.

Hunter, A. 1983. The urban neighborhood: It's analytical and social contexts. In P. Clay and R. Hollister (Eds.) Neighborhood policy and planning. Lexington: D.C. Heath.

Kasarda, J. 1989. Urban industrial transition and the underclass. Annals of the American Academy of Political and Social Science, 501, 26–47.

Katz, M. 1989. The undeserving poor. New York: Pantheon.

Kirschner, D. 1986. The paradox of professionalism: Reform and public service in America, 1900–1940. New York: Greenwood, 1986.

Kravitz, S. & Kolodner, F. 1969. Community action: Where has it been? Where will it go? The Annals of the American Academy of Political and Social Science, 385, 30–40.

Lazar, I. 1971. Which citizens to participate in what? In E. Cahn & B. Passett (Eds.) Citizen participation: Effecting community change. New York: Praeger.

Lemann, N. 1988/89. The unfinished war (two parts). The Atlantic Monthly. December/January, 37–56, 53–68.

March, M. 1968. The neighborhood concept. Public Welfare, April, 97–111.

Marris, P. & Rein, M. 1982. Dilemmas of social reform: Poverty and community action in the United States. Chicago: University of Chicago, 1982.

Miller, S. & Rein, M. 1973. Will the War on poverty. . . ? In M. Pilisuk & P. Pilisuk (Eds.) How we lost the War on Poverty. New Jersey: Transaction Books.

Minow, M. 1990. Making all the difference. Ithaca: Cornell University Press.

Mollenkopf, J. 1983. The contested city. Princeton University Press.

Moore, W. 1969. The vertical ghetto. New York: Random House.

Morone, J. 1990. The democratic wish. New York: Basic Books.

Moynihan, D. 1969. Maximum feasible misunderstanding. New York: Free Press.

Murphy, R. 1971. Political entrepeneurs and urban poverty. Lexington: D.C. Heath.

Perry, S. 1985. (November). Office of Economic Opportunity and the Community Development Corporation. Cambridge, MA.: Institute for New Enterprise Development.

Pearce, N. & Steinbach, C. 1987. Corrective capitalism. New York: The Ford Foundation.

Perry, S. 1987. Communities on the way. Albany: SUNY Press.

Philpott, T. The slum and the ghetto. New York: Oxford, 1978.

Polansky, N. 1981. Damaged parents. Chicago: University of Chicago.

Powledge, F. 1970. Model city. New York: Simon & Schuster.

Reed & Bennett, 1990. The New Citi Plan. New York City: Office of Policy and Program Development, Human Resources Administration.

Rose, S. 1972. The betrayal of the poor. Cambridge, MA.: Schenkman.

Sarason, S. 1978. An unsuccessful War on Poverty? American Psychologist, 33 (September), 831–839.

Schlossman, S. & Sedlak, M. 1983. The Chicago Area Project Revisited. Santa Monica: The Rand Corporation.

Slayton, R. 1986. Back of the yards. Chicago: University of Chicago Press.

Strange, J. 1972. The impact of citizen participation on public administration. Public Administration Review, 22, 457–470.

Wacquant, L. & Wilson, W. 1989. The cost of racial and class exclusion in the inner-city. Annals of the American Academy of Political and Social Science, 501, 8–25.

Warren, R. 1969. Model Cities first round: Politics, planning and participation. American Institute of Planners Journal, 35, July, 245-252.

Weibe, R. 1975. The segmented society. New York: Oxford University Press.

Ylvisaker, P. 1973. Interview with Paual Ylvisaker for the Ford Foundation Oral History Project. September 27, 1973.