

PROJECTIONS

MIT student journal of planning

REMAKING
CRISIS
CITIES

v.1

spring 2000



PROJECTIONS

The MIT Student Journal of Planning

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and Planning*

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Spring 2000

FOREWORD

Bishwapriya Sanyal

Chair, Department of Urban Studies and Planning

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Almost a year ago, when a group of DUSP students came to my office to request financial and moral support to start a student journal, I was pleasantly surprised and intrigued. Most students have little time to read anything beyond the prescribed readings for courses—not even the daily newspaper! So how and why did the students think of starting a new journal that would require a heavy investment of time in reading, writing, and editing? Something else that intrigued me was this: Why did the students want to spend time creating a journal instead of learning new high-tech skills or something else that would enhance their marketability in the competitive job market? One plausible answer was that, at least for doctoral students, editing a professional journal might be a worthwhile investment of time: It would provide them preliminary training in how to operate successfully later in an academic world that demands that one either “publish or perish.” But that was not the reason in this case: the primary urge for a student-led journal in DUSP came from master's, not doctoral students, although one or two doctoral students actively supported the journal.

I did have some initial concerns, which were the following: It would appear that doctoral students, not master's students, were more likely to possess the time and training necessary to realize an academic journal of the high scholarly standard

appropriate to MIT. I also wondered if the market for student-led journals in planning was saturated. Yet I countered these thoughts with my desire to see a journal that could potentially grow to have a major intellectual impact on the planning profession, much in that way that, say, the *Harvard Law Review* has on the legal profession, even though it is a student-led journal. DUSP, with its tradition of leadership in planning studies, seemed to me to be as likely and appropriate a home as any for such a journal.

As I pondered the students' request, the students presented their proposal, quite impressively, at a faculty meeting. Many of the questions that one might expect were raised: Will the journal be refereed, or not? Who would seek to be published in a non-refereed, student-led journal, and why? How frequently would the journal be published? How would the editors ensure a steady flow of articles for publication? These questions were not all answered at that time, nor would one expect them to be. Nevertheless, by the end of the meeting, the faculty unanimously and enthusiastically supported the proposal, urging me to provide all the necessary support for publication of the journal.

Afterward, I understood better why the faculty supported the creation of a student planning journal, despite all the challenges that such a journal would no doubt face. For one, the faculty were pleasantly surprised that students wished to move proactively to improve DUSP's intellectual environment, rather than holding the faculty responsible for a perceived departmental shortcoming. Secondly, despite their many other responsibilities and comparative lack of experience in the publishing world, the students were sincere and enthusiastic in their desire to participate actively in the academic world of publishing. It was a breath of fresh air to hear students express their eagerness to write and publish, and no one wanted to discourage the students in this ambitious venture. Whatever the end product, it was clear that the students would learn much from the experience, and was not this experience potentially as valuable as any the students could gain from coursework and internships?

Another reason for our support was clearly articulated by Eryn Deeming, the master's student who led the drive to establish a

student journal. As Eryn put it, "There are so many interesting issues being debated and discussed at DUSP. We want to share that intellectual excitement with students and faculty in other planning schools." I took this as a sign that our students were interested most of all in testing the relevance of their ideas and concerns in the larger world, even while they were still at MIT. I thought this was an admirable stance. Not only did it convey the students' awareness of the needs of the world outside the 'ivory tower' of academia, but it also suggested their desire to expand their intellectual community beyond the bounds of what MIT could provide them. In other words, I interpreted the interest in a student journal as a call for community building—a concept which planners often discuss but so rarely implement in innovative ways, especially within the academy.

This first issue of DUSP's student-led journal, *Projections*, is our students' way of community building within the academic and professional community of urban and regional planners. It is a symbol of our students' hope and aspiration to engage intellectually with other like-minded people around the world to cherish jointly the common liberal instinct to make cities and regions of this world better places for all human beings. I applaud this effort and sincerely thank the students who have invested enormous energy and intellect to bring it to fruition. Brent Ryan, the editor for this first issue, is one of those rare doctoral students who stood behind the master's students all along. He deserves a special word of thanks. Eryn Deeming, whom I mentioned earlier, also deserves special recognition for her relentless effort in mobilizing and channeling DUSP's immense intellectual energy into community building. I sincerely hope that we are witnessing the beginning of a journal that will have lasting effects on the profession of city and regional planning. P

INTRODUCTION TO VOLUME 1:

Remaking Crisis Cities

Brent D. Ryan

Welcome to the inaugural issue of *Projections*, a journal created and edited by students in the Department of Urban Studies and Planning at the Massachusetts Institute of Technology. *Projections* is designed to highlight the often overlooked contributions of planning students to planning research. A great variety of strong work that students undertake while in school never sees the light of day. *Projections* aims to remedy this situation. While the creation of a new academic journal is not something to be taken lightly, the editors of *Projections* believe that the quality of student work, both at MIT and other planning schools, merits the effort to give this work a wider audience.

The theme for this first issue, 'Remaking Crisis Cities,' focuses on the problems of cities around the world, and on the efforts, both of planners and others, to remedy these urban problems. This theme was inspired by a colloquium of the same name that the Department hosted in the spring of 1999, directed by Andrew Altman, now Washington, D.C.'s planning director, and Brent D. Ryan, a doctoral student in the Department of Urban Studies and Planning and editor for this issue of *Projections*. The colloquium emphasized the many diverse efforts to remake troubled American cities and invited leading practitioners to come speak on the work they were undertaking in their particular cities. The quality of the presentations, and

their resonance with much of the work being done by students in the Department, led the editorial committee to select 'Remaking Crisis Cities' as the theme for the first issue of *Projections*.

We begin this issue with a conversation with **John Friedmann**, whose wide-ranging thoughts on cities have sustained the profession for over four decades. Friedmann, who spent Fall 1999 in residence at MIT, argues that cities are increasingly troubled by a decline in civil discourse, stemming from the steady dissolution of the public realm and from transnational corporations' reduced dependence on place. Globalization, while producing a new ethnic politics in world cities, has often led to poverty and even anarchy in the places that capital leaves behind. There are no easy resolutions, says Friedmann, but neither can planners desist from their mission to rebuild and sustain civil society.

In the proceedings from the keynote address of the 'Remaking Crisis Cities' series, **Harvey Gantt**, the former mayor of Charlotte, North Carolina and a practicing architect and planner, reflects on his journey toward becoming a leader in his community, on the importance of leadership in determining the appropriate priorities for action in America's cities, and, perhaps most compellingly, on the role of serendipity both in the journey toward leadership and in cities' efforts to succeed.

How should organizations, be they cities, nonprofit organizations, or private entities, go about achieving the difficult goal of economic development in inner city commercial districts? **Andy Waxman** presents a convincing case for the creative integration of people- and place-based strategies to both link residents to the regional economy and improve both the image and reality of local conditions in the neighborhood. Only this, Waxman argues, will prevent the further isolation of the residents of impoverished neighborhoods.

Privately-directed planning is increasingly common in an era where cities face diminished funding at all levels. **Brent D. Ryan** examines Philadelphia's Center City District, a Business Improvement District (BID) that has supplanted traditional city functions like security and maintenance in downtown Philadelphia. The shared vision of the public and private sector

has led to mutually productive initiatives that have improved the perception of the downtown at little cost to city government. This public-private partnership has created a new model for downtown planning in the city.

The second forum from the 'Remaking Crisis Cities' series focuses on the redevelopment of Cleveland, Ohio and on the city's transition from publicly-directed to privately-directed planning that has occurred over the past twenty years. **Ned Hill, Chris Warren, Richard Shatten, and Norm Krumholz**, all whom have played major roles in the Cleveland story, reflect on this transition and on the mixed impact that it has had on improving the quality of life in Cleveland. Hill describes the Cleveland regional economy and its continued dependence on the traditional sectors that caused the city's growth in the past. Warren praises Cleveland's endogenous efforts to create housing, arguing that this, alone, is a symbol of a real rebirth in the city. Shatten reviews the cooperation between the public and private sectors, and the progress that this cooperation has brought about, while Krumholz, a veteran of Cleveland's decline and rebirth, ends on a cautionary note by showing how far Cleveland has to go before everyone in the city can share in its comeback.

Amidst the decline of America's older industrial centers, influxes of new populations continue, reshaping the faces of urban residential neighborhoods. **Domenic Vitiello** shows how Hispanic immigration is transforming the visual imagery of Philadelphia neighborhoods, giving migrants a sense of place and belonging in an unfamiliar city, and transforming the image of the neighborhood itself in the process through the creation of new places, symbols, and meanings.

In the developing world, cities face an even more difficult array of problems, stemming both from uncontrolled rural-urban migration and ineffective governance. **Anjali Mitter Duva** examines how these two issues collide in Abidjan, Côte d'Ivoire, where the informal sector has undertaken the provision of water in settlements that public utilities refuse to serve. In the absence of larger-scale actions that do not appear likely to be taken, Duva concludes that this stopgap measure is probably the best available solution.

Finally, a photographic essay shows us the still-troubled landscape of the declining city. Detroit is a city that has found revitalization difficult to achieve, yet its efforts continue. **Brent D. Ryan** and **T. Luke Young** explore the twin faces of decay and renewal among the vacant prewar skyscrapers and scattered postwar redevelopments of one of America's largest cities.

The problem of urban revitalization is a difficult one and answers are not to be easily found. The articles of this issue, however, show encouraging progress being made on many fronts. What lessons can we draw? Even in this small sample of efforts, it is clear that a wide variety of players are involved, and that there is no one dominant model of revitalization. In many cases the public sector is still required to provide innovative leadership and develop new strategies for revitalization, as Gantt and Waxman emphasize. Yet power-sharing with the private sector, as Ryan shows, is also a productive strategy and one that may allow government to divert scarce resources elsewhere. Where government is unable or unwilling to step in, other players will fill the void. In the developing world, Duva finds that the inability of even stable governments to provide services for the rapidly growing population of urban residents has led to the development of *ad hoc* privately provided solutions that are only lightly regulated by the state. This balance between public and private is a delicate one. Friedmann cautions us against allowing private capital to dominate planning dialogue, and emphasizes that planners must struggle to maintain a role in all of the agencies—public, private, and nonprofit—that make up the new and increasingly decentralized planning order.

The editorial board of *Projections* would like to express its thanks to the persons who have sustained the journal during the long journey toward the production of this first issue. Eryn Deeming, MCP '99, both conceived and sustained the initial vision for the journal. The Head of the Department of Urban Studies and Planning, Bish Sanyal, has lent unflinching support, both intellectual and financial. Many faculty within the department have contributed time and effort, among them Aixa Cintron, Jennifer Davis, Langley Keyes, Karl Seidman, Larry Susskind, and Larry Vale. Andrew Altman and Dennis Frenchman are to be thanked for their work on the Crisis Cities forums which led to this issue's theme. Finally, the editorial

committee would like to thank the student body of the Department of Urban Studies and Planning. They are both the source and the subject of this journal's efforts, and we hope that they will be well rewarded by it. P

THE PROSPECT OF CITIES

A Conversation with John
Friedmann

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In Fall 1999, John Friedmann, Professor emeritus at UCLA and Professorial Fellow at the University of Melbourne, visited MIT for five weeks to present material from his upcoming book *The Prospect of Cities*. *Projections* asked Professor Friedmann to reflect on the challenges that cities face as they enter the new millennium.

Projections: Maybe we should begin by reflecting on urban problems. What do you think are some of the most serious problems that cities face today, either in the developed or developing world?

John Friedmann: I don't like to define problems without knowing in advance whether there might be a solution, because if a problem has no solution, then it's not a problem but a condition of life. Also, the deeper causes of some so-called urban problems, such as crime, need to be re-examined. Some decades ago, Edward Banfield, in his book, *The Unheavenly City*, put forward the proposition that the way to solve America's 'crime problem' was to round up everybody—suspects, criminals, and potential criminals—and put them in jail. That was a very American (and implicitly racist) 'solution.' In fact, we now have the highest imprisonment rate in the world. But surely, you don't solve problems by building more and more jails. The question is, rather, why has urban crime become an American obsession?

There are also problems that may not be seen as such, but which, I would argue, should nevertheless be considered a problem. For example, the failure of many people to get involved with what's happening in their localities. These folks would rather put a gate around their house or hole up in a high security building. Their attitude is, "Let somebody else take care of the city." Or, what amounts to the same thing, they put forward a simplistic solution and have done with it, such as "three strikes and you're out." Central Los Angeles already conforms to this way of thinking. At street level, the city looks very much like a fortress, but upstairs there's a second city connected by catwalks reaching from building to building, and this is where the lucky people like us can walk without having to cross paths with the rabble. These are streets without street people, and they have fundamentally changed how we think about cities.

The city upstairs is exclusively for the professional elites and their auxiliaries. For them, it is a uniform city, a safe city. Is the solution, then, a problem of design, or what? I would call it a problem of local citizenship. There may not be much that we can do about it, but it's an issue that we can, and should, talk about more often.

Part of this citizenship problem is learning how to manage difference in cities, that is, how to live peacefully together with people who are unlike us, to put all of us, as it were, on the same street and into the same city. There are about a dozen cities in this country which are major centers of immigrant populations: Los Angeles, New York, Houston, Miami, and so forth. Although we are an old immigrant country, it is no longer clear how we should absorb the waves of new immigrants. Should the newcomers assimilate to the dominant culture? People have been resisting that for the past thirty years. They want to assert their own cultural identity rather than be melted down into a cultural melange. Or shall we honor and respect differences in cultural background and ways of life, including family structure, housing needs, forms of socialization, and so forth? There is, then, this problem of living with difference, and I think it's a growing issue both here and abroad.

Closely related to this question is the emerging transnational city. Transnationalism exists at many levels and includes capital and governance, but if we start with people, most of the new immigrants from, say, Mexico, are in fact transnational citizens the day they arrive. They may have an American or a Mexican passport, or they may have both. This transnational dimension of the city is a profound, many-faceted issue. It means that we are living increasingly across political boundaries, creating transnational economic, socio-cultural, and even political spaces. Mexico's electoral politics, for example, has been carried to California and Texas. The same is true for Irish Americans involved in the politics of Northern Ireland, for Jewish Americans in the politics of Israel, for Korean Americans in the politics of South Korea, and so forth. Perhaps this is nothing new, but, in the cyberspace era, these political relations at the level of civil society have acquired a new intensity.

At the level of the corporation, transnationalism is becoming an equally critical problem. We used to talk a lot about multinational corporations. Twenty years ago, we thought of them as large American, Japanese, British, or German firms producing globally but operating out of specific national contexts. Increasingly, however, I would argue, these corporations are losing their national identity. Their CEOs may be hired from third countries, and their shareholders are from wherever. Their

workforce is scattered across the globe. Vice presidents, managers, and sub-managers are all internationally recruited. The language of business tends to be English, but the corporations themselves are floating in borderless economic space and no longer conform to the national policy orientations of their ostensible home countries.

P: So both people and corporations are becoming increasingly mobile?

JF: Yes and no. But whereas people are connected to places, corporations are connected to markets. Some corporations are no longer easily controlled by either nation-states or cities. The extent to which city regions are able to bargain and negotiate with international capital is an open question. In some cases, cities may drive a hard bargain, but in most cases, they are desperate for a slice of the global pie and prepared to submit to global capital at almost any price. Rightly or wrongly, they see themselves as potential victims in a dog-eat-dog world.

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P: Cities like New York and Los Angeles are gateways to the world and they are recognized as such elsewhere. These are also places where commercial transactions occur on the global scale. Corporations probably won't go too far away from New York because they recognize that you don't get much more important than New York. But at the regional scale, no one is responsible for the city. It's just an economic unit that operates on its own, marching to the beat of its own drum. IBM may be part of New York City's region, but IBM is not part of New York City. The benefits which accrue to a transnational region as a whole may not be viewed as such by officials within the cities themselves. Urban problems and opportunities are operating at different scales. Do you think this scale problem is different from in the past?

JF: It's true that global markets have existed for a long time. For centuries before the modern era, most major cities in the Eurasian world were linked by long-distance trade. In that sense, economic transnationalism is nothing new, but the volume is different today, and so is the scale. It's not so much the spatial scale that's different, but the scale of transaction levels

and the institutional framework through which the economy is articulated.

I've just been reading about Hartford [Connecticut], which is a second- or third-order city. Hartford is, or at least it was, the insurance capital of America. All of its six major insurance companies were originally family firms and were located inside the city limits. Naturally, given their origins, they were also the great benefactors of the city, and their own future was seen as being intimately tied to that of Hartford. But in the 1970s, this paternalistic tradition began to erode. Not only did all but one of the companies relocate beyond the city into the greater Hartford region, thus escaping the social problems of the city, but they came increasingly under anonymous corporate management. Although the founding families may still have a controlling interest in their firms, a managerial ethic now prevails over the paternalism of the earlier era. According to the new ethic, it's the bottom line that counts. And that means profits and the value of your stocks on the exchange. So you get rid of people, you automate, you put your routine data-processing operations off-shore, and Hartford becomes simply a base from which you operate.

I think that's the big change, and there's not much we can do about that. We can preach all we want to Hartford's insurance companies, but how shall we persuade them that their own future is tied up with the future of the city? The simple fact is that it no longer is. Suddenly, then, one of the main supports of the Hartford economy has evaporated, and I suspect that this story is repeated in many parts of the country.

P: Companies are footloose and they move, but the people who are tied to place...

JF: Yes, people are much more tied to place than is capital, but they no longer take an active part in a politics based on shared values. Maybe politics was never consensual in this sense, but weighted heavily in favor of the political class. Even so, the situation in which we now find ourselves has different groups jockeying for advantage and advancing new claims on city resources without an overriding sense of what is good for the whole city. I don't want to paint too gloomy a picture, but it is quite dis-

heartening when you see the social glue melting away, and I think part of that is reinforced by the way the city is becoming physically restructured. That's when you get the catwalk city of Los Angeles. Everyone now seems to want to live in communities that are less, rather than more, socially and culturally differentiated, preferably out in the suburbs or the exurb, and what's left in the center are people who have nowhere else to go. America is an extreme example of this pattern. True, our cities still function. On the technical side, everything works, more or less, but on the human side, it doesn't. To engage with this question, we need a different kind of politics, a politics with a more human-centered vision.

P: Something that interests me about the urban crisis is the fact that by now it's almost a historical concept. In this country, the idea of a crisis has been around for about 30 years or even longer, yet cities still seem to go on. If you were to contrast the way things would go if we let current problems go unaddressed versus the way things would go if we actually resolved them, what do you think cities would be like? It's almost a Utopian question.

JF: If we let things go, what we would get is a dystopia. I have a friend who has written a screenplay along these lines, a sort of *Blade Runner* view of the city, only ten times darker. I don't want to conjure up an imagery of hellfire and brimstone.

P: But if current problems go unchecked...

JF: If you take the part of the population that has been excluded or marginalized, which has been sacrificed to the needs of capital, what happens? On a world scale, what happens is not a very pretty sight. In these places, we have seen civil wars erupt with an unimaginable barbarity. In Sierra Leone, they are chopping off the limbs of women and children. Beasts would never go on a rampage like this. Only humans create killing fields. That's one extreme, but it is an extreme that seems increasingly prevalent. Some countries, like Somalia, have never recovered, and have reverted to warlordism. If you want to know of what brutalities the human race is capable, just look at those regions where these things are happening. East Timor and Chechnya are two current examples. Marginalizing whole peoples will

inevitably backfire on us. It's illusory to think that we can wrap ourselves in a sort of global cocoon. In the absence of effective and accountable institutions of global governance, we live in an increasingly dangerous world of warlords, terrorists, and mafias. We still have the UN and its institutions, but Washington wants a weak United Nations and is constantly in arrears. We also have a few new institutions of global governance, such as the World Trade Organization, but most of them are operating exclusively at the economic level and are not democratically accountable. Global governance is beginning at other levels as well. A handful of human rights violations are currently being tried by the International Court of Justice, but the US is not a party to this Court, which is a European initiative. Is it because we think that America can do no wrong? Or that as a nation we are exempt from and perhaps even above international law?

P: So when cities start to fall apart or melt away, is society responsible for doing something about it?

JF: We are all responsible. I think it's very good that you are pushing me to articulate some of these issues, because I think we need to talk about them, even if we would prefer not to. We mustn't deceive ourselves. There is no escaping the imperative of a global order based on justice and responsive, accountable institutions. America cannot set itself up as the great exception. Global governance is a set of issues that cries out for solutions, though we hardly know how to begin thinking about them. As a start, perhaps, we might ally ourselves with certain groups who care about the state of the world and are pushing a number of interlinked issues: environmental, human rights, women, children, indigenous people, and so on. All of these movements are operating internationally now and are increasingly connected with each other through the Internet. They're brought together by common concerns among groups of citizens with a desire for positive change. Perhaps, with the help of modern communication technologies, the world is capable of reorganizing itself in this seemingly anarchic way, from the bottom up.

P: So we have some cases of what you could call outliers, which are places that are extremely marginalized, and those places perhaps get ignored, and terrible things happen there, and we put them out of our mind or forget that they're hap-

pening. Then there are places that are in the middle where there are some problems, but not of such a tremendous scale. Do you think there are places or cities in the world that are facing these problems in a successful way, which might be seen as role models?

JF: Some of the best practice.

P: Is there a best practice with crisis cities?

JF: I don't think that there are model cities anywhere. Over lunchtime, I was reading Pierre Clavel's now fifteen-year-old study, *The Progressive City*. He talks about half a dozen smaller cities, such as Hartford, Berkeley, Santa Monica, and Burlington in the '60s and the '70s. This was the era of progressive urban politics in America. But these 'best practices' lasted for only a decade or two. And all of the cities are small; they are not at all representative of urban America.

P: This was a time when planning was both formulating problems and offering solutions.

JF: Perhaps, but it turns out that the solutions offered in these places were political and pragmatic, responding to specific pressures, including demographic, which bore down upon the local structures of power and to which the cities had to react. Here and there, you might find examples of 'good practices,' but they always occur under very specific conditions. I don't think you can generalize from them. It's true that the political context that Clavel describes was one within which planners could make their contributions. The evolving situation had created a window of opportunity. In this connection, it may be well to recall Cleveland in the 1970s, made famous in planning circles by a book written by Cleveland's city planner at the time, Norman Krumholz, in collaboration with John Forester of Cornell. But, in the end, the story always comes down to politics and leadership; that is, to relations of power. At the center of all change processes there is always political power, how it is used, and by whom.

P: Last semester we brought the new planning order of Cleveland here, along with Norm Krumholz, to talk about

the succession of planning attitudes that Cleveland has had. In fact, since 1981, a planning regime has been in power in Cleveland that regards the previous era as the greatest failure of planning that Cleveland ever experienced, and they've absolutely rejected that entire philosophy. They've said that's the wrong approach to solving urban problems. The corporate-sponsored approach, a downtown-focused approach, they say, is the only answer, and the people of Cleveland seem to agree.

JF: Well, what is an answer for the '80s and '90s is not necessarily the answer that was called for, and made possible, in the preceding decades. I don't think it's a matter of being right or wrong, as if there were timeless, universal prescriptions for cities. In Krumholz's time, neo-liberal solutions hadn't even been invented yet! Naturally, Cleveland's present planning establishment thinks that they have cornered the truth. But they, too, will eventually be proven wrong, just as they think the Krumholz regime was a disaster. Neo-liberal philosophy is not forever. That's why it's so difficult to talk about 'best practices,' and why I prefer instead to talk about a social capacity for learning. For us, in the academy, it's crucial that we teach our students to learn how to learn. Every practice is going to be different, and we have to get better at learning the correct lessons from each experience and then at putting them back into practice. Over my lifetime, I've had to adjust to dozens of different planning contexts. There is no way you can be consistent over a lifetime. Of course, with the passing of time, you may also become more skeptical about whether anything really works, but that's another story. I think the learning metaphor is a really important one for us in planning, because, in planning, there can be no rules. There are no 'best practices.'

P: Some of these urban problems are obviously vast in scope. What do you think planners should do to address them?

JF: Some planners might want to hide behind their institutional mantle and do nothing on their own. They will wait for commands from above and do as they are told. A planner in Boston is paid to work on Boston's problems, not on the problems of the world. This is a legitimate position. But you put your fin-

ger on a key issue. The planner in Boston is also part of a globe-spanning profession which holds its recurrent meetings in the Americas, in Europe, in Asia, and even in Africa. We have our own professional media and, collectively, we are considerably more powerful than as individuals. I do think that, as a profession, we have the moral obligation to address the big problems that face us as a nation. And to do so in a way that contributes to public debate. I know this is a risky strategy, because it would probably play into the hands of our more conservative colleagues. But we also have the Planners Network that is speaking out on the progressive side, even though its discourse is at present directed primarily at its own membership rather than at the public at large. So I ask myself: is it possible to have a collective public intellectual, or does the task necessarily call only individuals to this office?

P: Do you think planners should provide a vision, or should they respond to the visions of leadership?

JF: We don't have to wait for commands from on high.

P: Who can we count on to have the vision to address these issues?

JF: That's not how I would formulate the question. We don't have to 'count on' anyone. Visions don't originate with oracles; they are not divinely inspired, but result from talk among concerned citizens. It is by talking amongst ourselves that we get ideas, and some of us are able to put these into persuasive rhetoric. Then people will exclaim, "oh, what great visionaries they are," when in fact their visions emerged from the subsoil of a civil society. Because I have no faith in the instituted powers, I believe in this talk. And that's the reason why, in recent years, I've written more and more about civil society. Hopefully, as planners and citizens, we will become involved in this civil society, contributing with our special knowledge and expertise. P

HAPPY ACCIDENTS:

Reflections on Leadership and City Success

Remarks made by Harvey Gantt at the first
Crisis Cities symposium, March 9, 1999

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Good afternoon. I'm always delighted to come back to Boston, and back to MIT, where I spent a considerable amount of my time almost thirty years ago. I want to tell you first a little bit about how I came to care about cities so much and then I want to talk about some of the kinds of things we did in our town. Charlotte is not unique as a city, but I don't know if there's a great deal of applicability of the Charlotte experience to some of the kinds of things that cause us to do what we do. You need to understand why some cities do well, why some cities don't do well and that some formulae don't work in some places but may work in others. Then I want to share a little perspective on having the good fortune to look back at where Charlotte came from and whether or not some of those decisions have made any sense.

When I left school in 1970, I was real smart and I thought that MIT had given me the necessary credentials to go out and change the world. I am a child of the Civil Rights movement, I had seen substantial changes come about, and I had been personally involved in that. Desegregation of schools in the South, getting the right to vote—I'd come out of that particular background. Now I was a registered, trained architect, and also one with a degree from MIT. I was going to go out and change the world. I started out, curiously enough, getting involved with what today I look back on as a fad at that time. It was called 'New Towns,' being pushed very strongly by academicians and others who thought that this was in fact the New Urbanism of the '70s. Building new communities was considered a better plan than the creation of more sprawling suburbs located at the edge of metropolitan areas.

After doing a thesis on housing here, I chose to go into rural North Carolina with an old civil rights leader. There's that civil rights thing coming up again—saying, "We are going to change the world. We are going to take farmers out of the fields and we are going to put them into good schools, and we are going to build new streets and sidewalks and industry and really do something special." It was called Soul City, and I stayed there for about fourteen months and decided that Soul City really wasn't for me. I was really a child of the old city—I grew up in Joe Riley's Charleston, an 18th-century city that survived the 19th-century Industrial Revolution almost intact. Today Charleston is a major tourist attraction, better known than Charlotte, North Carolina, which is a town that's three or four times Charleston's size. I grew up in a salt-of-the-earth, working-class neighborhood where we played stick ball and hopscotch on the sidewalks and adults watched us from front porches and we could go down to the corner and watch the local July Fourth parade or the Christmas parade. I got to know the neighbors and policemen. It was a segregated neighborhood, but there was something very special about living in that environment. I recognized in my tenure at Soul City that I was really not a person made for rural development, and I really needed to get back to what motivated me. Today, I live in the heart of Charlotte. I feel right at home. I walk two blocks to work. I go to movies and concerts and restaurants, all within a few steps of my house. And I will tell you, having had that experience has

paid vast dividends in terms of civic and cultural enrichment for me and my family. I said all of that to say that the city drew me back. After my tenure at Soul City, and when I returned to the city to which I had initially come following graduation from architecture school—Charlotte, North Carolina—I moved back with a little bit less zeal for changing the world.

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The Soul City experience was very sobering. But I still had some passion for dealing with issues to make the city a better place. So I joined the local AIA, and the President of that group immediately put me in the role of heading a task force that would look at how this city should grow. Charlotte was poised at that time for rather explosive growth. It had a lot of good things going for it, and there were a lot of people—political pundits, newspaper editors, urbanites—suggesting that the city was going to grow even more than it had already. A lot of business leaders felt that we were poised to catch up with Atlanta, and if you're from the South, everybody wants to be like Atlanta. We did a report that said that the city could grow very badly if we allowed developers—the types that had directed growth in the past—to control it totally. If the people and the government were not substantially involved in dictating growth, Charlotte would be in trouble. If the government allowed the umbilical cords of water and sewer lines and highways to stretch further and further away from the center city, the city was going to have trouble. We wrote that report over a seven-week period, and in the eighth week we decided to act like politicians, since we were not content to simply present the report to the local AIA chapter. So we called up the press. We called up all the politicians. We even called up the major real estate developers and said, "What you guys are doing is terrible, and unless we get together on how this city is going to grow we're going to have a fiasco twenty-five years from now." I must say the net result of that was at least two to three weeks of editorials and discussions on what 'these architects' said about Charlotte's growth.

That got attention from a lot of people. For me personally, it drew the attention of a local black politician who became my mentor. It was a mutually agreeable relationship. This politician recognized that he needed some more information about things other than the need for equity in the black community, and he thought that an MIT-trained planner could help him.

So we would have fireside chats in the evening—he shared the history of the community, and I talked about things that might be possible for him to do in the forums of government to change policies in the cities. I loved it. It was ideally what I had imagined when I came out of this institution in 1970. The ability to get close to a politician who carries some clout is a reasonable role to have, and I got mine in an informal way by being behind this person.

Well, we'll make a long story short. This ambitious politician ended up being elected to the North Carolina Senate and left local government. And guess who he decided should fill his role—me! So I got the opportunity to serve an unexpired term on the City Council. The moral of the story is that sometimes leadership can be accidental, and in this case I ended up in the forum of policymaking for that community without intending to do so, but feeling very comfortable. Feeling that this might be something that I could do, like a duck takes to water. That I could bring my training and all the things I had been taught in school. I could apply all of the design principles that I had picked up in architecture school directly, by trying to influence people.

Let me add a footnote to that. I've spent some time, as some of you know, speaking to architecture schools around the country about how important it is for us to train leaders in architecture schools. How important it is to train people who are not afraid to get involved in political activities in the community. What I quickly discovered in my service on the City Council was that the city often dealt with hardware-type issues—as in where you place your utility lines, where you place highways, streets, roads, how you handle police and fire protection, public buildings, zoning, and land use. These were things that I thought I could understand just as well as a lawyer or an accountant or a salesman or real estate developer—the kinds of people who generally make up government—could. They were the kinds of people who practiced their trade in the private sector but also ran and served in public office. It occurred to me that the design professionals were curiously absent from that arena despite the fact that, essentially, an architect's place is to find a solution. Never mind whether it is a good solution or not, we're trained to find solutions. We're trained to accept criticism without taking it

personally. As architects, we're trained to design, putting together lots of disparate things into some harmonious whole. I interpreted that to be a special gift, and I simply used it to try to build consensus with folks. Some folks in the forum of government are adversarial in nature. Lawyers tend to be that way for example, but designers have a different approach to the whole process. So I thought that I could be particularly useful in that environment and encourage a lot of my colleagues to look at it as a possibility down the road.

At any rate, the main issue in Charlotte in 1974 and 1975 was equity. My mentor made that very clear to me. The inner cities of America and the inner city of Charlotte weren't getting their fair share of services or resources. The inner city was where all of the 'bad' land uses were located. That's where all of the industrial jobs were. That's where all of the dilapidated housing existed. That's where all of the poor garbage service was. You don't need a lot of documentation to establish that fact. You can find that in most American cities. The second issue was balancing the growth patterns of the city's development, the thing my AIA committee had talked about, and growth indeed was a major issue because problems were emerging there. The third issue revolved around finding sources of revenue to support the explosion of growth that was going to occur. For example, finding the resources to build affordable housing. Where were we going to get the funds to do this? This became a particularly important question at a time when the Model Cities programs and all of the other Great Society programs were under siege by the Nixon Administration. Improving run-down neighborhoods, rebuilding downtowns, and then, for Charlotte, surviving the crisis of urban education (since a court order had been issued to Charlotte that the city had to bus students to achieve racial integration, which produced some social disruption in the community) were all critical issues.

I spent twelve years in local government dealing with all of those issues in various forms. I served as a Council member, as a Vice Mayor and, for a couple of terms, as Mayor. The city was successful in some ways, and not so successful in other ways, on some of those initiatives I mentioned. The explosion of growth did occur. We went from less than 300,000 people at the time that I became involved in government, to today's city of more

than a half million people within the city boundaries, and to a metropolitan area of about a million and a half people from one of less than a million just twenty years ago. We have done a lot with regards to equalizing the distribution of resources to poorer communities in Charlotte. We've also done a lot in terms of building affordable housing. We've gone into patterns of building scattered-site public housing in small clusters, as opposed to the large reservations that were so prevalent in the '50s and the '60s, so that poor people can have an opportunity to access jobs all over the community. We were able to build consensus. One of the things of which I am proudest is that when I was Mayor, within a one-hour period, if the community ever had a crisis, I could get every major leader in the community into the Mayor's office on short notice. These were not just the business and civic leaders we often think about. Not just the politicians, but also grassroots neighborhood leaders who had some confidence in our ability to lead. The ability to build consensus resulted in the city of Charlotte passing literally billions of dollars worth of bond issues with huge pluralities.

I should share with you that it is very important to have people involved. We had a number of public/private partnerships to help develop the downtown. We even tore up the downtown and rebuilt it with a festival marketplace. They're now tearing that down, incidentally. We built the center city into an employment center and worked with the clear understanding that it needed to be a mixed-use place. People needed to live there, and not just one group of people. Not just low-income citizens living in public housing, as had been the case before. We needed to reclaim it as a diverse community that offered economic heterogeneity with regards to its housing developments. We rebuilt those neighborhoods using Nixon's revenue-sharing programs, community development block grants, our own resources—even property taxes—and creative use of tax-exempt financing. In that sense, we were successful, and people got jobs in Charlotte. During my ten years as Mayor, the unemployment rate was somewhere around three and a half percent (3.5%). That's about what it is today, about 3.5%. There are a lot of people who are underemployed, but in fact most folks are working there—Charlotte is a boom community. Our schools did OK. Test scores did go up, and black students did better, but there remains a major gap between the achievements of poor

inner-city youngsters and their counterparts elsewhere.

That's the story of Charlotte, the Boom City. Let me tell you some things that were somewhat unique about the community, because there are built-in policies everywhere that affect how a city can grow and develop, and how it can deal with the problems that it faces. Charlotte is the beneficiary of annexation policies that allow it to take in anything around its borders—anything that's got the density to make it look urban. All of the suburbanization that growing metropolitan regions in this country experience, we tended to capture as a part of our tax base, whether the citizens of those areas liked it or not. It was called 'Annexation by Standards,' and I don't understand yet how the General Assembly in 1962 passed such a law that allowed cities to do it. But the net effect is that it made the city grow naturally, be able to expand its tax base, and therefore be in a position to support its growth with relatively inexpensive money. This was primarily because the credit rating of the city was very high. In all my years in government, we enjoyed a triple-A tax rating, which allowed us to borrow money far more cheaply than Boston or New York or anywhere else. That was coupled with our ability to capture all the federal grant programs for water and sewer lines in the '70s and the '80s, before Reagan cut them off. Charlotte was easily able to finance its growth and then some.

However, in the later part of Reagan's tenure, which were the years that I served as Mayor, the funds I mentioned were being cut off. The city's growth, while still there, was being overcome by the need for additional sources of revenue. But we had an advantage over most places in that we could take in anything that looked like a city. The effect of that was to encourage regionalism—to encourage the notion that whatever happens in this community affects everybody. Middle-class folks who moved to Charlotte quickly realized that they had to care about the school system if their kids were going to public schools, it being a single school system both county- and city-wide. That meant they had to care about the kids who lived at the core of the city. There was no city system of poor youngsters and a county system that was for affluent middle-class youngsters. We also had countywide zoning and planning, which, in fact, helped our ability to develop more reasonably distributed land

uses. And the most important thing is that there were fewer governments. Therefore Charlotte city and county were a lot more agile than many cities in America today that are hamstrung by zillions of governments around them that don't have their interest at heart.

Those are some factors that I don't think are always mentioned when you talk about why cities succeed and don't succeed. Some other factors had to do with the judicious decision on the part of a citizen-inspired movement to change the nature of representation back in the '70s. Up to that time, we had elected citizens at large to serve in government. We changed that to district-based representation, which gave poor whites as well as minorities representation in local governments and also encouraged the movement towards citizen participation. Another factor in Charlotte's success was the accident of timing with regard to deregulation. The country deregulated its airlines in the late '70s. That had everything to do with Charlotte building an airport that was far larger than the actual population of the city would dictate, and which helped to create an economic environment where the job base was not really dependent on any one industry. Deregulation of the airlines, trucking, and the growth of the airport made this a major distribution center. Of course there is also the story of the banks, which many of you know. The changes in banking laws and North Carolina's unique system of branch banking led ultimately to the expansion of what were at the time strong state-wide banks. These then became strong regional banks, which are now strong national banks. Those banks, of course, produced a tremendous additional boom in the area.

The last point, I think, is aggressive leadership. Charlotte had a political leadership that took a moderate position on race early on and created an image of progressivism that sought new sources of revenue. That was me, going to the general assembly to ask for concessions to support growth and successfully attracting federal funds when they needed them. It also had a business leadership made up of people who grew up with the growth of the city that wanted to see the city do better than Atlanta. I consider all of those things to be unique factors that made Charlotte what it is.

Let me close by saying, then, that I have some concerns about the suggestion that cities are coming back. Let me take a minute to read something I said to a group of people in Philadelphia who met to talk about its reviving Center City and to talk about livable neighborhoods.

Living in the central city has not always been considered a blessing even when there's a suggestion that everything's going to be alright. For all of us who know that cities are still alive, many of us know that cities are still under siege. It is interesting to note that the word *urban* has changed in its meaning and carries a totally different connotation than it did fifty or sixty years ago. Urban today, for still too many people that live in the metro areas of our country, still means poor folks. It still means minority and high crime rates and poor schools and drugs and unstable families and, let's not kid ourselves about it, it still means overcrowded housing and traffic jams and abandoned buildings and even abandoned neighborhoods. And this negative connotation continues to be reinforced in the popular media and, I think, exacerbates the problem that has caused the political and social isolation that we often see in central city America. We know that the reality is that the core city has much to offer, but I'm afraid that we who want to see it do well have just done a poor job of selling it. My sense is that while we need to take advantage of these new movements, to control sprawl—and I'm glad to see Al Gore talking about smart growth too—we really need to do more to publicize and accentuate what cities really have to offer. John Norquist, in his book *The Wealth of Cities*, talks about that. He talks about what cities have and why we should be concerned about building there, and building there more aggressively. I do believe that cities have tremendous assets that are all too often overlooked. We still have the great medical centers, the colleges and universities, the great civic architecture, the historically significant buildings. You don't find those in suburbia. And most cities are still the place of primary employment, and they obviously have the most efficient network of infrastructure services and public transportation. That's to say nothing about the wonder of diversity that you often find in city neighborhoods and people that reflect what America is really all about. But notwithstanding all these positive attributes, let's also confess that the forces that work to pull the city apart are powerful and committed. It's not building a

new office building or a festival marketplace or capturing the latest fad in developing downtowns that's going to bring cities back. For you are competing against major interests in this country who really have no interest in seeing the city do well, unless they have a greater appreciation of how we're all affected badly by policies that ignore the core city. Highway advocates, homebuilders, the auto industry, developers, and energy lobbyists have been successful in promoting the kind of growth they want. Those are powerful agents in our society, and it may be difficult sometimes to believe that we can compete with the suburban amenity package out there, but we've got to try. We've got to try to reverse the tide that has middle-class Americans still believing that the American Dream is really found on the edge cities of our country.

I think we've got a lot of work to do. One of the reasons that I still stay involved in politics, and why I tried to win that Senate race twice, is that I do believe that we need a national urban growth policy. Maybe Gore is on to something, but it's not just about stopping greenfield development and controlling sprawl. It is about focusing again on what we can do inside of cities. I think the answers are much more about education—the notion that we are all in this boat together. Some of us need to step up to talk about how one thing in society affects another. How poor kids not getting a good education in the inner city impacts the banking industry, impacts society, and even impacts that family that thinks they are safe in that gated community somewhere outside that city. I think we've got to find a way to make center cities more attractive. However we do that, we've got to improve. One of the things that will improve the appeal of cities is an educational system that will educate poor children very well. As long as education at the center of the city is perceived to be less than adequate, we can forget about long-term development there.

I've said enough. Let me end by saying that I count it a privilege to have had the opportunities that I've had, in the thirty-plus years since I left this institution, to get right in the middle of the mix of political change in the region of the country where I spent most of my adult years. Looking back, I know we made a lot of mistakes in the '70s, but we've also learned some things, and I'm richer for the experience of having been there. I will

continue to be involved, even though I'm not involved in elective politics anymore. I also know that had I just been another good architect simply designing the buildings that my clients brought to me, I would have missed the opportunity to make this contribution. I got into community politics accidentally, but I suspect that we ought to be more intentional in institutions like this to train more people to go out to do the kind of advocacy that I'm talking about. Thank you. P

WHY IMPROVE NEIGHBORHOODS?

Shifting the Goals of Inner City Neighborhood Commercial Revitalization

Andy Waxman

Abstract

As planners, we are taught to improve places. But should that be our ultimate goal? This article argues that the ultimate goal of planning is to improve people's lives, and that planning professionals need to broaden their conception of planning in order to find the best way of achieving this goal. To illustrate this point, this article explores a specific community economic development strategy—the revitalization of inner city commercial districts—and argues for a reconceptualization of this strategy's goals. Although as currently practiced this strategy is clearly place-based in nature, I argue that, in order to achieve the goal of improving people's lives and alleviating poverty, neighborhood commercial revitalization must integrate both people- and place-based approaches. Furthermore, I argue for an expansion of place-based approaches as they are currently practiced, especially those working to improve neighborhood shopping areas. Rather than solely focusing inwardly on the place they seek to improve, these strategies need to view these areas within a citywide or even within a regional context.

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Introduction

Community Development Corporations and the array of government agencies, foundations, banks and other institutions that seek to revitalize inner city areas are also usually oriented towards improving places, often inner city neighborhoods. But their ultimate goal is usually to improve people's lives and bring poor people out of poverty. Why then the focus on place?

The primary way that practitioners of inner city commercial revitalization state that improving a place leads to helping people is by viewing the goal of this activity as job creation. Furthermore, many of these practitioners believe that a related goal is to create a self-contained, self-sufficient neighborhood. In this article, I argue that these are the wrong goals and strategies to pursue, and that to focus on job creation will only have a limited impact on reducing poverty. For example, many of the jobs that are created in such shopping areas are retail jobs that do not pay a wage that lifts people out of poverty. Similarly, taking an inward focus and trying to achieve the goal of neighborhood self-sufficiency through providing enough jobs for all neighborhood residents ignores the fact that few people live and work in the same place.

Though there are pitfalls to place-based approaches, I do not advocate a shift to a purely people-based approach that would focus only on job training or on moving people to the places where there are currently more jobs. Neighborhoods matter, and work to bring about their revitalization cannot be abandoned. Neighborhoods are the home base from which people enter the regional economy. Neighborhoods with high concentrations of poverty exacerbate the problems of the residents who live in them. To ignore neighborhoods is to stack the cards against the growing number of low-income people who reside in these marginal areas and who want to get out of poverty. I believe that the key to a successful revitalization strategy is to have a clearer understanding of how improving places or inner city areas benefits people, or the low-income residents of those areas. An improved understanding of the link between places and people leads to a new set of strategies and action steps for professionals engaged in the work of neighborhood commercial revitalization.

Reconceptualizing commercial district revitalization, and the importance of place-based approaches to turning around the inner city in general, takes on added importance as more organizations increasingly use these types of strategies. The Clinton Administration's major inner city revitalization policy, Empowerment Zones, with its clearly defined boundaries and targeted tax benefits,¹ is clearly a place-based approach. Michael Porter's influential article, "The Competitive Advantage of the Inner City,"² also espouses a place-based approach. One of the Initiative for a Competitive Inner City's subsidiary organizations is currently focusing specifically on creating strategies for revitalizing neighborhood commercial areas.³ The Local Initiatives Support Corporation (LISC), a national intermediary that funds community development efforts, has partnered with the National Trust for Historic Preservation to bring NTHP's successful place-based 'Main Street' approach to commercial district revitalization to inner city areas around the country. In Boston alone, there are now 19 neighborhood shopping areas that have been designated 'Main Street' areas and have formed stakeholder organizations that are funded primarily by the city government. I argue that if all of these efforts take an inwardly-focused place-based stance, they will not ultimately be successful in reaching the goal of reducing poverty and improving people's lives.

The purpose of this article, then, is two-fold. The first is to explore the theoretical and historic background of community economic development in general and neighborhood commercial revitalization in particular, so as to provide a new way for practitioners to think about the goals of this type of work. But having new goals and a new theoretical framework is not enough. The second goal of this article is therefore to provide practitioners with specific action steps that they can take to help them integrate people- and place-based approaches, and to help them connect their commercial districts and the people that live within them to the regional economy. Following this structure, this article is comprised of two main sections. The first works to create a new theoretical framework, and the second provides specific action steps to implement this framework in a generic context.

MOVING FROM AN OLD FRAMEWORK TO A NEW ONE:

From Job Creation and Self-Sufficiency to Creating the Conditions for Poverty Alleviation

Community Development Debates in the Early Days of CDC's

In order to create a revised framework for neighborhood commercial revitalization, it is important to understand the movement's historical origins. Debates over 'people vs. place' and 'inward vs. regional' are not new—they have their roots in the beginnings of the community development movement. Bennett Harrison, in a survey of urban economic development theories⁴, argues that the modern community development movement started in the mid-to-late 1960s, when the civil rights movement turned more turbulent and violent. The urban riots increased white Americans' concern for the economic fate of the 'ghettos.' Robert Kennedy visited Bedford-Stuyvesant, in Brooklyn, New York, just after the Watts riots in Los Angeles. His visit led to the creation of one of the first and largest CDC's, as well as to that of the US Office of Economic Opportunity (OEO). Harrison called the OEO "the government's most important program for the support of minority economic development." The early focus on improving ghettos, as opposed to concentrating on their residents, is a direct antecedent of the current use of place-based strategies by many CDC's.

In the African-American community, there has been a long-standing debate about integration versus separation which contains elements of the inward/outward and people/place community development debates. Both Booker T. Washington and Marcus Garvey argued for their own forms of separation and inward focus as the best way to bring about economic development and to improve the lives of poorer African-Americans. By the 1960's, Malcolm X's version of separation became more popular as impatience with the nonviolence of Martin Luther King grew. Harrison characterizes Malcolm X's views as follows:

Malcolm came to believe that "the economic system was exploitative" and advocated extreme autarchic⁵ development for the black community, based on a mercantilist analysis of "the basic fundamentals; that whenever you take money [i.e. profits] out of the neighborhood, the neighborhood in which you spend it gets richer

*and richer, and the neighborhood from which you take it gets poorer and poorer. This creates a ghetto . . . We have to teach our people the importance of where to spend their dollars."*⁶

Few Americans were as extreme in their push for autarky as Malcolm X.⁷ Nonetheless, the general ideas of self-sufficiency and import substitution were very influential at the beginning of the CDC movement. Combined with the increased concern among whites about the 'ghetto,' it is no surprise that CDC's gravitated towards inwardly-focused, place-based strategies.

Recent Use of Inwardly-Focused Place-Based Strategies

The influence of these theories is still with us. A relatively recent handbook for local economic developers put out by the Center for Neighborhood Technology (CNT) uses language very similar to Malcolm X and the dependency theorists. It states that a bad neighborhood "is like a country that can't produce what it needs, so that everything has to be imported." It goes on to say that turning around a neighborhood economy

*. . . usually starts with people taking a hard look at what is being imported into the area. They then figure out a way to supply at least part of that need, at a lower cost in a way more carefully tailored to local demand. New industries emerge that substitute locally produced goods for imports."*⁸

CNT believes that the primary goal of neighborhood economic development, and of its import substitution strategy, is the creation of jobs for neighborhood residents. By preventing leaks out of the neighborhood economy, and by spending more money locally, positive multiplier effects will be created, and jobs for local residents will increase. CNT does not believe in pure neighborhood economic self-sufficiency, yet the manual clearly exemplifies an inwardly focused, place-based strategy.⁹

Michael Porter has also proposed influential ideas on inner city economic development which, though clearly not inwardly focused, have a strong place-based focus, and have as their primary goal job creation in inner city neighborhoods. Porter begins an article rebutting critics of his original article on inner city revitalization with the statement: "The economic distress of America's inner cities is one of the most pressing issues facing

the nation. The lack of businesses, investment, and most importantly jobs *in these areas* [emphasis added] not only perpetuates a crushing cycle of poverty, but fuels other social problems such as crime and drug abuse.”¹⁰ Later in the article, when specifically discussing the importance of creating retail jobs, Porter uses the classic language of place-based advocates:

*There is a great opportunity for retailing that should not be ignored. The solution is two-fold: increase the inflows of money (primarily by improving employment opportunities and building “export businesses”) and increase the quality and number of retail and service businesses within inner cities. The net result, if both of these strategies were implemented, would be many more jobs and greater accumulation of capital in these communities.*¹¹

Porter’s goal is clear: create jobs in the inner city. His unstated assumption is that if more businesses are located in the inner city, inner city residents will fill the jobs in these businesses. This will result in more money flowing through the neighborhood economy, and poverty will be reduced. It is unclear, however, that the existence of jobs in poor neighborhoods directly leads to the filling of those jobs by neighborhood residents. Porter spends little if any time describing how this crucial connection will be made.

Criticisms of Place-Based Strategies

Inwardly focused, place-based strategies have been criticized on a number of fronts. Most critics argue that these approaches fail to see the neighborhood in a regional context and lead to an unhealthy isolation of neighborhood residents and businesses. Luther Snow believes that a locationally specific orientation leads neighborhood advocates to take a zero-sum approach. Therefore, place-based strategies often devolve into smokestack chasing. While this terminology is often used to criticize municipal and metropolitan level economic development efforts, Snow uses a different term to apply this phenomenon to the neighborhood level: ‘checkout chasing.’ By this he means trying to encourage retail stores to move into one neighborhood instead of another:

By approaching economic development from a zero-sum perspective, we create a self-fulfilling prophecy: Development efforts focus on

*attracting businesses, retaining businesses, and 'stealing' businesses. Because of this, economic activity is only shuffled around, and nothing new gets created that was not already going to be created.*¹²

Others have a more basic criticism. Michael Teitz argues that neighborhood economies, as such, do not really exist, and that it does not make sense to apply national dependency theories to a neighborhood context. Neighborhoods are not static, self-contained places, but exist in the context of the broader regional economy. Teitz argues:

*Neighborhoods, by their very nature, are problematic as targets of economic development strategy, insofar as such a strategy is intended to generate economic activity and employment directly within their boundaries. As the places where people live, neighborhoods reflect most clearly the conditions of their residents. Thus, they are a logical focus of advocacy and of political mobilization. But the historic divorce of workplace from residence is so far advanced in American cities that localized economic development efforts face great difficulties in raising incomes or bringing people into the economic mainstream.*¹³

Jeremy Nowak argues a similar point, but he leaves the door more open to a regional economic development strategy that includes improving neighborhoods:

*Healthy neighborhoods are first and foremost dynamic places to which people want to move, and where businesses and residents want to maximize their advantages vis-à-vis other places, relationships and markets. Neighborhood economic self-sufficiency has no meaning in this context [emphasis added]. Strong neighborhoods are destination places and incubators; they are healthy not because they are self-contained or self-sufficient, but because their residents are linked to non-neighborhood opportunities. The current interest in developing comprehensive community development programs must consider this issue carefully, for, to the extent to which comprehensive programs are service based and neighborhood introverted, the essential linkage between residents and work opportunities will be minimized.*¹⁴

Sawicki and Moody, directly criticizing Porter's ideas, argue that he and other advocates of place-based solutions do not

understand the nature of the connection between where people live and where they work. They state that not only has there been a divorce of workplace from residence, but that physical proximity to jobs does not guarantee that people living near jobs will have the skills or the connections to get those jobs. In order to make their point, they discuss traditional enterprise zone strategies which have had little success in bringing jobs to the places where poor people live:

The enterprise zone approach, as it was conceived and implemented in England, provides a good example of how place-based strategies can fail to benefit poor residents. First, there are questions about whether the incentives actually are successful in attracting jobs to poor areas. Second, there is substantial evidence that when there are net new jobs to the area, they are simply jobs being transferred from other poor areas. And finally, the jobs that do get created do not usually go to poor residents of the zone. Some researchers cite 'skills-mismatch' as the reason, but Kasinitz and Rosenberg provided a convincing case in Red Hook in Brooklyn that physical proximity to jobs was unimportant compared to social and ethnic networks.¹⁵

The criticisms of inwardly focused place-based strategies are many. They lead to a zero-sum approach; they have an unrealistic view of the neighborhood economy as an isolated entity; they underestimate the importance of connections to the regional economy; and they misunderstand the linkage between workplace and residence.

People - Based Approaches

Advocates of people-based approaches believe that the way to alleviate poverty is to refocus the attention of community developers away from place and toward people, and to adopt a more outward-looking approach. The basic people-oriented approach is described by Cordero-Guzman:

These are approaches based on investing in the human capital of inner-city residents through increased education, employment training programs, and other human resource and workforce development policies. This approach also includes policies that increase individual access to employment, social resources, and opportunities for advancement through the strengthening of individual ties to community organizations, access to social capital and social networks.¹⁶

These approaches respond to many of the criticisms of place-based strategies. They have as their basis a more accurate assessment of the link between workplace and residence. Much of the new job creation is occurring in the suburbs, yet public transit-dependent poor people have trouble getting to these locations. Therefore, helping people find the transportation to these areas becomes an important strategy. If another problem is lack of skills, then designing job-training programs to help people qualify for these jobs becomes important. Accordingly, training programs should prepare people for jobs in sectors of the regional economy that are growing and have promise for future advancement.

A related people-based approach is that of dispersal. Again, Cordero-Guzman describes this approach:

These are initiatives and programs that attempt to move the population away from inner-city areas and into other parts of the metropolitan areas or to suburbs where unemployment is lower and the opportunities are presumably more abundant. The dispersal argument suggests that since there has been a suburbanization of jobs and the ghetto is the incubator of cultural conditions that discourage work and reduce business opportunities, the best way to fight poverty is to encourage the population to move out of the barrio or ghetto.¹⁷

Few people have criticized people-based approaches directly. Nonetheless, many critics believe that implementing them on a wholesale basis is unrealistic, and that these approaches can worsen the situations of those who are not reached. The strategy of dispersal is the most difficult to implement. According to Nowack:

For now, no matter what kind of logical case can be made for residential dispersal strategies, the deconcentration of low-income residents is unlikely to occur. As one who has financed affordable housing in affluent suburban counties near Philadelphia, I know how the cards are stacked against significant progress. Land values, subsidy scarcity, zoning requirements, and public opposition make even incremental steps costly and time consuming.¹⁸

Limitations of People - Based Approaches

Another limitation of the dispersal approach can be seen if one asks the question of what happens to the people left behind? Even if a substantial number of affordable housing units could be built in wealthy suburbs, it is almost inconceivable that there would be enough to house all of the people currently concentrated in ghettos. As more people moved out, the ghettos would continually become worse places to live. Services to the area would decline, and the people who could afford to leave would do so. The people left behind would face a substantially worse situation than before the dispersal began.

In fact, this is what has been occurring over the past 30 years. The nature of the ghetto has been changing, and the concentration of poverty has become more severe. According to research by Paul Jargowsky,¹⁹ from 1970 to 1990 the number of census tracts with populations where 40% or more of the population is poor has doubled.²⁰ Put a different way, in the same time period, the number of poor people residing in high poverty neighborhoods has gone from 1.9 million to 3.7 million people.²¹

According to William Julius Wilson,²² the increasing concentration of poor people has created a new, more severe type of poverty. Many of the negative effects of living in poverty are exacerbated for people who live in these high poverty areas. For Wilson, a primary reason for the increased instability of poverty concentration is that these neighborhoods have a much higher level of unemployment than poor neighborhoods of the past. This means that there are fewer working people who can act as role models. The habits of going to work every day become more foreign to residents of these areas. The higher amounts of idleness, and the lack of income, also lead to higher rates of crime. Higher crime leads to more isolation of residents because they become scared to leave their homes. At the same time, these areas exhibit much lower levels of social organization and resident participation in voluntary and formal organizations. There is a greater sense of isolation. Furthermore, the lack of social networks makes it that much more difficult to find a job. Lastly, Wilson quotes a number of residents who talk about the sense of hopelessness about the future that pervades such neighborhoods.

Why has this increased concentration of poverty occurred? According to Wilson and Jargowsky, a major demographic reason was an exodus of non-poor people from formerly mixed-income areas. This exodus creates a worsening cycle where greater and greater levels of disinvestment and abandonment occur. Loans and insurance become more difficult to obtain, people feel less safe, stores leave the area, and there is less and less of a reason for people to stay. Those who can afford to leave do so.

While people-based approaches address a number of these issues, to the extent that they improve the lives of certain individuals, they can have the effect of exacerbating the problems for the people left behind.²³

As Wilson argues in *The Truly Disadvantaged*, "As their economic and educational resources improve, they will very likely follow the path worn by many other former ghetto residents and move to safer or more desirable neighborhoods." This will further destabilize inner-city communities and worsen conditions for those who remain behind.

Integrating People and Place Strategies: Focusing on Neighborhoods and Regions

To summarize the previous arguments, inwardly focused, place-based strategies will not be successful at alleviating poverty. They ignore the realities of the separation of workplace from residence, they are too isolated, and they do not connect people to the regional economy. People-based strategies that ignore place are also not enough. In fact, they may leave those not helped worse off. Is there a way that these approaches can be integrated in such a way that the lives of people living in low-income communities will be improved? Nowak provides some clues as to how this can be done:

The connections between neighborhood revitalization and poverty alleviation are easy to identify; they exist when the former creates the conditions for the latter [emphasis added]. Affordable housing developments can provide both social and economic stability and savings. Inner-city retail and small business developments offer local services and some employment opportunity. Renewed economic investment in a local real estate market creates construction jobs and new business opportunities as well as increasing real estate

values, all of which can have an impact on incomes and assets. Social services that support household stability increase the likelihood that adults will be able to work, and children will be able to learn. The renewed involvement of mediating civic institutions clearly broadens opportunities for residents by entering into association with public and private institutions.²⁴

We can see in the above passage a rationale for the new goals of neighborhood commercial revitalization. The places where large numbers of poor people live, inner city neighborhoods, cannot be ignored. They are the home base of large numbers of low-income individuals. They are the places from which these individuals enter the regional economy. It is important to focus both on the neighborhood as a place and as a component of its regional context. Furthermore, the link between improving those places and helping the people within them is not simply one of job creation. In a broader sense, that link is made through reversing the negative conditions in high-poverty neighborhoods that make it harder to get out of poverty. The overarching goal of neighborhood revitalization should be to create the conditions for the alleviation of poverty, and this is done by improving the quality of life, retaining, and thereby attracting the employed middle income residents who Wilson finds so important for maintaining neighborhood stability.

This is a different focus on neighborhoods than that which the Center for Neighborhood Technology espoused. The primary goal of the CNT strategy was the creation of jobs in the neighborhood. A more regionally focused neighborhood approach does not believe that a substantial number of jobs can be created in the neighborhood. It does not believe that the goal should be to recycle money throughout the neighborhood economy. It instead seeks businesses that are connected to the regional economy. It does not try to meet all of the needs of local residents through an import substitution policy, but tries to meet needs that are not met in other locations.

Furthermore, this new goal is different from Porter's business-oriented approach. Though Porter understands the importance of businesses that are connected to the regional economy, the goal of his strategy is still to bring in businesses and to create jobs within the inner-city. Yet if the focus of a revitalization

strategy moves from bringing in jobs to creating the conditions for the alleviation of poverty, the types of businesses that should be attracted change. No longer is the sheer number of jobs or the number of businesses the highest priority. The new priority is the retention of and the attraction of businesses that improve the quality of life within the neighborhood, and businesses that facilitate connecting residents to jobs throughout the region.²⁵

CONVERTING THE NEW FRAMEWORK INTO PRACTICE:

Action Steps for Using Neighborhood Commercial Revitalization to Create the Conditions for the Alleviation of Poverty

While the rationale for the new goals of neighborhood commercial revitalization have now been laid out, a number of questions still remain. The overarching question is: How can practitioners convert the goal of creating the conditions for the alleviation of poverty into a clear action strategy? More specifically, how should the improvement of neighborhood business districts be carried out such that it improves the quality of life while also avoiding zero-sum 'checkout chasing'? How can people-based strategies be integrated into such a clearly place-based approach? How can these local shopping areas link themselves to the regional economy? The second half of this article seeks to answer these questions. It does so by laying out a number of action steps and providing an explanation of how these steps accomplish the newly formulated goals.

Organize local businesses and other stakeholders into an organization

The first and most important step is to organize all the important actors in the neighborhood who have a stake in revitalizing the commercial area. While this step is not directly related to accomplishing the goal of poverty alleviation, it is a necessary step that precedes and makes it possible to take many of the subsequent steps. The need for such a stakeholder organization arises because it is important to have input from all interested parties in creating a strategy for the area's revitalization. Furthermore, it is important that actions are coordinated and that all parties are working towards the same goals. Without this coordination, stakeholders may move in different

directions, or not at all, and it will be difficult to bring about positive changes.

A recent study of revitalization efforts in small city downtowns provides concrete evidence of the importance of organizing stakeholders. For this study, 57 downtowns were surveyed. 68% of the respondent cities felt that their downtown was more vital in 1995 than in 1985, while only 18% reported less vitality. Importantly, 80% of the respondents who reported less vitality stated that lack of organization was a problem.²⁶

There are four main models for organizations that bring together stakeholders in business districts: 1) merchants' associations²⁷; 2) Main Streets; 3) Business Improvement Districts (BIDs); and 4) Centralized Retail Management (CRM). While it is beyond the scope of this article to explore in depth each type of organization, it is worthwhile to lay out the basics of each type. To simplify somewhat, these four approaches can be seen on a continuum from the lowest level of coordination of merchants' associations to the highest level of coordination of CRM. These are not exclusive categories; some Main Street organizations have also become BIDs, as have some areas with CRM. Within each of these models there are examples of organizations that have taken on a large number of tasks and some that have narrower purposes. Nonetheless, for clarity's sake, the following are brief explanations of each separate organizational form.

The least involved form is a merchants' association, which is only made up of businesses in the area. The drawback of this organization is that it often does not include residents or other institutions that are often key players in these commercial areas. The Main Street approach, created by the National Trust for Historic Preservation, is still fairly informal, yet involves all of the stakeholders in the area. The NTHP recommends focusing on four aspects of improving the area: 1) Design; 2) Organization; 3) Promotions; and 4) Economic Restructuring. The third approach is a Business Improvement District.²⁸ In order to become a BID, there often must be city or state laws which enable the creation of such an entity, and the local businesses and property owners have to vote to approve the creation of the BID. The benefit of this approach is that it allows for the collection of 'taxes' from all owners in the area, and it solves 'free

rider' problems because of governmental sanctions for not paying the BID assessments. The most formal approach is that of Centralized Retail Management.²⁹ This involves local businesses signing a contract to manage themselves more like a mall. One difficulty of this approach is that it does not solve the free rider problem. The CRM only applies to people who sign the contract, and there is no sanction for not participating, though the benefits of the CRM may extend to other businesses.

Each of these models has advantages and disadvantages. Although, as previously mentioned, it is beyond the scope of this article to fully explore all four approaches, each neighborhood seeking to turn around their shopping area should research these models more fully and decide which one makes the most sense for them. Whichever approach is chosen, most of the other steps flow from the organization of stakeholders. Whether it is coming up with a plan as to which types of stores to recruit, jointly lobbying for governmental loan funds, or jointly planning community festivals, having an organization to coordinate actions of stakeholders is crucial.

Facilitate the provision of technical assistance to local businesses

The second step is also only indirectly related to the goals of the new framework. Again, however, it feeds into many of the others. This step is for the stakeholders' organization to act as a facilitator in making local businesses aware of external technical assistance (TA) resources. While some organizations internal to a neighborhood may have provided small business technical assistance, it does not make sense for each neighborhood to have to provide these services. The stakeholders' organization can develop relationships with TA providers and then inform local businesses of the availability of these services. Furthermore, many small business owners, especially those in older, decaying inner-city commercial districts, often lack the time needed to navigate complex city bureaucratic hurdles or bank loan application procedures. A stakeholder organization can either become familiar with these procedures so as to help local businesses, or the organization can partner with other organizations that provide this type of support and point local businesses in their direction.

Similarly, small business owners rarely have the resources to

access comprehensive, sophisticated market and demographic information, or knowledge about competing shopping areas. Joint stakeholder organizations can conduct surveys and other research, coordinate the collective purchasing of such information, or find someone to donate it.

Develop a business retention and attraction plan so as to strategically bolster the health of the area

Another role for the stakeholders' organization, implicit in the previous two roles, is to work with existing businesses to make sure that they are sound, and to attract new businesses that will add to the health of the area. Yet these organizations often have limited resources, and they cannot help every existing business. Furthermore, as was argued in the framework section, all potential new businesses are not equal. Some will help the health of the area more than others will. Therefore, the organization should work to develop a plan, with input and buy-in from the stakeholders in the area, which lays out the types of existing businesses that should be supported and the types of new ones that should be attracted. The next few action steps explain how the theoretical ideas laid out in the first half of this article can be used in the development of such a plan.

Retain and attract businesses with higher quality goods and lower prices

Inner-city residents do not just lack access to jobs, as argued above. They also have less access to high quality, reasonably priced consumer goods. According to Bendick and Egan:

One symptom of economically distressed inner-city areas is a dearth of retail and service businesses. Minority shopping areas, in particular, generally have fewer and more limited variety of stores than non-minority neighborhoods, and these stores are more often marginal establishments offering a limited range of goods, lower quality of goods, higher prices, less customer service, less attractive shopping environments, and higher credit costs. [Therefore,] more stores, higher quality stores, and more customer responsive stores would increase the quality of life and reduce the cost of living for inner-city residents.³⁰

Lack of high quality, reasonably priced goods is one reason why people move out of these areas if they have the ability to do so. Neighborhoods that have stores where people can purchase

these types of goods are more likely to retain those residents. Therefore, the area should concentrate on supporting existing businesses of this type, or bringing in new ones that fulfill this need. Yet this is not to say that these areas should recruit stores that sell every type of good. Such a strategy resembles that of the advocates for a self-sufficient neighborhood. On the contrary, the next two steps present a framework for thinking about and figuring out which specific types of stores should be retained and attracted.

Retain and attract businesses that help residents meet convenience needs

Another quality of life issue in many inner city neighborhoods is the inability to find day-to-day products that most Americans can find in close proximity to where they live. While an import substitution strategy would have community developers bring in any kind of business that is currently lacking in a neighborhood, a more refined version of this approach involves a deeper understanding of residents' shopping behaviors. Economists have long argued that there are certain types of goods called 'convenience goods' that people shop for very close to where they live, and 'comparison goods' that people are willing to travel longer distances to purchase.³¹ People do not like to travel far to purchase convenience goods. Examples of stores with this type of good are grocery stores, corner 'convenience' stores, video stores, and drug stores. If people cannot find these types of goods in a certain neighborhood, they are less likely to move there, or will move out once they have the means to do so. Therefore, the business recruitment and retention plan should focus on stores that meet residents' convenience needs.

Coordinate with other local business districts and develop aspects that make the district unique

Convenience stores should not be the only type of store that an area seeks to attract. If local businesses view local residents as their only market, they are unnecessarily limiting their potential customer base. Part of an outwardly regional stance is to market towards customers throughout a region, thus bringing external income into the neighborhood. Yet when this type of strategy is pursued, the danger of Luther Snow's 'checkout chasing,' and of the zero-sum game both arise. Therefore, it is important both to develop an understanding of the competi-

tion from other retail areas throughout the city or region, and to coordinate the development of the recruitment plan with other similarly situated areas. For example, it does not make sense for one commercial district to pursue a strategy of attracting a category such as Home Depot, while a near-by area seeks to support locally owned hardware stores.

Similarly, if a clothing store is searching for a new inner city location, it is counterproductive for local shopping areas to compete against each other, possibly offering incentives that would not be needed if there was coordination instead of competition. Yet how do the areas decide which location 'deserves' the new clothing store? Part of the information clearinghouse role of the stakeholder organization should be to develop an understanding of why shoppers choose one shopping area over another. There are a number of factors to look at. First, the demographics of one area may match more closely with the market of the store than do the demographics of other areas. Second, it may be that there is already a thriving clothing store niche in one area, while there are none in another area. If this is the case, it may make more sense to locate the clothing store with the other clothing stores. Research shows that people 'comparison' shop for clothes, meaning that they go to multiple clothing stores to compare style and price before making a purchase. Therefore, the new clothing store may have more chance for success near other clothing stores as opposed to being by itself away from other comparison opportunities.³²

While one district may have many clothing stores, another may have a cluster of ethnic sit-down restaurants. Thus, while district A would get a clothing store, District B would get a Vietnamese restaurant. The overall principle is that businesses should become organized around specific niches so as to distinguish their district from others. This will encourage shoppers to accomplish specific tasks that they cannot carry out in other areas, and can reduce the zero-sum nature of 'checkout chasing.'

Foster connections to larger regional businesses

Stakeholder organizations can also facilitate direct connections between larger regional companies and local retail businesses. This interaction could take a number of forms: finding inexpensive distributors of goods that local retailers sell, encourag-

ing larger regional businesses to use local businesses as suppliers or subcontractors, or attracting franchises which have extensive training and financing resources, as well as positive name recognition. Each of these connections to the regional economy, as well as others mentioned before, will lead to a healthier business district. This will facilitate the creation of a more stable, mixed-income neighborhood, and the conditions for the alleviation of poverty will have been created.

Reduce physical blight in high profile areas

The next two action steps are based on an understanding that locating businesses in an inner city area is not enough, but that where these businesses are located within that neighborhood matters. A simple focus on job creation often overlooks the additional benefits that locating businesses in traditional business districts can bring about. One such benefit relates to the reduction of physical blight in the neighborhood. Though Bendick and Egan argue that retail uses alone will likely not be enough to fill such space, reducing the number of vacant buildings with retail businesses can have many positive spillover effects:

Because these storefronts tend to be on major streets, they are the community's most visible face to the world. The appearance of commercial strips along major thoroughfares sometimes is a primary influence on decision makers from outside of the community—such as politicians and bankers—in forming opinions concerning the condition of the neighborhood. Thus, it has been observed that visible improvements in commercial areas may increase the willingness to grant mortgages to rehabilitated housing on adjacent streets.³³

The inability to finance the purchase or renovation of a home is another reason that people will move out of a neighborhood. The increased availability of bank financing due to improvements in a commercial district reduces the amount of disinvestment and abandonment and encourages people to stay. As more houses are renovated, a positive cycle of reinvestment can occur. With more employed people attracted to the area, once unhealthy neighborhoods can be turned around. More people with connections to social networks will live in the area, and the sense of isolation and hopelessness described by Wilson can be reduced.

Michael Porter's ICIC often cites the South Bay Mall in Boston as a prime example of the benefits and viability of locating a retail establishments in inner city areas.³⁴ Yet it is about a mile from a traditional commercial district and far from any concentrated residential area. If many of the businesses that located in that mall had located in nearby traditional business districts, closer to where people have their homes, they could have reduced blight and done more to reverse the negative cycle of disinvestment in this inner city area.

Create a positive sense of place

Other important benefits of improving traditional business districts including creating a 'center' of the community, a place for people to gather, and a place to have fun. Jane Jacobs, in her classic work on what makes cities healthy, talks about the importance of pedestrian-friendly streets where people can shop, stroll, and gather.³⁵ To the extent that neighborhood commercial districts are revitalized, they create these crucial meeting places. Furthermore, neighborhood festivals that bring residents together to celebrate the neighborhood, thereby increasing the positive sense of place, often take place in the local commercial area. The stakeholder organization can play an important role in organizing such a celebration.

Again, the South Bay Mall does not meet this standard. It is totally disconnected from any neighborhood or sense of place. It has a large parking lot and is accessible only by car or by bus. While the South Bay Mall does provide a place for local residents to get lower priced, higher quality goods, its location outside of traditional shopping areas represents a missed opportunity to create a sense of place in those neighborhoods and of bringing about other important quality of life improvements there.

Create a career ladder orientation

As stated in the first half of this article, part of adding people-based strategies to neighborhood commercial revitalization involves taking steps to improve the quality of life, creating the conditions for the alleviation of poverty, and working towards a healthy, mixed income neighborhood. Another, more explicit part of adding a people-based aspect to the strategy is to include a job training and career development element to the stake-

holder organization's roles. A convincing case has been made that neighborhoods can not provide enough jobs for residents. Nonetheless, positive results can come about through supporting businesses that have entry-level jobs that lead to promising career ladders. As Nowak states, this will help "create a pipeline of local jobs that can be used to develop skills and relationships for later employment."³⁶

How can the stakeholder organization play this role? It is likely that it will not have the expertise or the resources to become a job training entity. Instead, it can work with job training agencies to understand what retail related skills are important in other jobs. It can work with local retailers to make sure their employees take on responsibilities that allow the employees to obtain these types of skills. It can develop a certification system that indicates to outside employers that workers from the commercial district with this certification have a specific set of skills. It can attract businesses that have career ladders within their local stores or in other stores throughout the region, and businesses that allow workers to develop the skills that need in order to obtain other jobs higher on the career ladder. With all of the steps, it is important to adjust the mindset from simply attracting jobs to moving people up a career ladder. Not only will this help the people that move up, but it will increase the number of openings in the small local job market.

FINAL THOUGHTS

I have argued in this article for a new way of thinking about and carrying out inner city neighborhood commercial revitalization. With a new understanding for this type of community development, a new set of strategies and action steps arise. The link between how improvements in a place lead to improvements for its people must be reconfigured from the way it has traditionally been understood. No longer should job creation be the main goal, but rather the focus should be on improving the quality of life in the neighborhood, and creating the conditions for the alleviation of poverty.

Although there is not space here to discuss this issue fully, it is worth commenting on one of the major criticisms that is often mentioned when the idea of creating a mixed-income

community is proposed: that it leads to gentrification. This issue is all the more relevant today, with hot real estate markets, rising rents, and the growing fear that low-income residents will be displaced and forced to move out of their neighborhoods. The question remains, is there a way to alleviate neighborhood poverty without creating gentrification? Furthermore, does not the idea of bringing in stores that cater to a more diverse clientele really mean catering to yuppies and bringing in Starbucks-type stores that will not appeal to the consumer preferences of existing low-income residents?

There is no easy answer to the challenge of gentrification. Nonetheless, I believe a balanced approach is possible. First, there should be a focus both on attracting middle-income residents as well as meeting the needs of lower income residents. Concentrating only on attracting people with higher incomes will lead to gentrification. Focusing only on meeting the needs of existing low-income residents will reduce the benefits achieved by the deconcentration of poverty.

Another answer is that the types of residents that will lead to a healthier, more mixed-income area may be less different from the existing residents than one might think. The idea of deconcentrating poverty often leads to images of bringing in rich white people to live in neighborhoods where poor black people currently live, or vice versa. This view may be too simplistic. Paul Jargowsky argues that one important cause of the increased concentration of poverty is that middle-income residents have moved out of these areas, leaving only the poorer people behind. Often the emigrants from poor neighborhoods are residents who were once poor that move out when they make more money. By more fully serving the needs of existing demographic groups, these residents are less likely to leave when they attain higher levels of economic success. Furthermore, some residents who have left may be induced to return. The larger point is that the difference in income level, and therefore in consumer preferences, between people in poverty and people who add to community stability is not as great as the original formulation of the problem would suggest.

A number of additional research questions are raised by this argument. What type of 'mix' are sociologists talking about

when they speak of the benefits of a mixed-income community? How different are the various members of this mix? What are the consumer preferences of these groups? How different are they? What overlaps exist? What strategies can be developed to exploit these similarities?

Despite the challenges to neighborhood improvement, planners need to persevere and come up with creative ways to marry people- and place-based approaches. They must have an understanding of how improving places improves people's lives. Efforts to revitalize inner city commercial districts risk becoming irrelevant if they do not have an understanding of this link, and of the neighborhood's role in how people live their lives. Neighborhoods are not islands. Neighborhood residents work throughout the region, and neighborhood stores compete not only with those located right near by, but with those downtown and even outside of the city. Planners must find the balance between creating an attractive, vibrant area on the one hand, and on the other, not trying to reach the impossible and irrelevant goal of creating a hermetic location where people live, work and shop for everything they need.

Cities have been hemorrhaging population for decades. Cities in crisis face a whole set of additional problems that must be corrected in order to stem this tide. Turning around neighborhoods in crisis cities involves a variety of actions such as improving schools, increasing affordable housing and reducing crime. Yet with an eye towards this new set of goals, practitioners working towards the revitalization of neighborhood shopping areas can play a role in remaking these areas into community centers that draw people into the city, instead of being yet another reason for people to leave them. P

Notes

1 This is not to say that Empowerment Zones do not integrate people-based strategies into their activities. The Harlem EZ, for example, has made job training part of its agenda.

2 Porter, 1995.

3 This subsidiary, Boston Advisors, has worked with both the Uphams Corner Main Street and the Dudley Street Neighborhood Initiative, both in Boston, to revitalize

commercial districts in these two organizations' service areas.

4 Harrison, 1974. Halpern, 1995, provides a similar historical account.

5 *Webster's Dictionary* defines autarky as "economic self-sufficiency, esp. on a national basis; national policy of getting along without imports."

6 Harrison, 1974, p.3.

7 For a discussion of dependency theory in Latin America, see Sheahan, 1987, pps 155-176.

8 According to Harrison, Malcolm X called for the creation of an African-American controlled country to be formed in the American South.

9 Center for Neighborhood Technology, 1986, p.5.

10 The language of inwardly focused neighborhood economic development shows up in a more recent example. The Dudley Street Neighborhood Initiative's 1998 Annual Report's section on 'Economic Power' talks about the importance of "cooperative community economics, local control over the means of production, circulating dollars within the community, wealth creation, and the creation of a local currency." (p.3)

11 Porter, 1996, p. 303.

12 Porter, 1996, p. 329.

13 Snow, 1995, p.187.

14 Tietz, 1989, p.112.

15 Nowak, 1997, p.9.

16 Sawicki and Moody, 1996, p.78.

17 Cordero-Guzman, 1997, p.10.

18 Cordero-Guzman, 1997, p.11.

19 Nowack, 1997, p.6.

20 Jargowsky, 1997.

21 According to Jargowsky, "the census bureau defines a person as poor if their total family income falls below the federally defined poverty level, which varies by family size, and is adjusted each year for inflation." (p.9)

22 Jargowsky, 1997, p.40.

23 Wilson, 1996.

24 Jargowsky, 1997, p.205.

25 Nowack, 1996, p.5.

26 Porter does not totally ignore quality of life concerns or the issue of job training and career advancement, but they are clearly a much lower priority for him than job creation in the

inner city.

27 Robertson, 1999.

28 Sometimes known as business associations, chambers of commerce boards of trade or business interest groups.

29 For more details on BID's, see Downtown Idea Exchange, 1997, and Houstoun, 1996.

30 For more details on CRM, see Cloar, 1990, and Stokvis and Cloar, 1991.

31 Bendick and Egan, 1991, p.7.

32 See Eppli and Benjamin, 1994, and Waxman, 1999 for more detail on convenience vs. comparison shopping, and other economic theories of retail.

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PHILADELPHIA'S CENTER CITY DISTRICT

and the Privatization of the Public Sphere

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Abstract

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The downtowns of American cities are increasingly being secured, cleaned, and planned by private enterprises known as Business Improvement Districts (BIDs). In Philadelphia, the Center City District (CCD), one of the largest BIDs, has taken a leading role in the revitalization of downtown. In the ten years of the CCD's existence, perceptions of Center City's attractiveness have improved, retail and occupancy rates have increased, and, most importantly, the BID's stakeholders—property and business owners, government, and the public—are satisfied. Having established its credibility, the CCD has recently merged with its parent organization and is beginning to engage in a wider range of activities, like the export of BID services and the advocacy of large-scale replanning outside the CCD boundaries. Multiple factors seem to account for the CCD's near-unanimous support. Improvements have been visible and have benefited all of Center City's major interest groups. Equity concerns have mostly been avoided, despite an overt focus on attracting suburbanites, not city residents, to downtown. A national economic upturn that is boosting Center City markets has also accompanied CCD efforts. The CCD is now well established as a major policymaker in downtown Philadelphia, and given its positive momentum, its expansion seems likely to continue in the near future. This expansion, however, is likely to be dependent on sustained widespread support and a healthy enough economic climate to avoid major deterioration of the downtown.

Business improvement districts (BIDs), also known as downtown improvement districts, special improvement districts, or special services districts, are an increasingly popular means to enhance the viability of urban commercial districts in the United States and Canada. Regulated by government but funded by the voluntary self-taxation of property owners and commercial tenants, the number of BIDs has grown greatly since the mid-1980's, reaching a total of over 1000 by 1995.¹ BIDs can now be found from the largest cities (New York has over 40)² to small suburban shopping centers. BID activities vary, but even the smallest BIDs are designed to provide services that local government will not or cannot, like improved promotion or sanitation.³

Despite their proliferation, BIDs have been little studied by planning professionals or academics. This is a surprising omission given the increasing importance of BIDs in revitalizing the central business districts of large cities, where planners have long played an important policymaking role. Most of the literature on BIDs, in fact, has been produced by BIDs themselves! A few outside observers (Pack 1992, Peterson 1994) have cast a critical eye toward the proliferation of these 'private governments.' Pack, for instance, worries that BIDs could produce "a perception of inequity that exacerbates existing social divisions (and) an increase in differences in the quantity and quality of 'public' services between different parts of the city."⁴ Analytical case studies of individual BIDs, however, are almost nonexistent. This paper begins to address this lacuna by examining Philadelphia's Center City District (CCD), a large downtown business improvement district. The CCD is interesting to examine for three reasons. First, Philadelphia has recently experienced major fiscal problems and population loss, and was probably inclined to experiment with a potentially helpful agency like the CCD. Second, Philadelphia has perhaps the largest and most diverse downtown under the aegis of a single BID (Midtown Manhattan, in contrast, has at least three BIDs). Third, the CCD has been a leader among BIDs in the breadth and ambition of its activities.

By its own account, the CCD has been a tremendously successful operation. Crime is down up to 30% and perceptions of the

cleanliness, safety and pleasantness of downtown have all improved, according to polls taken by the organization.⁵ Physical improvements like lighting and signage have made downtown easier to navigate, and the provision of personnel for security, sanitation and orientation have populated the downtown with friendly faces as well as provided entry-level employment for city residents. According to the CCD, these achievements, in concert with city-sponsored developments like a new convention center and arts district, have given Center City Philadelphia a new lease on life.

This paper does not attempt to determine the degree to which the Center City District has contributed to the revival of Philadelphia's downtown. The factors influencing the vitality of central business districts are extremely complex, and controlling for them enough to measure the CCD's impact would require detailed analysis beyond the scope of this paper. This paper will instead examine the scope of action of the Center City District and speculate on the factors that have led to its perceived success. The scope of action of the CCD is surprisingly broad. As it has grown, it has undergone a significant institutional transformation, expanding its actions to encompass a wider variety of activities than it was originally designed for. A substantial amount of downtown policymaking is now occurring within a private sector organization. That this has occurred indicates that the goals of the CCD have been consistent with the goals and expectations of other players in the downtown—especially city government and the general public.

This paper will also consider other implications of Philadelphia's shift toward privately-directed downtown policymaking. How are equity concerns addressed when a private organization responsible mainly to business interests takes over responsibilities from a government dedicated, at least in theory, to providing equal services to all? What is the impact on public agencies like city planning when a private organization takes the initiative in creating policies for downtown? Should the privatization model be encouraged for the downtowns of other troubled cities? To begin to answer these questions, let us examine how the Center City District has transformed downtown Philadelphia.

Philadelphia and the Center City District

Philadelphia is a large but declining city (1.585 million in 1990, estimated to have dropped to 1.436 million by 1997).⁶ Much of the city's manufacturing land now lies vacant, and the residential neighborhoods around them are crumbling. Despite these difficulties, Philadelphia has many advantages over other cities in similar straits. Its downtown hosts a dense residential population of over 47,000,⁷ giving what Philadelphians call 'Center City' a lively, exciting air. While the rest of Philadelphia's neighborhoods have been losing population, Center City's population has risen over 20% since 1960.⁸ Center City also contains a number of historic neighborhoods of major importance. It is little wonder that the maintenance of Center City has been the focus of many of Philadelphia's planning efforts for over 50 years.

What was the impetus for the Center City District's creation? Agitation for a business improvement district actually began in the mid-1980's, a boom time for Center City. By 1990 the impetus for a business improvement district was even stronger. Center City was in crisis. Many retail and entertainment activities had closed despite the construction of a downtown shopping mall in the 1980's and a new commuter rail station adjacent to it. The 1980's building boom had produced many new office buildings but a severe economic downturn had left many in the business community worried that Center City was no longer a desirable office market. The many vacancies downtown gave it a neglected, deserted air that many business owners felt was contributing further to the decline of downtown. City government, distracted by severe fiscal and neighborhood problems, was unable to maintain the same standards as it had previously.⁹ Given these problems, a BID was perceived as more necessary than ever. The city council authorized the CCD in late 1990, and it began operations in spring 1991.¹⁰

The Center City District's Actions

Houstoun (1997) groups BID functions into the following ten categories: maintenance; security; marketing; business recruitment; public space regulation; parking and transportation management; urban design; social services; visioning; and capital improvements.¹¹ The CCD has indeed carried out many of these functions. I have grouped these functions, however, into

four action themes: to secure the area; to improve orientation within the area; to increase traffic into the area; and to physically upgrade the area. The actions that the CCD has pursued will be discussed within the context of these four themes. Those activities that contribute to more than one of the BID themes will be discussed in their dual context.

First Theme: To secure the area

The first concern of the Center City District was, as its director Paul Levy succinctly states, to make downtown 'clean and safe.' Visual disorder and the perception of crime were paramount problems for Center City. As the CCD saw things, if Center City was not perceived as being clean and safe by downtown workers and by outside visitors (i.e., by those people who had some degree of choice as to whether they wanted to be there), then those people would reduce their time downtown, vacancies would increase as businesses failed or office space was emptied, and downtown would continue to decline. The opening of the Pennsylvania Convention Center in Center City in 1993 made the importance of securing downtown even more imperative, as a flood of new and presumably disoriented visitors (1,375,000 by 1996) entered the city.¹² Providing a sense of security was critical if these visitors were to feel comfortable leaving the confines of their hotel and exploring the rest of downtown. This concern for security pervades many of the CCD's actions.

Widespread trash and graffiti made Center City look unkempt, undesirable, and even dangerous. In this vein one of CCD's first moves was to hire new personnel (47 by 1998) for sidewalk cleaning and graffiti removal services that augmented the city's own trash removal services. Sidewalks were swept several times daily and washed every night, and new trash receptacles were installed. The visual sense of disorder was consequently reduced to the degree that by 1998, 74% of those polled rated Center City sidewalks as 'very clean.'¹³

Security was also augmented through the provision of a new police substation and the creation of a new uniformed but unarmed corps, called Community Service Representatives or CSRs, to provide an additional security presence on the streets. The CSRs are not police but coordinate their activities with them in what the CCD calls "the closest partnership between

the police and the private sector... in North America.”¹⁴ The 40 CSRs are unarmed and do not actually make arrests, but are able to report potential criminal situations to the police. Their additional presence resulted in added confidence that Center City was safe and may have contributed to a drop in crime. By 1997 67% of those polled felt safe ‘most of the time or always’ in Center City, and serious crimes had dropped 30% from 1993.¹⁵ Besides deterring criminal activity, CSRs also serve an orientation function, which will be described later.

The CCD also assumed an additional security-related function: coping with the homeless. The presence of the homeless on city streets is a national problem. The resolution of this problem, however, has generally been left to city authorities, on whose streets the homeless generally find themselves. The homeless are an extremely visible sign of disorder, and reducing their presence was rated the most important public safety action for the CCD in 1997. The CCD addressed the problem of the homeless both directly and indirectly; directly, by providing low-skill jobs within the organization that could employ the homeless, and indirectly, by providing job placement and training services to the homeless that would enable them to obtain homes and jobs elsewhere. Job training was initiated in 1992 and by 1998 had served over 400 people, although the number that have found permanent employment is not known.¹⁶

These programs did not, however, address the problem of the hard-core, or ‘shelter-resistant’ homeless, people who were presumably resistant to any and all employment or relocation attempts. Responding to their persistent presence on city streets, the city passed, in September 1998, an ordinance which forbade residence on city streets. The CCD, by its own account, “began planning for the implementation of this ordinance,” mainly, it appears, by providing last-ditch attempts to refer the homeless to other programs before their relocation to ‘new specialized facilities’ began.¹⁷ This rather draconian measure was unpopular, as might be expected, among civil-liberties groups and advocates for the homeless. Despite initial protests by these groups, the number of homeless on Center City streets had dropped precipitously by 1999, and the placement programs of the CCD appeared to be working, although some of the homeless had apparently shifted into other neighborhoods

like West Philadelphia.¹⁸

The homeless resolution indicates a consonance of vision between the Center City District and the city. The CCD early identified homelessness in Center City as a problem, but only the city had the legal authority to actually ban homelessness from city streets. The degree to which the CCD's advocacy efforts may have influenced the city's decision is worthy of further investigation. Whether this was the case or not, the passage of the homeless (or rather anti-homeless) ordinance indicated that the private and public sectors were speaking with one voice on the difficult issue of homelessness.

Second Theme: To improve orientation within the area

Cities are confusing places, and first-time visitors to a city often become lost. Lynch (1981) described three primary means of orientation within a city—physical form, maps, and other people. Although Philadelphia's grid system of streets is quite clear, the latter two methods of orientation were not formalized until the Center City District provided a signage program and personnel on the streets to point visitors in the right direction. The hoped-for result? A downtown that is easier to navigate, easier to comprehend, and easier for "strangers (to) feel safe and comfortable walking beyond their hotels to discover restaurants and shops."¹⁹

In 1996 the CCD initiated a program to enhance the pedestrian experience in Center City. A major component of this program was signage—"the most comprehensive, visually dynamic sign system of any North American city," crowns the CCD. Almost 500 maps and 'directional' now stand on Center City Streets to provide pedestrians with appropriate guidance. The entire Center City area, from Vine to South, has been divided into 5 themed areas—Convention Center, Historic, Parkway Museums, Rittenhouse Square, and Washington Square (see **Figure 1**). The obvious tourist orientation of this signage is made clear through the Convention Center and Historic District designations. CCD's own publications for Center City residents, as opposed to tourists, use different neighborhood designations (see **Figure 2**).

The directionals contain the name of the district that the pedes-

trian is in and the names of nearby attractions, with arrows pointing in the appropriate directions.

The theming of Center City's neighborhoods is consistent with a general trend toward the commodification of place in cities, eloquently described and criticized by Sorkin et. al. (1992). Indeed, Disney itself is considering a move into downtown Philadelphia. According to the Greater Philadelphia Tourism Marketing Corporation, this will make Center City even more attractive to visitors:

*...tourists are looking for brand names, because they want a certain amount of security when they travel. They want to know that part of the experience is guaranteed... it's something that feels safe, but is a soft adventure.*²⁰

Of course, the commodification of certain areas of Center City into 'soft adventures' implies the exclusion of others. Although not all of the area between South and Vine Streets is within the CCD's borders, the new signage program treats all of Center City as one consistent, themed, comprehensible district. While areas to the north and south of the themed districts may also be dense and desirable residential neighborhoods, they are excluded from visible representation to the tourist. Are they of too little interest to represent, or are they perhaps too dangerous? To the tourist guided solely by the new signage, South Street might as well represent the end of the earth. The areas that lie beyond are only for natives, or for those visitors brave or foolish enough to ignore the CCD's representation of reality and explore the city for themselves.

Safety is another important component of orientation, consonant with the perception of the city as a dangerous place. In an unsafe place, the unknown is not only confusing, but potentially, even probably, dangerous. This makes effective navigation for strangers imperative. In Center City, the Community Service Representatives, previously mentioned for their crime deterrence function, are also important in serving as official sources of navigational information for visitors. Their knowledge of the urban environment is just as important as their ability to keep public order, as is made clear by Levy (1994): "CSR's provide directions and guidance to visitors... Knowledgeable

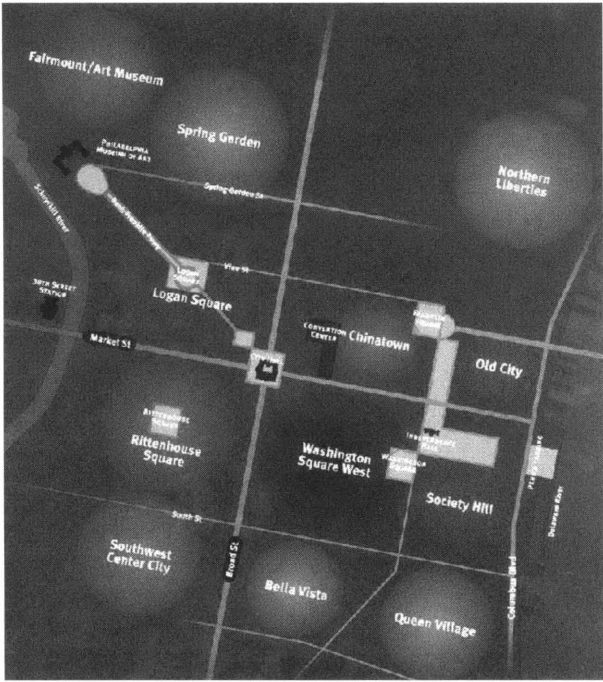
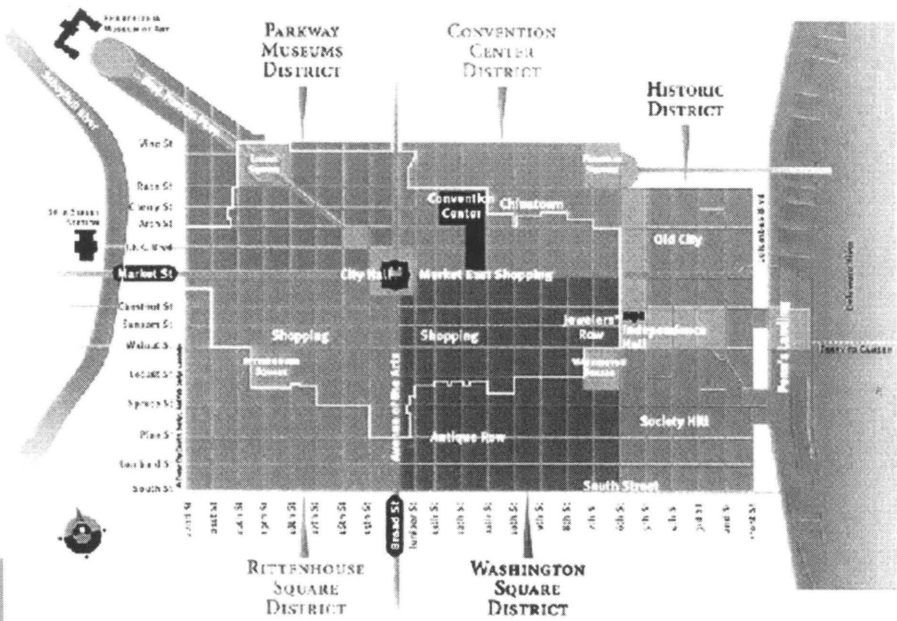


Figure 1 (above): The Center City District's representation of itself for tourists. Note boundary of the Center City District (white line); themed neighborhoods; and the lack of anything north and south of the tourist areas. Contrast this with Figure 2 (at left), where the existence of the surrounding city is acknowledged and the names of some themed areas are subtly different.

(Figure 1 from 1998 *State of Center City*; Figure 2 from 1998 "Living in the Center of Everything" brochure)

about the city, their purpose is to provide a sense of security in the downtown." Through the CSRs, orientation becomes security, yet another weapon in the arsenal against urban fear. Comments from thankful suburbanites reveal just how close the link is between fear and the unknown in Center City Philadelphia:

I was leaving the city after 8:00 PM... I was unable to locate the garage where I had parked my vehicle... After walking from garage to garage, I came upon [CSRs]. They helped me locate the garage, escorted me there, and did not leave until they knew I was safe in my vehicle. They even reminded me to lock my car doors...

I don't know what I would have done without [the CSR's] help. When some of my friends say to me 'You go to Philadelphia? Aren't you afraid?' I tell them 'No... I love the place!'²¹

Third Theme: To increase traffic into the area

Promotion of properties within the district is a major part of many BID activities.²² As the representative of downtown property and business owners, BIDs are responsible for ensuring that the value of these investments is maintained or increased. Therefore, in addition to providing area-wide services such as security, sanitation, and orientation that indirectly benefit these establishments, the Center City District has undertaken programs to promote downtown shopping, residence, and commercial occupancy.

The Center City District's first major promotional campaign, 'Make It A Night,' was enacted in 1992. This campaign was designed to increase patronage of retail establishments in the evenings, a time when there was ordinarily little traffic. Recalling a tradition of Wednesday night shopping in Center City and appealing to the nostalgia of suburbanites who remembered that era, the campaign was taken up by over 800 retail and entertainment establishments in Center City. Even banks participated, extending their evening hours to 8 PM.²³ The campaign was comprehensive, with discounted parking and mass transit fares, themed banners and shopping paraphernalia, and multiple other promotions complimenting the extended establishment hours. Although the campaign was only actively pursued for eight weeks, the results were impressive, with increased

sales in most stores and restaurants and a much higher level of traffic than was ordinary.²⁴ Variations on the 'Make It a Night' campaign continued in 1993 with promotions of institutions along the Benjamin Franklin Parkway. Whether due to this increased patronage or other factors, retail activity in some areas of Center City did begin to grow. Restaurant activity in Center City grew 28% between 1997 and 1998 alone.²⁵

Residential occupancy in Center City has also been encouraged. Center City is the strongest residential neighborhood in Philadelphia, and it is forecast to increase in population by about 4000 people by 2015.²⁶ This trend was given a boost in 1998 by a marketing campaign sponsored by the CCD's partner organization, the Central Philadelphia Development Organization. (The close relationship of these organizations, which will be discussed later, makes this campaign essentially a joint effort.) The stated goal of this campaign was to augment Center City's population by at least 2000 inhabitants by the year 2000. Called 'Living in the Center of Everything,' the advertising campaign featured a barrage of print ads in area publications and a glossy brochure. More significantly, the campaign came on the heels of a 1997 city ordinance that gave partial ten-year tax abatements to office buildings being converted to residential space. As it turned out, these initiatives were well-timed, coming as the Center City residential market began to recover. As rents increased, conversions became financially feasible.²⁷ Many conversions are now in progress, with a likely total of 3,270 additional Center City residents by late 2000, well above the target.²⁸ Center City's residential market has gone from rags to riches in two years—"It's hot, hot, hot," exclaimed a pleased city official recently.²⁹

Philadelphia's office market has not received the same promotional attention as retail and residential uses, despite double-digit vacancy rates that lasted until 1999. This seeming inattention was due to the focus of the CPDC and CCD on other sectors of Center City, namely the retail and residential sectors, which were perceived as easier areas to influence than the office market.³⁰ This is due to change, however: a new CPDC campaign will "a 'sell' piece, just as [it] did with residential and retail."³¹ Although the improved perception of Center City may have contributed to the increased desirability of the down-

town office market downtown, the impact of the national economic upswing on Philadelphia was doubtless significant as well.

The additional traffic that the CCD has been interested in increasing has clearly been suburban. Both the 'Make It A Night' and the 'Living in the Center of Everything' campaigns are oriented toward convincing people who once spent more time in Philadelphia to return there or even move back there. The 'Living' brochure's sunny illustrations of young professionals wandering in the park or purveying the choice of coffee at a cafe reflect to some degree the unfortunate demographic reality of the city. City residents in other neighborhoods are often low-income and are unlikely to make the move to high-income Center City neighborhoods. Attractions like the Market East shopping mall that are major draws for residents are given short shrift, for these places conflict with the image of Center City that the CCD is trying to create. This conflict is made graphically explicit in the 'Living' brochure's map graphic of Center City (see **Figure 2**). The colorless, i.e. unthemed, neighborhoods to the north and south of Center City are mentioned only briefly, for many of them still house many low-income residents and lack the commodifiable attractions of Center City. Other neighborhoods are neither shown nor mentioned, as they are unlikely draws for the brochure's target audience. As a final reassurance of the new downtown's safety, the brochure's closing paean emphasizes the additional security provided by the Center City District.

Whether or not the promotional campaigns of the CCD/CPDC have actually contributed to the revival of Center City, they have had the good fortune to come during a decade in which all three major sectors of the central business district—retail, residential, and office—have substantially recovered. This has made the marketing efforts appear extremely successful. Sympathetic city policies also helped—the residential campaign benefited from the city's tax-abatement strategy, indicating, again, the mutual benefits of a consonant vision between the CCD and city government. The recovery, however, may be delicate. Philadelphia remains dependent on the health of the national economy.³² Whether the Center City boom can be sustained through a national economic downturn remains to be

seen. If it cannot, the marketing ability of the CCD might be called into more serious question than it has yet been.

Fourth Theme: To physically upgrade the area

As downtowns decline, the physical environment often becomes both a cause and symptom of the city's troubles. Deteriorated sidewalks are covered with litter; street furniture is damaged or missing; lighting is poor or nonexistent; shopfronts become covered with graffiti and close early, producing a frightening, deserted streetscape of roll-down metal shutters. As the downtown declines in appearance, workers leave early, shoppers move elsewhere, and the perception of downtown's decline becomes reality.

Although the causal nature of the above sequence of events has not been proven, the perception that the physical improvement of an area will result in its actual improvement has been the *modus operandi* of the Center City District. The CCD has made physical improvements a major item in its agenda, although the higher priority of security measures and the higher cost of physical improvements meant that their implementation was only begun in 1996. By 1998 the 'Walk! Philadelphia' streetscape improvement project had provided the following physical improvements, among others, for Center City: 320 trees planted; 83 corners rebuilt; 70,000 sq. ft. of new sidewalks; 1,080 new 'pedestrian-scaled' lights; 267 directional diskmaps; and 120 banner poles, among other items. The City of Philadelphia paid only 20% of the cost of these improvements.³³

Items such as additional trees and improved sidewalks may contribute secondarily to a sense of safety, but their primary purpose is to make the downtown look more attractive, cared-for, and therefore desirable. But other physical improvements, like lighting, are also a security measure: "The new lights light both the sidewalk and the street... they greatly enhance the sense of safety at night."³⁴ The beneficial effects of esthetic improvements are difficult to criticize. Physical improvements certainly create the impression that a downtown is vital and cared-for, just as litter and graffiti create the impression that it is not. The new streetscape improvements are among the most tangible signs thus far of the Center City District's improvement efforts.

The Center City District has not stopped at streetscape improvements. Within the last two years, the CCD has expanded into the advocacy and planning of much larger improvement projects, like the redesign of the Benjamin Franklin Parkway, a major boulevard leading into Center City. These new actions set it well apart from most other BIDs.

The ratcheting up of the CCD's physical improvement proposals may be a result of its 1997 'management agreement' with the Central Philadelphia Development Corporation. The CPDC, described variously as a 'private sector planning group,'³⁵ or a 'business-led, prodevelopment group,'³⁶ has been in existence since 1956, and was designed as a means "through which Philadelphia's business leadership could be involved in strategically planning and visioning for the future of Center City."³⁷ The relationship between these two organizations is now apparently coequal, with the CPDC acting as a research and advocacy branch while the CCD carries out operations. Some ambiguity remains: although the CCD's creation was initiated by the CPDC, by 1998 CPDC was being described as 'an arm of the Center City District.'³⁸ Whatever the hierarchy, the merger could be seen as the logical unification of two already close non-profit organizations dedicated to improving Center City: one an advocacy group, one a nuts-and-bolts improvement group. The two groups also share leadership: Paul Levy, the CCD's director, had formerly been the director of CPDC, a post which he retained after his appointment to the Center City District.³⁹

The merger between CPDC and CCD has resulted in the somewhat peculiar situation of a business improvement district advocating 'improvement' that extend beyond its own boundaries (see **Figure 1**). The CCD/CPDC-spearheaded drive in 1999 to produce a redesign for the Benjamin Franklin Parkway demonstrates this new extraterritoriality. The Parkway is extremely pedestrian-unfriendly, and as an urban design gesture, proposing its redesign is completely legitimate. A traditional advocacy group might merit congratulation for having the ambition to sponsor such an extensive redesign. Sponsored, however, by a body whose designated realm of activity encompasses only a fraction of the Parkway, it is slightly more questionable. The nexus between the CCD's boundaries and its realm of interest has clearly been diminished. The CCD/CPDC's recent advoca-

cy of a new baseball stadium north of Center City is another example of advocacy of an 'improvement' which would fall outside the CCD boundaries.

The CCD's wider advocacy efforts could be motivated by pragmatism. In spite of critics' worries that BIDs ignore areas outside their jurisdiction, it may be in the best interests of a Business Improvement District to have surrounding areas also reflect the attractiveness and desirability found within BID boundaries. A powerful BID like the CCD would be in a good position to be able to influence areas outside its boundaries. In any event, the CCD's wider advocacy efforts have not attracted criticism, although the baseball stadium proposal was rejected by the Rendell administration.⁴⁰ It remains to be seen, however, what the future consequences of the CCD's expanded field of interest will be. If, for example, the Parkway improvement were to occur, how would the CCD ensure the appropriate maintenance of this new asset? One consequence of the CCD/CPDC merger is clear: a BID that is no longer only a BID has a different set of interests and responsibilities than one that acts alone.

BID Themes: Summary

Most of the actions that the Center City District has undertaken reflect the desire of the Center City District and its partner body, the Central Philadelphia Development Corporation, to draw suburbanites back into the downtown, whether to live, shop, work, or play. The dominating and somewhat distressing concern with security reflects the suburban perception that the city is crime-infested and therefore something to be avoided unless it can be given the hygienic appearance of a shopping mall. Whether or not the perception of crime is accurate, focusing on security was a logical imperative for the CCD to make Center City appeal to suburbanites. Similarly, keeping those suburbanites oriented was the best way to stem off fear of the unknown as well as to keep them from wandering into neighborhoods that might violate the CCD's carefully constructed image of Center City stability. This safe and secure image has been bolstered by alterations to the physical environment, which lend a stability and homogeneity to the downtown, making it one neatly themed unit.

The real Philadelphia is unfortunately far messier. Neighborhoods of potentially equal interest extend beyond the limits of Center City, but they remain unindicated to outsiders, except to potential residents, for whom these neighborhoods represent the gentrifying frontier. Marginal populations like the homeless have been pushed out with the acquiescence and legal backing of the city government. So far, criticism of CCD policies seem to have been minimal. An expanding national economy has boosted Philadelphia, resulting in the increased desirability of properties in the downtown and the consequent satisfaction of BID stakeholders. The flush economic climate in downtown legitimates the CCD's interventions, making them appear the catalyst, if not the direct cause, of much of the improvement.

The CCD's efforts to attract traffic to downtown have similarly concentrated on appealing to the suburban market. Increased pedestrian traffic always increases city vitality, and encouraging the liveliness of Center City is a laudable thing to do. The overriding focus on suburbanites, however, ignores the significance that Center City has as a shopping and social area for city residents, many of whom are underprivileged minorities whose own neighborhoods are increasingly blighted. Encouraging these residents to shop or live in Center City, while not visibly resisted, has hardly been encouraged. While the vibrancy of Center City has been a heavy drawing card in the CCD's marketing efforts, encouraging city residents as well as suburbanites to take advantage of this vibrancy has unfortunately not been a major concern.

The CCD's physical improvement efforts have significantly improved the esthetics of the public realm in Center City. The fallout of its wider-ranging recent advocacy efforts, however, remain to be seen. As the CCD has expanded its institutional capacity through its merger with the CPDC, it has acquired an interest in larger-scale improvements that have little to do with its original mission of 'clean and safe.' This change in interests, however, has attracted little public notice. This is no doubt due to the positive public attention and momentum that the CCD has already attracted through its previous achievements like the security, marketing, and streetscape campaigns. Few people appear interested in criticizing an organization that has achieved

a demonstrable amount of good for the downtown during a fairly short lifespan.

Conclusions

The actions of the Center City District show that the takeover of public responsibilities by a private organization in Philadelphia has not been problematic, even though occasional problems like the anti-homeless resolution have appeared. Other potential problems, like the CCD's appeal to suburban concerns over city resident interests, seem not to have appeared at all. Instead, all of the Center City District's major stakeholders, which we can take to be its members, city government, and the larger public of visitors and workers in Center City, are pleased with the CCD's actions. It is true that after ten years of Center City District activity, Center City is a cleaner, safer, and more attractive place. If Center City has drawn somewhat closer to resembling a shopping mall, this has been intentional: shopping malls, after all, are the major competitor of Center City retail and the CCD's target audience is probably as familiar with malls as they are with cities.

The Center City District has benefited from a close consonance of vision with city government. Although this article has not been able to discuss city policies in detail, it is clear that CCD/CPDC campaigns like the homeless resolution have been significantly augmented by cooperative city regulations. This shows the degree to which city government has agreed with the CCD's vision for the downtown. The hierarchy of visions, however, is an interesting issue which remains to be investigated. Did the CCD serve as the implementing arm of city policies? Or did the CCD inspire the public sector to regulate in its favor? In either case, the results were mutually beneficial. The CCD's actions made Center City look good at little government cost. Key agencies like the police were augmented but not threatened, and government was able to claim credit for major actions in the downtown anyway. For example, referring to a new arts district, Levy (1995) writes "The CPDC created a preliminary plan... [but] when Mayor Rendell took office in 1992, he made the project his own."

Philadelphia's problems have been in one sense beneficial to the Center City District: they have consumed an active mayor with

major macro-level concerns elsewhere and allowed the CCD to provide a fitting complement to those efforts. An administration with its house in order, however, would be able to once again pay attention to the downtown, and perhaps to become interested in the reassertion of its power there. With a new mayoral administration [May 2000] in Philadelphia, retaining a positive relationship with city government is critical if the Center City District is to continue expanding its range of activities. Although the city has not perceived the BID as a threat, inopportune CCD expansion or a change in executive attitude at the city level might rupture the harmonious relationship that has allowed the Center City District to attain the responsibilities it currently has.

Planning, already a weak city agency in Philadelphia, has been directly supplanted by the Center City District's activities. Although Philadelphia has a legacy of active planning, recent decades have seen the department slide into a much more passive role. This passivity was encouraged by Mayor Rendell, who saw the planning commission's efforts conflicting with his ability to strike key development deals in the city.⁴¹ The Center City District thus effectively stepped into a vacuum. Many of its physical improvement projects are ones in which the planning department would once have been actively involved. The Parkway improvement effort is an especially bold move, given that the joint CPDC/CCD has the ability to both plan and implement the improvements themselves with little assistance from city government. So far, the consonance of visions of the city government and the CCD have prevented any conflict. And the CCD's obvious ability to plan and implement projects successfully and the positive momentum it has built up so far could encourage city government to allow the CCD's privately directed planning to continue.

The Center City District's efforts, though far from perfect, are a clear model for other cities in crisis which wish to improve their downtowns at little cost to government. As long as there is a powerful enough private-sector group with an interest in downtown improvement, a city government willing to hand over some of the reins of power, and a basic agreement between public and private sector on goals, the Center City District experience should be replicable. In closing, however, we should

consider the fact that Philadelphia will probably remain a city in crisis, no matter what the health of its downtown. A recent, trenchant city document, *Philadelphia: A New Urban Direction*, indicates just how difficult it will be for Philadelphia, even under the best of circumstances, to reverse negative regional economic trends at a citywide level. Endogenous revitalization efforts may experience great difficulty in swimming against the tide. Should we then assume that efforts like the Center City District are doomed to have only a marginal impact?

Not necessarily. Downtowns nationwide are gaining population, and Center City is likely to retain its desirability. This desirability would probably occur whether or not there was an organization like the CCD promoting, cleaning, and remaking the downtown, but the CCD's efforts have certainly assisted in this trend. Its advocacy efforts on the part of the city have improved suburban perceptions of Center City and thereby given the region a bigger stake in a healthy Philadelphia. The enthusiasm of the BID members and the city for the CCD indicate that its efforts will continue. All of Center City may eventually benefit from the efforts of the Center City District. It is less likely, however, that much can or will be done for the decaying neighborhoods that surround Center City. Whatever the Center City District accomplishes, it will still be operating within a city that is increasingly crippled by the economic and social problems of many of its neighborhoods. Whether this will necessitate a radical reworking of city government policies, or whether additional steps at a regional or state level of government will be called for is something that only the future can tell. In the meantime, we should observe the Center City District's efforts with some admiration, a little trepidation, and a good luck wish for Philadelphia's difficult future.

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- 1 "‘Business Improvement’ Districts", *Investor's Business Daily*, September 6, 1995.
- 2 Houstoun 1997, 39.
- 3 Houstoun (1997) has produced an excellent survey of both the structure of BIDs and of some of the better-known examples in the ULI survey *Business Improvement Districts*.
- 4 Pack 1992.
- 5 State of Center City, 1998.
- 6 "What size is the right size for future Philadelphia?", *Philadelphia Inquirer*, March 28, 1999.
- 7 State of Center City, 1998.
- 8 *Center City Digest*, Winter 1998/99.
- 9 See Bissenger (1997) for an anecdotal account of the city's many difficulties at the time.
- 10 "City Council Overwhelmingly Approves Special Services District," *Philadelphia Inquirer*, 10/25/90. The Center City District is governed by a 23-member board of directors that come from the private sector. Its total annual budget in 1996 was \$7.8 million dollars, funded almost entirely by a 5% surcharge on the annual real estate taxes of the 2,130 largest properties within its borders. Revenue streams come from office (66% of total), retail (13%), and residential (7%) properties. (Levy 1995)
- 11 Houstoun 1997, 13-14.
- 12 State of Center City, 1998.
- 13 *Ibid.*
- 14 *Ibid.*
- 15 *Ibid.*
- 16 *Ibid.*
- 17 *Center City Digest*, Winter 1998/1999.
- 18 "Sidewalk behavior ordinance wins over opponents with results," AP Newswire, June 22, 1999.
- 19 *Center City Digest*, Winter 1998/99.
- 20 "Come 2000, Center City East is counting on a renaissance". *Philadelphia Inquirer*, December 20, 1998.
- 21 *Center City Digest*, Winter 1998/99.
- 22 Houstoun 1997, 13.
- 23 "Fidelity Bank joins city campaign to 'Make It A Night,'" PR Newswire, September 30, 1992.
- 24 "First Night of 'Make It A Night' a Huge Success," PR Newswire, September 17, 1992.
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- 26 *Philadelphia: A New Urban Direction*, 28.
- 27 "Property Tax Break Fuels Downtown Philadelphia Apartment Boom," *Philadelphia Daily News*, March 29, 1999.
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- 30 Paul Levy, personal communication, February 15, 2000.
- 31 "Economic Developers Set Sights on More Downtown Office Jobs," *Philadelphia Daily News*, December 15, 1999.
- 32 *Philadelphia: A New Urban Direction*, 38.
- 33 State of Center City, 1998.
- 34 *Ibid.*
- 35 Levy 1995.
- 36 Houston 1997, 134.
- 37 Paul Levy, personal communication, February 15, 2000.
- 38 "Philadelphia Development Corp. Sets Goal for new Downtown Residents," *Philadelphia Daily News*, June 17, 1998.
- 39 Houston 1997, 134.
- 40 *Center City Digest*, Winter 99/00.
- 41 "Planning Agency: A Disappearing Act," *Philadelphia Business Journal*, October 25, 1999.

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CLEVELAND:

Four Perspectives on America's 'Comeback City'

Proceedings from the Cleveland Crisis Cities
symposium, April 6, 1999

Cleveland, Ohio, is an industrial city of about 500,000 that became a national symbol of urban decline in the 1970's. Since then Cleveland has remade both its damaged image and its physical fabric through an ambitious public-private partnership that has returned the city to the headlines as America's 'Comeback City.' Projects like the Rock and Roll Hall of Fame and Jacobs Field have set a new standard for urban revitalization. In Spring 1999, as part of the Crisis Cities symposium, MIT invited four of the key players in Cleveland's renewal story to discuss how the renewal process came about, where it has succeeded or fallen short, and to project the prospects for the future revitalization of Cleveland.

Featuring:

Ned Hill

Cleveland State University

Chris Warren

City of Cleveland Department of Economic Development

Richard Shatten

Case Western Reserve University

Norm Krumholz

Cleveland State University

Cleveland is a city that has been hailed as an example of a 'comeback city' and whose strategies are now being replicated across the country. Today's discussion, a centerpiece of the 'Remaking Crisis Cities' lectures, looks at the story of an entire city and its transformation over the past 20 years. It is a chance to explore our guests' many different perspectives on Cleveland.

In many ways this discussion is a continuation of the 'Imaging the City' series from this past fall, where we had another panel that talked about the image of Cleveland and how that image was transformed.* From that talk, there emerged some criticism of Cleveland's development strategy, some questions of how successful it had been, and discussions on the limitations of the comeback city that Cleveland is proclaimed to be.

The guests we have with us today have met before. Back in 1991 the Maxine Goodman Levin College of Urban Affairs at Cleveland State University had a symposium entitled 'Lessons From Cleveland'. Papers from that symposium were published in a book called the Cleveland Reader.** All of the folks here today have articles in that book. We have brought them back to revisit what has happened in Cleveland since that time. So, without further ado, I would like to introduce today's panelists.

Ned Hill is a distinguished MIT graduate from the Ph.D. program and currently Professor at Cleveland State University. He does work on the Cleveland economy, economic development, restructuring issues, and is currently doing research on which strategies make for successful economic development and successful cities.

Chris Warren is Director of Economic Development for the City of Cleveland. He has a long and dedicated history in Cleveland, having started out in tenant and community organizing for the CDC movement there, running a CDC network, becoming Mayor [Michael] White's Chief of Community Development, and presently working as the City's Head of Economic Development. He brings a very interesting personal history of commitment to Cleveland and multiple perspectives from his work in many neighborhoods across the city.

Richard Shatten served as Director of Cleveland Tomorrow, the private sector organization that participated in the Cleveland turnaround, and is currently the Director of the Public Policy Institute at Case Western Reserve University.

Norm Krumholz is Professor at Cleveland State University, the former Planning Director for the City of Cleveland from 1969-79, and the man who pioneered the equity planning model that many of us have learned about, studied and emulated.

These speakers have a full spectrum of experiences which will let us explore what Cleveland can tell us about the revitalization of the American city. First, Ned Hill will provide a contextual overview of the Cleveland economy.

Ned Hill

It is very difficult to understand where Cleveland is today without understanding where it has been, and it is very difficult to understand the issues we are discussing if we do not understand the depth of the crises that Cleveland has experienced. Moreover, though we may be talking about the city of Cleveland, it is critical to keep in mind the city's regional context. Thus, I will give you an overview of the economic performance of the region and, as best as we have data, of the city's performance within the region. I offer this as a preface for the talks that follow.

First, let's look at annual unemployment rates from 1972 to 1997 for Cleveland and the rest of Ohio. The economy fell apart in 1979, and we bottomed out in 1983. 1985 really marked the beginning of Cleveland's economic transition, led by Cleveland Tomorrow's strategy and Mayor Voinovich. By 1989 we had finally achieved the same number of jobs we had in 1979, though they were of a very different composition. Since 1990 the region has seen relatively flat job growth, but since late '97-'98 the numbers are looking better. The good news is that unemployment has dropped- there has been lots of job generation in gross terms. However in net terms, job growth is flat.

As an economy recovers, we expect to see three things. First, unemployment rates will drop; second, labor force participation

rates will increase; and third, as a long-term response, immigration will occur. From '90-97 the Cleveland metropolitan area actually gained population, an increase of 1.7%. But other large Ohio cities did better. The Cincinnati-Hamilton area grew 6.4%, largely in Northern Kentucky, and Columbus, the city that is eating Franklin County, grew by 8.5%. Interestingly, the secondary metropolitan areas of the state are still losing population.

One development challenge that Cleveland has is education. In an index of higher educational supply from the 1990 census, ranked against 300 or so metropolitan areas, the Cleveland region ranked only 183rd. Seattle, Denver, San Francisco, and Phoenix were the benchmark cities, performing much better than Cleveland. Louisville and Pittsburgh were worse, yet it is tough to find that Buffalo is also ahead of Cleveland. It is an indication that we face a long term educational problem, which is also an economic development problem.

In terms of poverty in Cuyahoga County, the county that contains Cleveland, the data shows that we had a 14% poverty rate in 1989. With the recession of the early 1990's, it jumped up to 18%, and we are now back down to 14%, which we consider to be good news.

If we examine the employment structure of the county, our real specialization remains durable goods manufacturing, making this the region's most likely competitive advantage. In a cluster study for northeast Ohio, we tried to identify the competitive industries of the Cleveland region, which has 1.3 million jobs. Where are its strengths? We found that the real strengths are metalworking for steel metalworking products, aluminum copper products and foundries, chemicals and allied products. This region is a world class competitor in those particular industries and, consequently, in the parts production for motor vehicles and equipment. The only service industry where the region has a competitive advantage is insurance.

One of the critical issues that cities must confront, beyond knowing their role within a region, is knowing within which part of the production process they are competitive. The five parts of production are 1) running things, or management; 2)

inventing things, or research, design and product deployment; 3) selling things, or sales and marketing (we are seeing Cleveland losing its competitive advantage to Chicago in sales and marketing because of problems with its airport); 4) making things, or production, and 5) getting things to customers, which is distribution. We have to think about this as we talk about the determinants of advantage.

We now have begun to think about neighborhoods and cities and regions and have tried to identify their competitive advantage. It is no longer a question of downtowns versus neighborhoods, it is really about where, within that mosaic, are the competitive advantages.

In the work we have been doing, we are asking the question, Is an urban renaissance going on? We are classifying zip code areas by whether they are in the central business district or not, whether they are high poverty areas or not, whether they are residential or work areas or not, and by the age of the housing stock.

Our results show the employment change in the Cleveland region from 1994 to 1997: Within the city of Cleveland itself, business services grew by 6,200 jobs and financial services grew by 3,000, while health services lost 8,000 jobs over this time period. This is a sign that major employment restructuring is taking place. We also observed the tourism and entertainment industry in the city of Cleveland grow by 3,000 jobs, since there is so much emphasis on it. There has also been some growth in personal and social services. It is quite interesting that there has not been a large amount of employment loss in durable goods manufacturing or in inner city retail, which only lost 600 jobs during this same period.

All in all, if you look at Cleveland versus the other large cities in Ohio, you will notice that Cleveland outperformed the rest of the state. In its CBD alone, the city of Cleveland added 8,200 jobs at the same time that Cincinnati's CBD lost 2,500 jobs, Columbus lost 6,500 jobs, and Youngstown lost 700. Dayton gained 1,000 and Akron gained 1,800 jobs. Thank you very much.

Four months ago I was asked if I would like to come and join this group and talk about the remaking of Cleveland. My initial reaction was that we are not, in fact, 'remade' as a city. I am not sure that a city is like an airplane that crashes and then is remade. I think the city is constantly on the make as a place. So, in trying to find time to sit back and reflect, I went back to something that Phil Clay wrote when he was in Cleveland ten years ago and that is now in the *Cleveland Reader*. Up until the time when that book was written [1995], I was a community organizer. I organized housing development organizations, community development corporations and Cleveland neighborhoods, particularly the Near West Side and Tremont areas of Cleveland, from 1970 through to 1990. I ended up being hired by Mayor White to run a 330-person community development department, essentially the city's housing development arm. In 1996 I moved into economic development. There were some interesting questions Phil posed in his piece, one of which proposed that Cleveland ought to look at managed shrinkage. In fact, the exact words were 'transformative shrinkage.' This is not exactly a dynamic step for a city to take.

In re-reading this essay, I asked myself the question, Did we do better in the '90's? In what area have we achieved some sense of urban dynamism? This verdict is usually determined by the reputation of our downtown central business district and the number of new jobs. But the new jobs are low-wage jobs and that, in my mind, is not a dynamic transformation. I think it is something, but it is clearly not a comeback in terms of improving the quality of life that people have in Cleveland.

I think the area that is most instructive, at least to me, in determining urban dynamism is housing. Interestingly enough, it is an area Phil pointed to in his essay. Let me give you the punch line first: in 1989 we were tearing houses down four times quicker than we were building them. When I say built, I include both the rebuilding of empty houses and new houses. Last year, in 1998, we built or reconstructed empty properties twice as fast as they were burned down. We reached a 20-year low in the arson rate. Cleveland is principally a city of one and two-family houses. The neighborhoods are multi-family stock, but they are principally wood frame and clapboard houses.

Abandoned clapboard houses have maybe a 50% arson rate. So the arson rate is a good indicator of abandonment. It may not sound like a huge benchmark, but compared to where we were in 1989, ten years ago, when we were tearing down four times as many structures as we were building, today is a dynamic and dramatic change.

In the 1980's there were only 330 new houses in Cleveland. In 1996 alone there were 335 new houses. In 1989, Cleveland, the central city of the region, ranked 54th by way of permits for new houses. The exurban communities of Strongsville and Medina led the pack. By 1994 Cleveland had climbed to 33rd. In 1995 we climbed to 11th. And in 1996, the city of Cleveland was the hot spot for new housing in the region. We were first in '96, fourth in '97, and third in '98. It was not just one project that had this impact. And it was not just one kind of housing. It was diverse by way of product, place, and price. Most new housing, from affordable housing to, dare I say it, luxury housing, was concentrated in the poorest neighborhoods where there was a lot of land—Hough, Fairfax, Glenville, Tremont, West Side. In the same timespan, we saw a threefold increase in the production of affordable housing available for people on public assistance. A lot of that was driven by tax credits and traditional government subsidies. For the first time in Cleveland, the adaptive reuse of the upstairs of mixed use buildings in the neighborhoods hit the big time.

People are now talking about a housing market that has expanded beyond Downtown. The neighborhoods next to Downtown are all part of the same housing market. That is dynamic. What made this happen? What can we draw on to transfer this dynamism to other economic sectors? Housing is economic development. I firmly believe that.

First, what happened in Cleveland in the last ten years happened because it was intentional and organized. The people who know the turf and real estate, the community based development organizations, led it. The public sector and the private sector invested patiently in forty-two different community-based development corporations during the '80's. They built a cadre of experienced, talented smart people, gave them reign and stood behind the value of their communities instead of

imposing federal mandates, state mandates and city hall mandates. It is the patience of the CDC's and their growing sophistication that created this intentionality, this capacity, and the move into developing new housing.

Second, whoever controls property counts in this country. The issue we face in Cleveland, and in many distressed communities, is abandonment. Paralyzed properties, tax foreclosure, probate court, you name it. You cannot find the owners. Since 1992, 5,000 formerly tax delinquent vacant lots in Cleveland have been put back into productive use. Why? Because those same CDC's, working with City Hall on an advocacy basis, went after the county in 1990 and pointed out that they had a tool on their books that they were not using. This was a land bank law which stated that properties that had been sitting tax delinquent for the last ten years could be moved together through the courts in a single bracket, run in up to two sheriff sales and if nobody bid on them, the city could have clean title. That law had been on the books since 1975. The problem was that nobody was using it. Do you know why they were not using it? Because the people in the county said, "Cleveland property is so low in value, why should we spend our legal costs to take it through share sales when we could spend the same time on a property in the 'burbs worth twenty times the value of the Cleveland property?"

Feeling that this was unjust, community organizations spurred a strike on the county. They said to the county, "It is in your enlightened self-interest to dispense of this property in Cleveland since you have 100 million dollars of bad debt in your books. You are looking to give it away, so use laws you already have. We want you to take 5% of your proceeds from sheriff's sales each year and hire lawyers dedicated to do nothing but move lots in Cleveland through the system so we can get those properties out of the paralysis they are in." And the county did that. The city's Board of Control is now approving the sale of city lots through this process at the rate of about 30 lots a week. What are we using the lots for? New houses. A garage that someone never had. Community gardens. Industrial expansions.

We have also looked at the city's prior expenditures. Going back to 1975 when Norm Krumholz was Community Development

and Planning Director, we found out that a principal use of Community Development Block Grant money—three to four million dollars a year—was to spend it on demolition. Next to that was cutting grass on vacant lots. Usually abandoned, tax-delinquent lots. After we spent the taxpayers' money on that, we got our return by putting a lien on the taxes for an amount greater than the lot was worth. So we created an amnesty program for scofflaws and demolition bills. We are getting 150 lots a year, just on that. We are changing the way we deal with demolition. We are also receiving about \$300,000 per year in revenue. Not much, but we are putting it into a housing trust fund that we started in 1991. In the last nine years, we have raised about \$2.5 million simply by collecting on the bills of the last expenditures.

Third, we have looked to muster new forms of homegrown capital resources for which we set the rules—not just for housing, but more for housing than anything else. In 1991 we created the Housing Trust Fund Amendment. We include \$6 million per year from the Community Development Block Grant, our program income on community development, the demolition income stream, and other funds. For example, the City Hall of the 1970's, under the old Urban Renewal program, bought land downtown and became the biggest operator of parking downtown, creating a revenue stream from parking. The prior powers that be in City Hall used this revenue stream as a political slush fund for the council president to pay off friends. Two huge downtown parking lots, which had a gross revenue of a million dollars a year, were netting only \$300,000! Gee, those were pretty well paid parking attendants! We changed that. We are now netting \$800,000. We have dedicated the money to the Housing Trust Fund.

We opened up the Housing Trust Fund with the intent of responding through CDC's to the aspirations of people who live in each neighborhood. That simple, rhetorical-sounding phrase was a liberating proposition in terms of responding to the marketplace. We learned that people who live in neighborhoods tend not to sell off their neighborhoods. They tend to have a higher view of their own community than others.

What lessons can we draw from the dynamic movement in

Cleveland's housing markets? It was because of intentional, planned, local initiative that was responsive to real estate markets and that found niches no one would have ever imagined. It took a lot of will to muster the resources and build the trust that was required for this. I would suggest to you that the area's biggest challenge is whether our rebound/recovery is heading in the right direction. I would say that where we are heading in the city is tenuous. What is missing in my mind is the willingness to translate the housing experience I just shared with you into other fields. Particularly in the field of workforce development, which I would say is the number one challenge in Cleveland.

There is also beginning to be a fissure in the public/private partnership. It is tired for a lot of different reasons. Corporate leaders are increasingly spending more time out of town than in town. Cleveland is not so much the hometown any more, it is just where they park their hat every once in a while. The urgency is gone from that movement, but it's not over by a long shot.

Finally, we have a three-term mayor—a dynamic personality who won on 63% of the vote in his third term. He has to understand that what we have achieved rests on shared values, shared participation and most importantly, on shared power. He has to understand that and live by those principles and tell himself that those principles are more important to him than a fourth term because this town—that fragile coalition—based on what it went through in the 1990's, will not hold together through a Napoleonic fourth term. The jury is out on Cleveland but I think the verdict will come in very soon. We will either capitalize on our gains and move forward or we will take a term from which we will not recover. Thank you very much.

Moderator

Chris mentioned that the public sector is starting to get tired of the vision of the private sector. If you look back at the history of Cleveland as it has been told, it was actually the private sector in 1980 that came in and spearheaded the turnaround of Cleveland, because the public sector had tired and lost leadership. Cleveland Tomorrow was formed and they put together a revitalization strategy. Richard Shatten was there at the time,

putting together that strategy and heading up Cleveland Tomorrow. He will talk briefly about that history and the role of intentionality and capacity building.

Richard Shatten

In 1979 Cleveland elected a Mayor, George Voinovich, who had this snappy motto called 'Together We Can Do It.' 'It' was a public/private partnership. I listened to those words and I found them silly. I was a student at Harvard Business School and those words did not mean very much to me. Yet that is in fact what the mayor meant, and that is in fact what he accomplished. This partnership is what I will talk about.

First, let me give you a brief history of Cleveland. Around 1827 a man named Alfred Kelley, who owned a bunch of land on Lake Erie, had the idea that since people had made money off of the Erie Canal between Lake Ontario and the Atlantic Ocean, he could probably do the same thing. So his group built a canal that linked Lake Erie to the Ohio River. This connected the entire Great Lakes watershed to the Gulf of Mexico, creating a whole new market pattern. And that was how we transported things. It just so happened that that canal ended on land that Al Kelley, the Mayor of the City of Cleveland, happened to own. Cleveland grew and grew until 1970. Then it began a version of shrinkage that was not terribly creative and not terribly well managed. Cleveland was an Industrial Revolution city, like Pittsburgh and Birmingham, England. Cleveland was a place that made things for a very long time and what is left of that industry is exactly what Ned told you. This place still makes things, barely, as Ned said. It is a place where the economy is at risk.

Flash forward to 1980. When someone would ask a member of the corporate community on an airplane where they were from, they would be embarrassed and say "a little north of Columbus—just a few hundred miles." The chief executives could not recruit chief financial officers. In fact, they could not recruit people at all. It is a serious and legitimate issue when you are a CEO and you control 20,000 jobs, but you cannot recruit people. It is embarrassing. Chief executive officers do not want to be embarrassed—they are too powerful to be embarrassed. So seven of them got together and said, "Let us do

something about it.” They hired a consulting firm, McKinsey and Company, to do a plan.

The consultants—I was one of them at the time—looked at the economy and said, before we can pay attention to the city, we have to see to a region that is severely ill. Why is the region not competitive? Because the manufacturing plant is not competitive, we are not creating new companies, and we are at war as a society. White, black, north, south, east, west, city, suburb, downtown, neighborhood—you choose it, this place had invented the culture of adversarial relationships.

What did these consultants say? Make manufacturing competitive, start new companies and renegotiate your compact with the government. We were willing to accept the notion that the folks in City Hall were not a bunch of lazy incompetents. Thus, through a city operations improvement task force that brought corporate executives into city government, we helped corporate executives discover the nobility of public service. There was a mutual discovery of the validity of partnerships. So, the CEO's started a series of initiatives. The initiatives were generic initiatives. I hate to say that I spent 20 years of my life on generic initiatives, but these initiatives worked. They started labor management corporation initiatives, a major initiative for manufacturing technology transfer adoption and deployment. That one, by the way, now has a factory at Cleveland State University where welfare workers come in at midnight and make coffee makers for Mr. Coffee. Also, they began all forms of venture capital funds: a venture capital fund for minorities, a venture capital fund for the region, a venture capital fund for seed capital, a venture capital fund for patents.

So Cleveland Tomorrow mobilized a great deal of capital and then moved into the agenda that Chris talked about, the built environment. I met Chris when he was developing 33 low income housing units a year with tax credits. We said that our corporate gang would raise a bunch of tax credit money to increase that number to 300 a year. After a gulp he said, okay. And what are we up to now?

Chris Warren

Now it is about 350—in rehabbed and new units. About a ten-fold increase.

Richard Shatten

So there was an explicit CEO commitment to the built environment that dealt with both downtown and neighborhoods. The stuff you have read about—the stadium, the arena, the Rock and Roll Hall of Fame, the science center, downtown housing, the Playhouse Square Complex—is about as superlative a list as any city has accomplished. There is a long list of downtown projects that spread all the way out to the neighborhoods. And there is some hidden stuff—big new research buildings at Cleveland State University, the Cleveland Clinic, Case Western University. These are invisible things that you do not see, but these are in fact the hidden drivers of long term economic renewal.

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All of that stuff was done by an organization called Cleveland Tomorrow, working under a model and ideology which says that top leadership that works together and is well staffed with plans can get stuff done. The top leaders of that group meet once a month for a three-hour dinner and once a year for a planning retreat where they set priorities among themselves under an ideology that says that the CEO's are going to have their act together first. When they have their act together they can talk to their partners and, if they can act as a common force, 50 CEO's in partnership with others can get stuff done. They can put their five million dollars on the table to get to \$30 million, or they can put their \$30 million together to get to \$400 million.

The partnership model, an ideological partnership model that has endured for about 15 years, is very hard to do. It requires people like Chris to swallow when the corporate guys get credit, and it requires the corporate guys to swallow when the public sector behaves in a goofy way. It is a style and a mindset which says that we will defer our egos to get stuff done.

This many years later I am right where you are too, Chris. I do not know whether or not there is a turnaround. I am not quite sure of the elements of the comeback, beyond a certainly radical

public relations comeback. I know that the only model—the survival model—for saving old urban areas is to have a commitment to the organization of leaders working together in a particular way with outstanding people. If you do not come into these organizational models, you will never have a chance to talk about housing, poverty, or all the things we care about.

Norm Krumholz

This kind of a presentation is particularly fantastic for planning students to hear. Chris Warren and I first met when he was a community organizer and I was a community development director. Chris talked about an economic development project that we planned in the early 1970's—a new town where half was going to be built as a residential new town, which would have provided a new location for public housing outside the city of Cleveland, and half would be an industrial park on leased land, which would generate development funds for Cleveland's neighborhoods. Twenty to thirty years after the fact, it is coming in little bits and pieces. Not exactly the way we expected it would, but it is coming in. This is an indication for planning students about the long-term commitment to the future they have to make.

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In 1974 and 1975, my staff began to work with the Community Development Corporations and neighborhood organizations that were making this kind of housing and commercial contribution in Cleveland's neighborhoods. These organizations have been built, have grown, changed, grown more competent, and have taken whatever the system would give them, whatever that happened to be. Now there is this amazing network of very capable people who are producing the stuff that Chris is talking about. In 1975 we changed the state law and ran into interminable delays at the County Prosecutor's office and at the Treasurer's department and at the Sheriff's sale, trying to set up the land bank that Chris talked about. Now, those properties are coming into city ownership and the city is serving as a land bank for the other two taxing bodies. It is clearing titles and turning the land over for new development. If you are going to be a planner, you have to have a commitment to the future and you also have to have a commitment to equity. I will now turn and say something about the Renaissance City not being all 'fat city'. I will use a couple of numbers and you will get the idea.

From 1979 to 1994, poverty in Cleveland rose from 17% to 42%. Within many city neighborhoods on the black East Side, nearly every resident lives under the poverty line. Cleveland's children are not coming back—they are falling further and further behind. In a 1997 report by the Annie Casey Foundation, City Kids Count, which compiles child welfare statistics for the 50 largest cities in the country, Cleveland ranks 48th or below, with 50th as the lowest, in every one of the report's ten categories. To give you an idea, we are ranked 49th in unemployment for youths sixteen to nineteen years of age, 49th for kids living in distressed poverty neighborhoods, 47th in infant mortality rates, and so on and so forth.

Two-thirds of all of Cleveland's school children come from poor families. Sixty-four percent of them drop out before graduating from high school. Nine out of ten of those students taking the state proficiency test last year failed it. They have the lowest graduation rate in the metropolitan area, and the third highest dropout rate. In 1995 the Cleveland Board of Education was put into receivership by a federal judge, and now we are trying the latest solution for public school crises. The state legislature has turned the system over to the Mayor of the city. I wish him luck. Who knows how that will turn out?

Cleveland contains the twenty-six poorest neighborhoods in Cuyahoga County. It contains ninety-seven percent of all the public housing in the county, and it lost 35,000 jobs between 1990 and 1993, including 26,000 manufacturing jobs. In a recent analysis of various American cities that were experiencing urban distress at the beginning of the 1980's and now claim to be revitalized, the researchers found that not only was Cleveland not revitalized, but by their measures, Cleveland "performed more poorly than the unsuccessful cities on all five of the indicators used." That is a direct quote.

What kind of a city are we building? There are two cities being built in Cleveland and other cities like it. I am sort of following Ernest Burgess's old 1920 cartoon of concentric zones here. One city has a downtown area which you might call "the zone of economic potential: tourism and sports." Next is the zone of emerging neighborhoods, and then comes the zone of gated communities. The outlying zone is that of the edge cities. That

is the cartoon, the schematic diagram, that gets all the media attention, all the hype, and a lot of public money.

The other zone, the informal economy, is beneath. You will not hear very much about that at all. It includes something we ought to think very seriously about—a zone of permanent rebellion. Think of cities with a considerable amount of defense forces that control a population which is in smoldering rebellion. This population has no resources, no education, no connection to the mainstream of the American economy. Occasionally, they sally out of their neighborhoods to seize some resources and then retreat back in. That seems to me a possibility.

The next zone is the zone of property abandonment, although Chris is doing a wonderful job. Incidentally, if I may say an aside, one of the things local government must do and usually does very badly is to find vigorous and innovative leadership and keep them somehow. I think the remarkable thing is that Mayor White has been able to keep this guy for ten years. He has done a terrific job. To get back to my schematic, finally, we reach the zone of jails. Cleveland now has three jails, a detention center, a juvenile court, and we are now fighting over a fourth jail. It seems to me that jails may in fact become our public housing program.

Those are things I think we ought to seriously think about while we contemplate this overarching view of the 'comeback city.' P

* Patricia Burgess, Ruth Durack, and Edward W. Hill, "Re-imagining the Rust Belt: Can Cleveland Sustain the Renaissance?" Imaging the City colloquium, City Design and Development Group, MIT, November 2, 1998. These proceedings have not yet been published.

** *Cleveland: A City Reader* (Kent State University Press, Kent, OH: 1995) is an excellent source of more information on the Cleveland redevelopment story.

EN MARCHA POR EL NORTE

Identity and Direction in a Rustbelt Ghetto

Domenic Vitiello

Abstract

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In the ghettos of the North American Rustbelt, the once-fertile crescent of industrial cities and towns in the Northeast and Midwest, people confront challenges of community development in part by projecting ideas about identity in the built environment. Negotiating group identity is an important part of redefining the image, ecology, and socioeconomic orientation of communities scarred by deindustrialization, disinvestment, and discrimination. This is particularly important for recent immigrants, for whom the old, decaying industrial landscapes of Rustbelt ghettos hold ambiguous meanings. In the formerly industrial neighborhood of North Philadelphia first-, second-, and third-generation Latino immigrants, mostly from Puerto Rico, produce distinct images in architecture, gardens, murals, and graffiti that form and engage ongoing debates about cultural directions and the future of the place. These images are powerful tools for remaking a city that has long been in crisis. This paper focuses on the activities of Latino—primarily Puerto Rican—community development corporations and artists in North Philadelphia.

Eastern North Philadelphia was among the principal centers of industry in a city once called the 'Workshop of the World.' In the 19th century, textile mills and metalworking firms clustered along railroad tracks, and factories were surrounded by two- and three-story rowhouses made of brick and brownstone. The decline of the region's industries in the 20th century left North Philadelphia with abandoned factories and few jobs. By the 1950s, many ethnic white residents had moved to the suburbs, and central North Philadelphia had become the city's principal African American ghetto.

In the early 1950s, many Puerto Ricans, displaced from their jobs and land on the island by large sugar plantations, came to Philadelphia via government-sponsored work programs that placed them in farm labor and housekeeping positions.² Most of these migrants initially settled in the Spring Garden district of lower Western North Philadelphia, where they were 'greeted' by signs in some of their ethnic Irish and Italian neighbors' windows that read, "Apartment for rent, whites only." In 1953, three nights of rioting, mostly by whites attacking Puerto Ricans on the streets and in their homes, focused public attention on the new immigrants. In the local press, the riots were attributed primarily to Puerto Ricans' 'problems of adjustment.'³ Subsequent Latino settlement was concentrated in the city's most distressed former industrial district, Eastern North Philadelphia, in a north-south swath with its spine generally recognized as North Fifth Street.⁴ (Gentrification of the Spring Garden area beginning in the 1970's later drove out many Puerto Ricans as well as working class whites.)⁵

In the 1950's and 1960's, the area of Eastern North Philadelphia between the black ghetto to the west and the ethnic white ghetto of Kensington to the east was popularly referred to as the 'DMZ,' or demilitarized zone (a term borrowed from the Korean War). This was an area of heavy industry in the 19th century and thorough decline, residual pollution, and widespread abandonment of homes in the 20th century. Low rents, together with networks of family and friends, largely explain why Latinos settled here. Whites, however, restricted the expansion of minority settlement to the east by harassing and rioting against black and Latino renters and homebuyers who ventured



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Much of the landscape of Eastern North Philadelphia is vacant, as factories and homes have been abandoned in the second half of the twentieth century.

into Kensington.⁶ (They also restricted work opportunities for minorities in the few local factories that remained.)

As white flight accelerated in the 1970's and 1980's, the landscape of Eastern North Philadelphia became increasingly characterized by crumbling building shells, vacant lots overgrown with weeds and littered with refuse, and open-air drug emporia selling cocaine and heroin. The city's main daily newspaper, the *Philadelphia Inquirer*, labeled the area 'The Badlands,' police called it 'Oz' (for the 'otherworldliness' of its drug market and the addicts who wandered the streets), and some city planners referred to the neighborhood as 'the Ruins.' Nonetheless, community organizations did grow in the Latino community, beginning in the late 1960s with a focus on small business development, workforce development and education, and neighborhood health care. Since North Philadelphia had a large stock of vacant housing, and because these community groups could leverage little capital, their focus was not initially oriented towards housing.

Latinos rarely settled in North Philadelphia's large stock of public housing, which was built to the west of the DMZ, at a 'safe'

distance from the whites of Kensington who vehemently opposed public housing and its usually black residents. In the 1980's, however, Latino groups began to build subsidized housing. In 1983, the Spanish Merchants Association together with a private developer constructed an 81-unit complex called Dorado Village, which was occupied by people in the Section 8 Federal rental assistance program. Housing development in the barrio accelerated in the late 1980's and 1990's, as the community health care and human services group, the Asociación de Puertorriqueños en Marcha (APM), and several other community development corporations began to renovate old rowhouses and build new homes in Eastern North Philadelphia.

In the final quarter of the twentieth century, Philadelphia's organizations and programs founded to serve the Spanish-speaking community have generally had more success in funding and sustaining their efforts in community development than have the neighborhood-based groups of black North Philadelphia and white Kensington. In large part, this discrepancy stems from the fact that the black and white communities have been shrinking while the Latino community and its demands for goods and services continue to grow. The actual size of Philadelphia's Latino population, though, has been a matter of some debate. In 1980, the U.S. Census recorded 64,000 'Hispanics,' of whom 47,000 were Puerto Rican. In 1990, the numbers increased to 89,000 'Hispanics' (5.6% of the city's total population) and 68,000 Puerto Ricans.⁷ Even in 1970, though, Puerto Rican community leaders claimed that their numbers in Philadelphia were between 60,000 and 100,000 while the census counted just 38,500—mostly in North Philadelphia. (School district records and publicly funded surveys supported the higher figures.)⁸ At its roots, this 'numbers-crunching' debate is about political representation, entitlement, demands for services, and attraction of private (commercial and institutional) investment in the Latino community.

The dynamics of Latino migration complicate debates about identity and the position(s) of Puerto Ricans on the mainland. In general, Latinos are not following patterns of assimilation typical of North America's 19th and early 20th century immigrants. "Having the Old Country two hours away by jet, instead of on the other side of a hard-to-cross ocean, means

these new Americans don't have to slam the door on their place of origin, the way so many other immigrants have done."⁹ (The affordability of international telephone calls contributes further to this technological proximity.) Often-contentious debates about language, heritage, and political representation have found their ways into U.S. public schools, governments, and neighborhoods. Sociologist Jorge Klor de Alva characterizes Latino groups' identities as:

...the continually changing product of the interplay between (1) 'colonially' created cultural images with their accompanying assumptions about the biological basis of ethnicity (e.g., the racialist ideologies behind the 'hypo-descent' rule); (2) highly restrictive economic and social configurations (e.g., the constant play of exclusions, marginalizations, limitations, and selective opportunities); (3) exclusionary political processes (from indifference to petitions for change to electoral manipulations); and (4) a multiplicity of creative contestations, including the appropriation of markers of ethnic distinction as weapons in the never-ending battles for socioeconomic security and cultural survival.¹⁰

For Puerto Ricans, the ambiguous political status of their island homeland and its relationship to the United States renders these questions of identity particularly complex and often contentious. As Philadelphia has continued to lose white (since 1950), black (since 1980), and total aggregate population, the city's downtown has been revitalized with tourist, entertainment, and convention facilities. The divisions between the glittering downtown and the ghettos that surround it have become ever more apparent, raising serious questions about equity and the position of the ghetto within the metropolitan region. In response, the growing Latino community has engaged in an increasingly assertive projection of its own images and values in the city's built environment.

In North Philadelphia, Latino community development corporations (CDCs) have developed a distinctive vernacular architecture, while the Taller Puertorriqueño Arts Center, the City's Mural Arts Program, private businesses, and graffiti artists paint powerful images which negotiate the national and cultural identities of Puerto Ricans and other Latinos in the city. The images and architecture developed in this process are not necessarily

indigenous to Puerto Rico, Mexico, and other Latin American contexts, nor are they 'native' to Philadelphia and the north-eastern United States. Yet these images are distinctly Latino, particularly as they contrast with the context of North Philadelphia's older industrial landscape.

The most permanent elements of the emergent Latino landscape are the housing developments built by CDCs. Dorado Village, the first major Latino housing development, is not particularly unconventional in its design, and its brick walls appear relatively consistent with its surroundings. However, its arched entryways are covered in rough stucco and painted in ochre and a deep red unlike the hues of the area's brick rowhouses. The name, Dorado ('golden') Village, also identifies the development as a Latino enclave oriented towards a more prosperous future for its Latino (as well as African American) residents.

Subsequent new publicly subsidized housing developments by Latino CDCs—all built in the 1990s—have followed similar naming practices and pushed North Philadelphia's Latino architecture to more distinctive forms. The Nueva Esperanza ('new hope') CDC has built homeownership developments named Villa Esperanza I and II. HACE has developed the Casa del Caribe ('house of the Caribbean') and Villa de HACE rental housing. The Norris Square CDC has built a rental development named Los Balcones ('the balconies'—an unheard-of architectural amenity in Eastern North Philadelphia). APM has named its new housing developments Jardines de Borinquen ('gardens of Puerto Rico'), Hogar de Esperanza ('hearth of hope,' which is housing for people with AIDS and HIV), and Taño Gardens. Its shopping center is called Borinquen Plaza. The power of names lends distinct meaning to these places.

All of these buildings are stuccoed, and most have arched entryways and partially pitched metal or synthetic roofs that simulate clay tile surfaces. Their color schemes include turquoise, yellow, bright red, and earth tones. Some include brackets, bay windows, dormers and other architectural details that are uncommonly expensive in publicly subsidized development. Most are attached units that surround interior courtyards with parking, small garden plots, and play space, following the planning principles of 'defensible space' applied to affordable

housing design since the 1960s. In their materials, forms, and colors that mix stylistic elements from Puerto Rico and the southwestern United States, however, these buildings express a Latino identity that stands out amidst the brick rowhouse landscape of Eastern North Philadelphia. The same sort of mixing is found community greening practices in the barrio, where gardens and sidewalk flower barrels contain plants from both temperate and subtropical zones. Planted in North Philadelphia vacant lots, Jardín Paraíso ('paradise garden') is adorned with plywood cut-outs of Caribbean fauna, while Las Parcelas ('the parcels') grows pigeon peas and bananas as well as fruits, vegetables, and flowers native to the Philadelphia region. Las Parcelas hosts classes that teach second- and third-generation Puerto Ricans about agricultural and horticultural traditions on the island.

In developing forms of architecture not indigenous to Philadelphia, CDCs and their architects must balance design goals with the economics of publicly funded community development. The metal roofs simulating terra cotta tiles are a result of the high cost of tile and the difficulty of finding workers capable of laying them in the city. While adobe is out of the question in the temperate climate of Philadelphia, stucco panels on wood frames are a reasonable compromise. Architect Bill Kramer, whose office has designed many housing developments



Villas de Hace



Jardines de Borinquen II

for CDCs in North Philadelphia, including those of APM, notes that the 'desire of the [Puerto Rican] community to have some identity' has been the impetus for design choices. There has been relatively little input from neighborhood residents during the design process, but the new architecture has been well received among Latinos. Some residents of these buildings claim that their style "brings back...memories of Puerto Rico."¹¹ (Reception among African Americans and whites has been mixed, ranging from appreciation of the new, colorful additions to the neighborhood to comments such as, "Why do they have to use this adobe shit? It should be brick like the rest of North Philly.")¹²

Borinquen

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The politics of group identity and the dilemma of Puerto Rican statehood and nationality inspire much of this re-planning and re-imaging of Eastern North Philadelphia. Puerto Ricans in the United States have adopted the indigenous Arawak/Taño Indian name of their island, Borinquen, as a symbolic statement of identity in their new surroundings. Beginning in the 1950s, they invented "new ethnic origins for themselves as a self-conscious maneuver aimed at propagating symbolic forms of separatist nationalism." Alluding to a precolonial past that works "to legitimate their claim to being a nation rather than an ethnic minority," Borinquen is a tool for confronting Puerto Rico's difficult legacy "as a perennial colony and the consequent emigration to the United States of over one third of [the island's] population."¹³ The ideology of Borinquen has been used in response to United States political and educational policy, both on the island and the mainland, "which sought to convince Puerto Ricans that there was no such thing as a Puerto Rican culture while at the same time putting great pressure on them to replace the supposedly nonexistent traits with Anglo-Americans..."¹⁴

The notion of Borinquen gained widespread popularity in the 1960s and 70s, when nationalist Puerto Ricans in the United States molded it for explicit political purposes:

[They] set out to transform the then tarnished image of the island into one that reflected a promised land rich with hope. Through a romantic equation, which identified Borinquen as a lost tropical

*paradise, the island was made the repository of all cherished values, the well-spring of all inspiration, the source of the strength to resist acculturation and oppression, and the object of nostalgic remembrances. ... [They often] encouraged an obligatory pilgrimage to Borinquen. ...their visits became a ritual part of their personal and collective search for a cultural shield with which to protect their (to them) precarious identity.*¹⁵

Subsequently, among U.S. Puerto Rican leftist intellectuals and activists, Borinquen changed from more literal vision to a state of mind, a "mere symbol of a notion."¹⁶ However, Borinquen was and remains used as a trope representing ethnic and cultural distinction, functioning as a conceptual check on the diaspora of islanders to the mainland. The prospect of Puerto Rican political independence has become similarly less clear, no longer viewed as an ideal condition but rather as a possibility with mixed political, economic, and social consequences for people in both Puerto Rico and the continental United States.

In Eastern North Philadelphia, images of Borinquen are prolifically projected in material culture. Bodegas, bars, subsidized housing developments, and shopping centers contain 'Borinquen' in their names. Palm trees and figures of Puerto Rican folklore abound in spray-paint murals, perpetuating visions of a tropical paradise inhabited by magical beings. Though they are more ephemeral than the buildings constructed by local CDCs, murals and graffiti are prolific and powerful place-making forces in the built environment.¹⁷

In the American popular imagination, graffiti is associated with the minority underclass of poor inner city neighborhoods. Despite the inaccuracy of that notion (most 'taggers' are white, many are from the suburbs), and despite the general moral and legal condemnation of graffiti, paint sprayed on ghetto walls is an economically and culturally valuable tool for projecting visions and ideas about community and identity. Graffiti murals represent voices of protest against disinvestment, discrimination, and the socioeconomic and physical conditions they effect. It is also a low-cost method of physical upkeep and visual enhancement of walls.

Business establishments in Eastern North Philadelphia, includ-

ing mechanics' garages, bodegas, and storefront churches, frequently commission murals and graffiti pieces. These elaborate works generally deter unwanted, random graffiti writers, and they serve as effective visual magnets advertising stores (in a landscape where rowhouse storefronts are often difficult to distinguish from surrounding residences). Night clubs are popular venues for graffiti art, given their clientele of teens and young adults—age groups au courant of 'hip hop culture' and appreciative of graffiti as a mode of expression. The Taller Puertorriqueño lends an institutional voice of legitimization to graffiti art with the spray paint murals on its walls and its gallery shows of graffiti art.

Dan Polanco, the 30-year-old director of the Taller's Youth Program, is perhaps the barrio's most respected graffiti artist (his 'tag name' is Dan One). He shows in galleries and, together with his graffiti writing crew, is "basically free to paint and maintain 30 to 50 walls," most of which are owned by businesses (including an Arab butcher shop, as well as Latino shops).¹⁸ Polanco's graffiti style is characterized by sharply angled letters and arrows in a mix of black and bright colors: "Each letter has a sound. When you put them together, it has a



The mural adorning Maria's Groceries includes the salient features of Borinquen: palm trees, an idyllic bay surrounded by hills, and a fishing boat.

rhythm visually. Letters in general are beautiful. Shapes speak...Every color speaks to me passionately," like yellow (the color of innocence), red (blood, sacrifice and the family) and purple (royalty and loyalty because it's a combination of red and blue). Arrows symbolize "speed, direction and visual aggression." The number '5' references the neighborhood, all 'the Fifth Street kings' or the hand: four different ethnicities (the fingers) plus the 'new child of the planet' (the thumb)... In part, the triangular form he favors symbolizes the protective Taño god Cemi.¹⁹

Borinquen takes a visible form in spray-paint murals. Throughout much of Latino North Philadelphia, the most often repeated elements of spray-paint murals are palm trees and the Puerto Rican flag. Images of 16th century explorers' ships anchored in tropical coves offer metaphors for Puerto Ricans' own migration to a new world, while imposing figures of Taño gods reference a powerful cultural-religious tradition with deep roots. These symbols, complemented by Caribbean color schemes and sometimes accompanied by figures from Puerto Rican folklore, represent voices in visual debates about the conditions of Puerto Rican life in the Philadelphia ghetto. Calls for



A Taño god is integrated with Dan Polanco's sharp lettering.

peace and justice appear on walls, and religious symbols such as the Cross and the Virgin Mary speak similar messages in spray paint. Graffiti pieces painted on walls, doors, and automobiles memorialize the deaths of friends and family—most often young



The walls of the Las Vegas Nightclub advertise the entertainment inside. The island of Puerto Rico is portrayed with red, green, and blue trees and windsurfers darting around in its waters.

people killed by drug-related gun violence. In some of these memorial murals, Borinquen is used as a metaphor for heaven, becoming the ultimate metaphysical place. Some graffiti artists have portrayed Borinquen as a surreal or psychedelic landscape. Much spray-paint art is more direct commentary on the ecology of the barrio, itself. Murals contrasting or integrating interpretations of North Philadelphia's industrial landscape with images of Borinquen or other distinctively Puerto Rican symbols explicitly address the challenges and aspirations of immigrants' struggles to negotiate economy and identity.

Tensions between forces of assimilation and cultural continuity, economic opportunity (sometimes illegal) and severe poverty, and real and ideal landscapes are confronted in graffiti art as well as the area's new Latino architecture. Latino (mostly Puerto Rican) graffiti artists and community development corporations

react to local politics of disinvestment and mainstream images of the ghetto, the underclass, and 'Hispanic' ethnicity; re-construct visions of Borinquen; and re/define their position within the barrio of North Philadelphia. There are many voices in this dynamic, self-conscious re/negotiation of identity. The process of projecting distinct, visually striking images in architecture, gardens, and spray paint serves as a mechanism of self-definition—of an ethnic group and a place. Despite the devastation of the neighborhood's landscape and economy, its Latino population is growing and the capacity of its CDCs and other community organizations is expanding. These conditions, together with the fluid and politically charged conditions of Latino migration, lend energy and momentum to the work of community development and re-imaging throughout the barrio. P

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The side wall of the Taller Puertorriqueño depicts the barrio embraced by a figure of the Puerto Rican flag.

1 The term 'en marcha' may be translated in terms of either physical movement or social pursuit of a goal (as in the English "on the move"). 'El norte,' or 'the North,' is a common epithet for the United States employed by Latino migrants. Latinos in the Philadelphia region also refer to Eastern North Philadelphia as 'el norte.'

2 Taller Puertorriqueño, Batiendo la Olla: Oral History Project (Philadelphia, n.d.), 41; Eugene P. Ericksen, David Bartelt, Patrick Feeney, Gerald Foeman, Sherri Grasmuck, Maureen Martella, William Rickle, Robert Spencer, and David Webb, *The State of Puerto Rican Philadelphia* (Philadelphia: Temple University Institute for Public Policy Research, 1985), 14; Carmen Teresa Whalen, *Puerto Rican Migration to Philadelphia, Pennsylvania, 1945-1970: A Historical Perspective on a Migrant Group* (Dissertation, Rutgers, 1994), 239-40, 363-64.

3 Whalen, 379-91.

4 Arthur Siegel, Harold Orlans, and Loyal Greer, *Puerto Ricans in Philadelphia: A Study of Their Demographic Characteristics, Problems and Attitudes* (Philadelphia: Commission on Human Relations, 1954).

5 Taller, 45.

6 "Crowd Protests New Family in Kensington," *The Evening Bulletin* (29 November, 1970); Joseph L. Lincoln, "Welfare Mother Insists She'll Stay in Kensington," *The Evening Bulletin* (30 November, 1970); Tyree Johnson, "Mob Drives Puerto Rican Family from Home," *Philadelphia Daily News* (29 August, 1972).

7 U.S. Census of Population, 1970, 1980, 1990.

8 Taller Puertorriqueño, 41.

9 Ray Suarez, *The Old Neighborhood: What We Lost in the Great Suburban Migration, 1966-1999* (New York: Free Press, 1999), 210.

10 J. Jorge Klor de Alva, "The Invention of Ethnic Origins and the Negotiation of Latino Identity, 1969-1981" in Mary Romero, Pierrette Hondagneu-Sotelo, and Vilma Ortiz, eds., *Challenging Fronteras: Structuring Latina and Latino Lives in the U.S.* (New York: Routledge, 1997: 55-74), 56.

11 Interview with Bill Kramer (14 October, 1999).

12 African American resident of Jardines de Borinquen, quoted in Josh Sevin, "APM's Strategic Neighborhood Plan for Eastern North Philadelphia" (Term paper, MIT, December 1998), 15.

13 Klor de Alva, 56, 66. Puerto Rico passed from Spanish hands to control of the United States in 1898.

14 *Ibid*, 66.

15 *Ibid*, 56, 67.

16 *Ibid*, 67.

17 The distinction between graffiti and murals is not often clear. In this paper, 'graffiti pieces' and 'graffiti murals' are interchangeable terms both referring to deliberately commissioned works (i.e., not classifiable as 'vandalism').

18 Polanco, quoted in Robin Rice "Block Lettering," *Philadelphia City Paper* (2 September, 1999), 31.

19 Rice, 30-31.

AN UNLIKELY PARTNERSHIP

Solving a water crisis in Abidjan,
Côte d'Ivoire's Pearl of the
Lagoons

Anjali Mitter Duva

Abstract

As in many developing countries, the urban poor in Abidjan, Côte d'Ivoire often have insufficient access to affordable, clean water. The country's private water utility is unable to install piped water connections in certain neighborhoods and the poor rely on individual, informal vendors who sell water illegally at high prices. To bridge a service gap and reduce the prevalence of an illegal activity that affects its revenues, the utility has taken an unprecedented step toward forging a partnership with water vendors. While this arrangement may present a 'second best' approach to providing the urban poor with water, it must be significantly improved in order to be effective.

Introduction

It is undisputed that low income urban areas in developing countries are poorly served by basic infrastructure networks - safe water, sanitation, solid waste collection and disposal, public transportation, roads, electricity. These conditions are of particular concern in the water and sanitation sector, where lack of access to adequate services has severe health and economic implications. At least 170 million people in urban areas lack a source of potable water near their homes, and nearly 350 million people in urban areas lack access to basic wastewater collection and treatment facilities.¹



Côte d'Ivoire

This situation is projected to worsen dramatically in the next few decades, as urbanization continues unchecked. The World Bank expects the number of urban poor, already at 400 million in the developing world, to increase to one billion by 2020. Many of these urban poor will live in slum-type settlements without legal recognition or secure tenure, a situation which tends to aggravate inadequate access to basic infrastructure.²

Realizing that they cannot stem the growth of squatter settlements, governments and planners in developing countries have begun to seek innovative ways to provide these neighborhoods with reliable water supply. This article reviews an approach that SODECI, the single water company in the West African country of Côte d'Ivoire, has implemented to provide the poorest inhabitants of its capital city, Abidjan, with water. In an era of increasing private sector participation in water supply, this case is particularly relevant as SODECI has, since 1960, been operated as a private company. Moreover, in an era of ever diminishing government budgets, this case is an example of the private sector intentionally attempting to address a public policy problem.

The Challenge of Serving the Poor

In developing countries, providing conventional piped water supply services to the urban poor is a challenge for a number of reasons. Some of these are physical in nature: many of the urban poor live in illegal squatter settlements at the periphery of the city, where there is no clear-cut road system and no cadastral division of land. The population is transient, the dwellings impermanent; it is often impossible for a utility to draw up customer files or plan a layout for infrastructure networks. In addition, the land itself is often marginal, making it technically difficult to install a conventional piped network.

Technical obstacles are compounded with a political anti-poor bias. In areas of spontaneous, improvised and temporary housing, authorities are loathe to 'legalize' the development and therefore try to avoid the official recognition that providing public services would imply. In addition, governments often lack up-to-date and accurate information on who the poor are, where they live, and what their actual needs and preferences are. The actions of even well-intentioned governments are thus often not well targeted.³

The fact that most developing country water utilities exhibit inefficiencies characteristic of public entities aggravates existing conditions. Due to the low prices they charge in order to make water accessible, municipalities do not have the large sums necessary to invest in maintaining often decaying infrastructure, much less to expand their operations to keep pace with the rapid

growth of the urban population.⁴ As a result, water is often of poor quality, and service is limited, unreliable, and inefficient. While all urban residents are affected by these conditions, the poor living at the periphery of the city often suffer the consequences disproportionately as many tend to live beyond the reach of the network and stand little chance of benefiting from a reliable source of affordable and safe water.

Because water is a basic need for survival, the under-served poor find alternate ways to obtain some on a daily basis. Most frequently, they obtain water from private vendors who sell water in plastic containers (jerricans). These water vendors form part of what is commonly referred to as the 'informal' sector. Their activities are usually illegal, often as a result of outdated regulations designed to eliminate any competition that the water company might face. Water vendors obtain water either from public taps provided by the water company, from untreated surface sources such as rivers and canals, from their own private water connections, or from wells they bore themselves. They may deliver water to homes using carts, bicycles or even trucks, or run a resale point from their home connections.

More often than not, these vendors charge very high prices for their water, sometimes up to 50 times more than the price charged by the utility, as the government or water utility has limited means to control them.⁵ These high prices explain why the poor end up paying the most for their water, sometimes up to 20 percent of their income.⁶ The situation in Abidjan illustrates this harsh reality.

The Water Sector in Côte d'Ivoire

Côte d'Ivoire is located on the Atlantic Coast of West Africa, with a population approaching 15 million. Colonized by the French in 1893, it gained independence in 1960. In contrast to most of its neighbors, Côte d'Ivoire achieved sustained economic growth and prosperity after independence, and, compared to many developing countries, Côte d'Ivoire has outstanding infrastructure. The electricity and water sectors, for example, are some of the most successful in Africa.

Whereas the provision of water supply in developing countries tends to be a centralized, state-run public service, in Côte

d'Ivoire the sector has for years been managed by a private entity, the Société de Distribution de l'Eau de Côte d'Ivoire (SODECI). Created as the Ivorian subsidiary of the French private operator SAUR, SODECI has been the sole water company, first for Abidjan and then for the whole country, since 1960, operating under a concession contract.

Côte d'Ivoire's water sector is considered a success among development professionals and water experts worldwide. The various institutional and contractual reforms that have taken place since the 1960s have given the sector a remarkable profile. The number of communities equipped with a piped network rose drastically from 38 in 1974 to 438 in 1997. During this time, the total length of the network increased tenfold.⁷ With eight staff per 1,000 connections, the company's productivity, while not as high as that of water utilities in Western Europe where there are two to three staff per 1,000 connections, is twice as high as that of any other water utility in West Africa.^{8,9}

Access to Water in Abidjan, Pearl of the Lagoons

Côte d'Ivoire's population is 45 percent urban, with close to 3 million clustered in Abidjan, located at the edges of a lagoon system that extends inland from the Atlantic Ocean. This urban population is growing at an annual rate of 3.8 percent.¹⁰ Abidjan, while benefiting from a master plan, has been overwhelmed by in-migration from rural areas and less prosperous neighbors, and as a result is experiencing a severe housing shortage. Because of this shortage, 18 percent of Abidjan's population lived in 72 'unplanned' neighborhoods in 1990, the most recent year for which such data are available. The government considers 'unplanned' any neighborhood in which there is no individual numbering of plots and no cadastral divisions of land. These unplanned neighborhoods, usually located at the periphery of the city, are often characterized by illegal occupation of land and the absence of any form of infrastructure such as paved roads, electricity or piped water. Indeed, in 1997, SODECI was unable to serve almost one third of Abidjan's residents, many of whom live in these unplanned neighborhoods.¹¹

In order to fill the resulting service gap, people who can afford to have connections installed at their home or at the periphery

of the neighborhood have been illegally reselling water to their unserved neighbors for years. Current estimates of the number of vendors in the city range from 1,500 to 2,000.¹² In planned neighborhoods with access to the network, vendors use their subsidized household connections to sell water from a tap located either inside or close to their homes, or in a shared yard. In illegal settlements, vendors have subsidized connections and meters installed at the periphery of the neighborhood where the city's water mains come to an end and draw water into the heart of the neighborhood by means of flexible plastic pipes strung together to cover as much as 300 yards. In both cases, the vendors run fixed water points to which neighborhood residents come daily with various containers to fetch water.

Two other options exist for the poor to obtain water: public standpipes and wells. In unplanned neighborhoods that are not connected to the water mains, SODECI is allowed to extend the network up to the limit of the neighborhood and then to install public, coin-operated standpipes across the neighborhood, at a rate of one per 1,000 inhabitants. However, the standpipes are few and far between and break down easily. Many quickly fall into disrepair as they are poorly maintained. The system for drawing water is slow, and people do not have the time to wait in line for hours daily.¹³

In certain planned areas in which households are grouped around a shared yard, some yards are equipped with shallow wells that SODECI dug. Anyone is free to obtain water from these wells at no cost, but the water is heavily polluted and unfit for consumption. At most some families use this water to wash clothes but, as interviews with households indicated, many do not use it at all. Table 1 illustrates the cost of water to an average household assuming a monthly consumption of 40 liters per day per capita.

Table 1: Sources and prices of water in Abidjan

	Well	Public standpipe	Vendor	Household connection
Initial household investment	None	None	None	19,000 Fcfa (\$34)
Avg. daily cost* (for 280 liters)	None	112 Fcfa (\$0.20)	238 Fcfa (\$0.42)	52 Fcfa (\$0.09)
Avg. monthly cost*	None	3360 Fcfa (\$6.00)	7,140 Fcfa (\$12.75)	1,560 Fcfa (\$2.76)
Advantages	a) Access in shared yard b) Free	a) Cheaper than vendors b) Good quality water	a) Convenient if there is no connection at home b) Credit option c) Good quality water	a) Access at home b) Relatively cheap c) Good quality water
Disadvantages	a) Polluted and unfit for consumption	a) Very slow process and long waiting time b) Need exact change c) Involves carrying water	a) Very expensive b) Involves carrying water	a) Large initial investment b) Requires ability to save to pay bills

Note: These costs do not include the cost of time spent collecting water. The CFA Franc is fixed to the French Franc at a rate of 100 to 1. At the time this article was written, the exchange rate from French Francs to US Dollars was 5.6 FF to US\$ 1. Therefore, US\$ 1=560 Fcfa.

Registered vendors, however, must pay not only the full cost of a connection, but also a refundable deposit that the utility uses to cover any bills that a vendor fails to pay. They are bound to SODECI in the same way as any other customer, and are billed according to the utility's regular tariff structure, but they appear as registered vendors in the company's logs. The advantage to being registered is that vending is then legal; clandestine vendors run the constant risk of being discovered, heavily fined, and losing their water connection.

Results to Date of Legalized Water Vending

A survey conducted in two separate zones of Abidjan in January, 1999 reveals the perceptions of different affected parties about the arrangement between vendors and the utility, and also provides some indication of the extent to which the arrangement can be deemed a success. I surveyed households and vendors, both registered and illegal, in the neighborhoods of Sicobois (subsection of Yopougon) at the western periphery of Abidjan and of Divo (subsection of Koumassi) at the eastern edge of the city. In addition, I interviewed several managers at SODECI, both in the company's regional headquarters and in the neighborhood offices.

Although they have not verified the prices that each vendor charges, the SODECI employees interviewed believe that ven-

dors sell water for roughly ten times what it costs them. According to SODECI staff, all vendors, be they registered or not, make a significant profit from reselling water (net of labor and other costs).

The utility feels that this profit is made at the company's expense. Unregistered vendors either take advantage of subsidized connections and do not make any deposit, or often steal water by tapping directly into the water mains. However, they are not the only ones to do so. Data from my interviews with registered and illegal vendors suggest that both groups take many steps to reduce the amount that they pay the utility. Some vendors are foreigners from neighboring countries who sell water for a few months, accumulate a few bills, and then disappear without paying. Others tamper with the meters and/or bribe SODECI staff to alter their water bills to reflect a rate of consumption far lower than their actual consumption. In sum, SODECI recognizes that water vending is necessary insofar as the utility itself cannot provide service to these low-income neighborhoods; at the same time, it realizes that the large number of vendors, coupled with their efforts to minimize payments to the utility, has a significant impact on SODECI's profitability. As a result, SODECI does not encourage water vending and does not advertise the option of becoming a legal vendor. Most of the registered vendors in Abidjan are simply former illegal vendors whose activities were discovered, and who subsequently registered with SODECI so as to continue to sell water.

The profit that vendors make varies depending on the amount of their initial investment as well as the steps they take to avoid detection (if they are illegal). Some incur significant additional expenses to link their water connection and meter, often located in an adjacent neighborhood, to their taps. If a vendor operates several taps, this can be an expensive endeavor. These vendors with multiple taps also, at times, hire neighbors or relatives to operate some of them; hiring these employees can add to their expenses.

Many illegal and legal vendors tend to lose some of their potential revenue by selling water for credit. Indeed, about 60 percent of the surveyed households said that they sometimes take water without paying right away, and most of them are forced

by circumstances to do so often. Although none of these people would admit it to me, the vendors pointed out that many never actually pay them back. However, the vendors feel that they cannot refuse their friends and neighbors water; they view this loss of income as a necessary consequence of providing a social service.

While most illegal vendors were unwilling to divulge the amount of their profits, figures given by a handful of illegal vendors and some registered ones indicate that most come away with the equivalent of US\$40 to US\$60 per month, below the minimum monthly wage of US\$64. These figures diverge drastically from those of SODECI managers, who estimate vendors' monthly profits to be on the order of US\$150.

The fact of the matter is, however, that SODECI has never explicitly studied the impact of water vending, legalized or not, on the company itself, and as a result opinions regarding the effect of legalized vending on the company are varied. Some employees feel that legal water vending has improved the company's image in the eyes of the government and the international institutions that see it making a significant effort to provide water to unplanned areas despite legal restrictions on network extensions. In addition, these employees feel that registered water vending has increased the company's revenues because vendors sell enough to be billed according to a high tariff block. Others do not feel that such vending has had any significant effect on the utility. Others still feel that vending, legal and illegal, has a negative impact on the company's profitability because of the number of unpaid bills and rampant corruption.

As a result of SODECI's failure to publicize the registered vending system, a vast majority of the interviewed vendors had no idea, at the time of the interviews, that it is possible to be a registered vendor. While some resell water in the hopes that SODECI will not notice their high levels of consumption and absence of a deposit, most take specific steps, at times elaborate, to ensure that SODECI cannot identify them as vendors. With this rampant corruption and complex web of steps taken to conceal illegal activities, it is almost impossible for SODECI as a company to realize the extent to which illegal vending, even among registered vendors, is a thriving industry, let alone try to

eliminate it.

As for the households who use the vendors, they are unaware of any difference between illegal vending and registered vending. As far as they are concerned, the vendors are all illegally providing them with a basic service that the water company will not provide itself. Those residents of Sicobois and Divo surveyed are generally satisfied with the service that the vendors provide. However, nearly all qualified their response by explaining that they have no choice but to be satisfied, and to be resigned to the current situation.

Limits to the Success of the Private Sector/Informal Sector Partnership

Because of this general attitude of resignation, more than half of the respondents, when asked how the water vending system could be improved, could not think of a single recommendation. While there were many complaints about the high prices that vendors charge, as well as the time spent waiting in line for water, there were as many praises for vendors who allow customers to purchase water on credit and keep a running tab with them.

Given the laws prohibiting the extension of the physical infrastructure into the city's unplanned neighborhoods and the poverty of many of the households in the low-income, planned neighborhoods, water vending is an inevitable reality in Abidjan for the foreseeable future. In order for water vending to be considered a success, it must fulfill certain criteria for each of the stakeholders: for the utility, water vending must not represent a financial drain; for the vendors, water vending must be a sufficiently lucrative and reliable source of income; and for the households, water vending must provide affordable water with-in easy access. Currently, several obstacles stand in the way of success.

First, the utility, the illegal vendors, the registered vendors and the households all have different views of water vending. Because of a fundamental lack of information and communication between the groups of stakeholders, no one has a complete understanding of all aspects of water vending in Abidjan as a sector. This lack of information is compounded by the fact that it is very difficult for anyone, including SODECI, to commu-

nicate with the water vendors as a single group as there is no clear organization that represents them.¹⁴ Water vendors are also a heterogeneous group with varying legal status. The relative importance of reselling to them as a source of income and profit also varies.

Second, the success of water vending is limited by certain technical aspects of the system. The meters that SODECI installs, for example, are easily tampered with. In addition, leaks frequently develop at the connection points, and along the surface of exposed pipes that cross well-traveled paths. Because these leaks occur beyond the meter, they increase the vendors' bills. These vendors must then do one or several of three things: pay bills that do not reflect their actual consumption, thus harming their profits; raise their prices, thus harming their customers; or tamper with the meter, thus harming the utility.

Third, corruption and fraud are rampant in the entire water vending sector. Water vendors and SODECI employees tamper with the meters. Some employees accept bribes in exchange for 'help' in reducing bills. The entire sector is characterized by secrecy and clandestine activities, even among the registered vendors. The common reaction to corruption and fraud is that they must be eliminated at all costs. However, in Abidjan's poor neighborhoods, one cannot deny the fact that the relative success of water vending is in large part due to this corruption and fraud. For it is, ironically, thanks to this system that the city's poorest residents have access to clean water at all. While the elimination of corruption and fraud may thus seem, at first glance, to be desirable, it is not in itself a simple solution to the problems of water vending in these low-income neighborhoods. It can be, at most, only a partial one.

Conclusion

It is important to note that while these limitations exist, the situation is perhaps close to being optimal given the current regulatory and legal constraints on the water sector. Researchers and professionals familiar with the water sector in developing countries will note that SODECI is a relatively healthy company, vendor prices are significantly lower than they are in other countries, and the urban poor are clearly able and willing, even if grudgingly, to pay the prices that the vendors charge. In

unplanned areas that, by law, cannot be connected to the piped water network, there are few major steps that the utility could take to improve access to water. Recommendations regarding smaller steps must take into account the fact that SODECI's contract is valid for another eight years, and thus it is unlikely that any of the laws governing the company's service provision in unplanned neighborhoods will change before then.

SODECI's effort to collaborate with vendors in unplanned neighborhoods may represent, at the moment, a short-term, 'second best' solution to the poor's lack of access to water in Abidjan. For such an arrangement to be successful, however, additional research and efforts are necessary. To start with, the utility should collect data regarding the vendors' actual expenses and revenues so as to gain a greater understanding of the vending 'sector' and be able to structure its registered vending program based on accurate information. The utility should also crack down more heavily on illegal vending and institute some changes in its billing and collection methods so as to reduce the likelihood of bribery and corruption. Finally, the vendors and the utility should work together to create a formal mechanism for communication and cooperation. Only once these changes have taken effect can a partnership between the private company and the informal sector be truly effective. P

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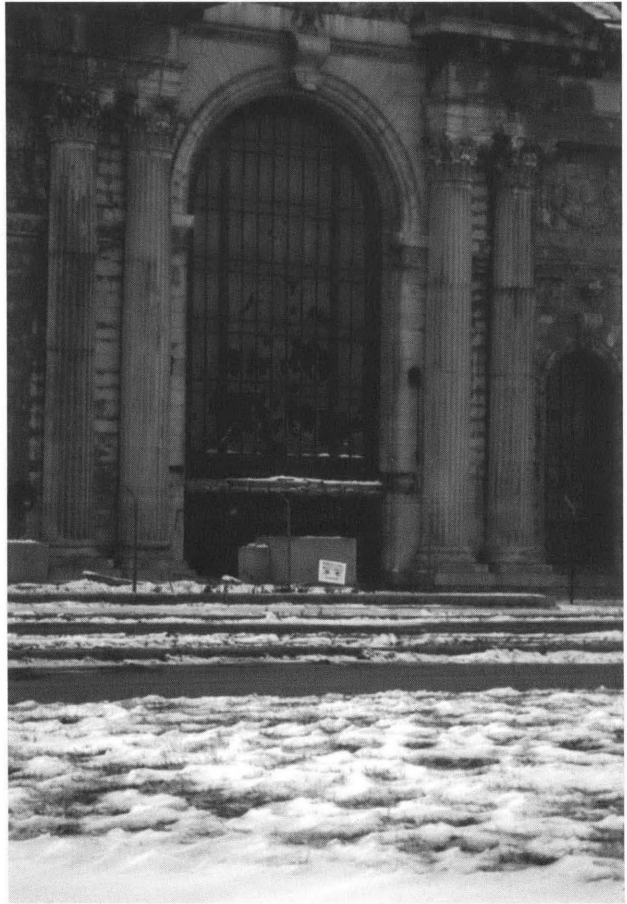


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