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ONE YEAR LATER: THE LOS ANGELES RIOTS AND A NEW NATIONAL POLICY

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I. INTRODUCTION

After the Rodney King beating and the subsequent riots in Los Angeles last summer, a leading Spanish newspaper warned that the American experience—of the rich getting richer and the poor getting poorer—is common across many established democracies of Europe.¹ In the United States over the last decade taxes were increased on the poor and decreased on the rich,² (Figure 1) resulting in a ten percent income decline for the poor and over a 120 percent income increase for the richest one percent of the American population.³ (Figure 2). This disparity between the rich and the poor evidences the failure of trickle-down economics, as does the continuing recession.

In the late 1960's, after major American urban riots, the Kerner Riot Commission predicted that America would become two societies, increasingly separate and less equal.⁴ That prophecy has come to pass. As Robert Reich of Harvard wrote, the American professional class communicates far more easily, by facsimile and fiber optics, with its counterparts in Europe and Japan than with the poor in south central Los

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1. Glen Frankel, *Foreign Officials, Press Criticize U.S. Over Rioting: Mitterand Blames Reagan-Bush Social Policies; Protection for Korean Americans Urged*, WASH. POST, May 2, 1991, at A11.

2. *Enterprise Zones: Hearings on H.R. 11 & 3 Before the Subcomm. on Select Revenue Measures of the House Comm. on Ways and Means*, 102d Cong., 1st Sess., 254 (1991) (statement of Dr. Lynn A. Curtis, President, The Milton S. Eisenhower Foundation) (referring to KEVIN PHILLIPS, *THE POLITICS OF RICH AND POOR* (1990)) [hereinafter *Enterprise Zones*: statement of Curtis]. See also ISAAC SHAPIRO & ROBERT GREENSTEIN, *SELECTIVE PROSPERITY: INCREASING ECONOMIC DISPARITIES SINCE 1977* (1977).

3. *Enterprise Zones*: statement of Curtis, *supra* note 2, at 2 (quoting PHILLIPS, *supra* note 2).

4. NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS, *REPORT OF THE NATIONAL ADVISORY COMMISSION ON CIVIL DISORDERS 1* (1968).

FIGURE 1
Changes in Tax Rates
Between 1980 and 1990

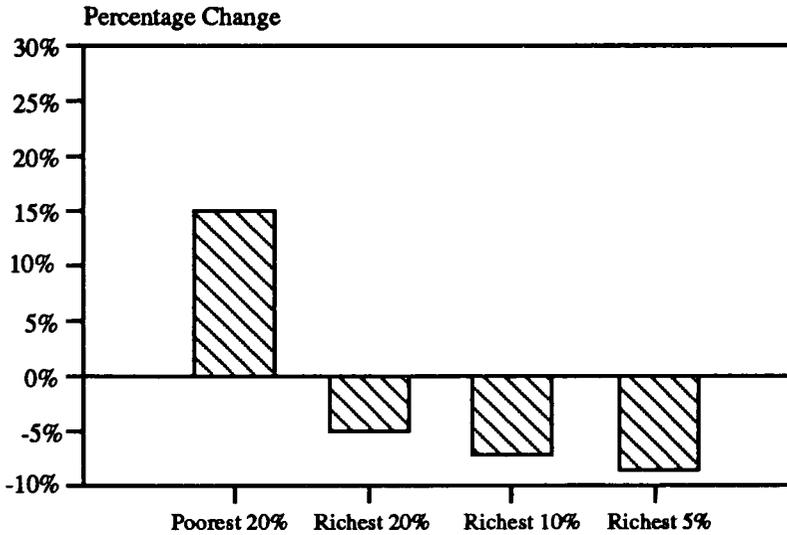
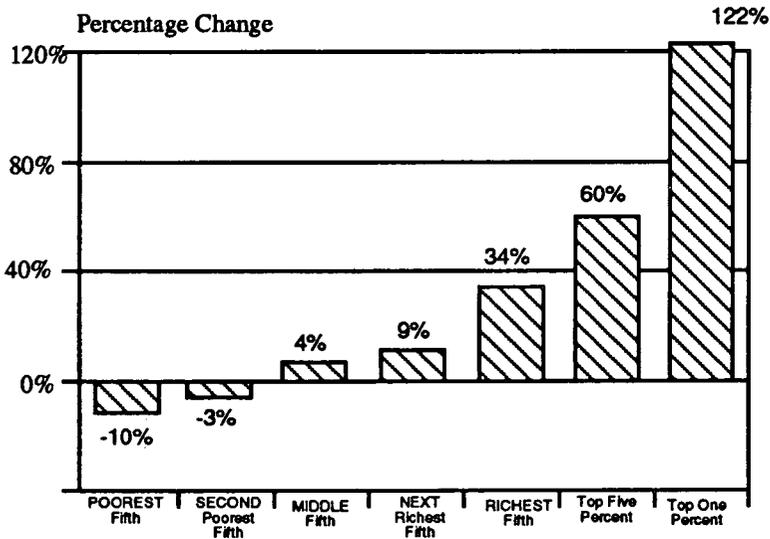


FIGURE 2
Average After-Tax Income Gains
and
Losses Between 1977 and 1988,
By Various Household Income Groups



Source:
 Center on Budget and Policy Priorities and Congressional Budget Office

Angeles or the south Bronx.⁵ According to sociolinguist William Labov, the English spoken by the inner-city African-Americans is becoming increasingly different than that spoken by white Americans.⁶

One exception to the federal government's disinvestment in the poor over the last decade has been prison building. The United States doubled the number of prison cells over the 1980's.⁷ (Figure 3). At the same time, the federal government cut by more than half its spending on housing for the poor.⁸ In some ways, then, prison building became America's national low income housing policy.⁹ It is now the case that, at any one point in time, one out of every four young African-American males between the age of twenty and twenty-nine would be in prison, on probation or on parole.¹⁰ This is an astounding statistic. In addition, violent crime increased substantially over the time when we were adding so many minority youth to the prison population.¹¹ Internationally, the United States has the highest rates of incarceration in the industrialized world, along with the highest rates of violence.¹² (Figures 4 and 5).

Building prisons, and keeping young people in them, is extremely expensive. It costs more to go to jail than to Yale.¹³ And the continuing high violent crime rates suggest that the policy of putting young people in prison was not cost effective for the middle class taxpayer seeking security for her or his family. Still, one need not necessarily despair about the noble experiment in democracy that de Tocqueville described so eloquently.¹⁴ We already know which policies work in the American inner-city—policies that are cheaper and far more productive investments, both economically and in terms of human capital, than trickle-down economics and prison building. The policy that works can be characterized as child and youth investment and community reconstruction.

5. Robert Reich, *Secession of the Successful*, N.Y. TIMES, Jan 20, 1991, § 6 (Magazine), at 16.

6. Malcolm Gladwell, *Some Hear Black and White in Divergence of Spoken Word; Reversing a Trend, Dialects Are Taking On Greater Racial Dimension*, WASH. POST, Apr. 29, 1991, at A3.

7. LYNN A. CURTIS, LORD, HOW DARE WE CELEBRATE? PRACTICAL POLICY REFORM IN DELINQUENCY PREVENTION AND YOUTH INVESTMENT 4 (1992) (edited version of *Reauthorization Hearings for The Office of Juvenile Justice and Delinquency Prevention Before the Subcomm. on Human Resources of the House Comm. of Education and Labor*, 102d Cong., 2d Sess. (1992) (statement of Dr. Lynn A. Curtis, President of The Milton S. Eisenhower Foundation)).

8. CURTIS, *supra* note 7, at 4.

9. CURTIS, *supra* note 7, at 4.

10. Bill McAllister, *Study: 1 in 4 Young Black Men Is in Jail or Court-supervised; Author Warns of Risk of Losing 'Entire Generation'*, WASH. POST, Feb. 27, 1990, at A3. Compare this to one in ten Latino men and one in sixteen Caucasian men in the same age group. *Id.*

11. THE MILTON S. EISENHOWER FOUNDATION, *YOUTH INVESTMENT AND COMMUNITY RECONSTRUCTION: STREET LESSONS ON DRUGS AND CRIME FOR THE NINETIES* 9 (1990) [hereinafter *YOUTH INVESTMENT*].

12. See JAN VAN DIJK, ET AL., *EXPERIENCES OF CRIME ACROSS THE WORK: KEY FINDINGS OF THE 1989 INTERNATIONAL CRIME SURVEY* (2d ed. 1991).

13. THE MILTON S. EISENHOWER FOUNDATION, *No Quick Fix*, NEWS CONFERENCE - UNITED STATES SENATE, May 19, 1992, at 4.

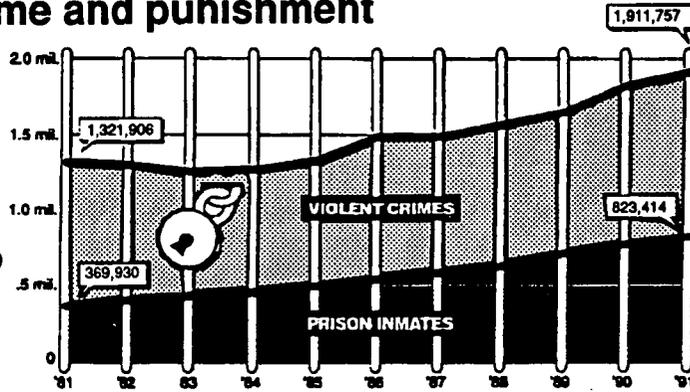
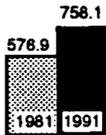
14. ALEXIS DE TOCQUEVILLE, *DEMOCRACY IN AMERICA* (Henry Reeve trans., 1969) (1900).

FIGURE 3
Trends in Violent Crime and Incarceration
1981 - 1991

More crime and punishment

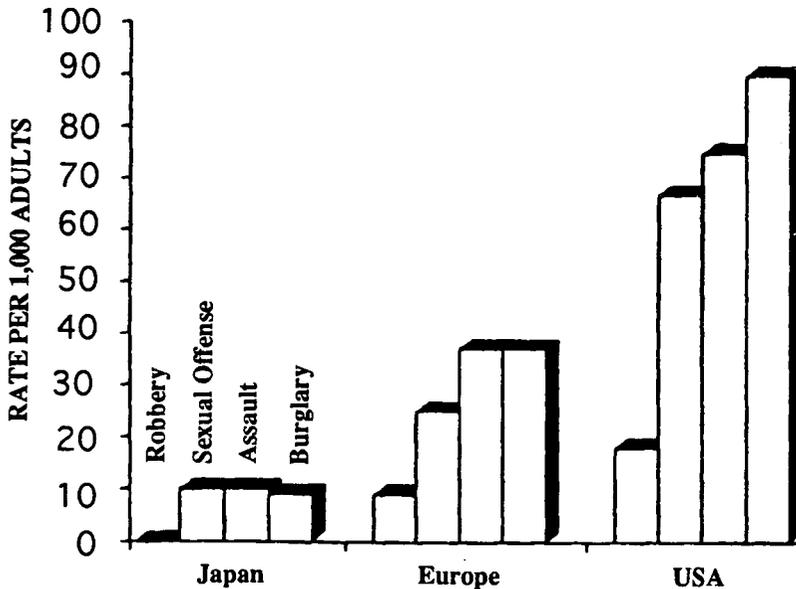
Violent crime in the USA rose more than 40% between 1981 and 1991. The number of inmates in state and federal prisons more than doubled.

Violent crime rate jumps (per 100,000 people)



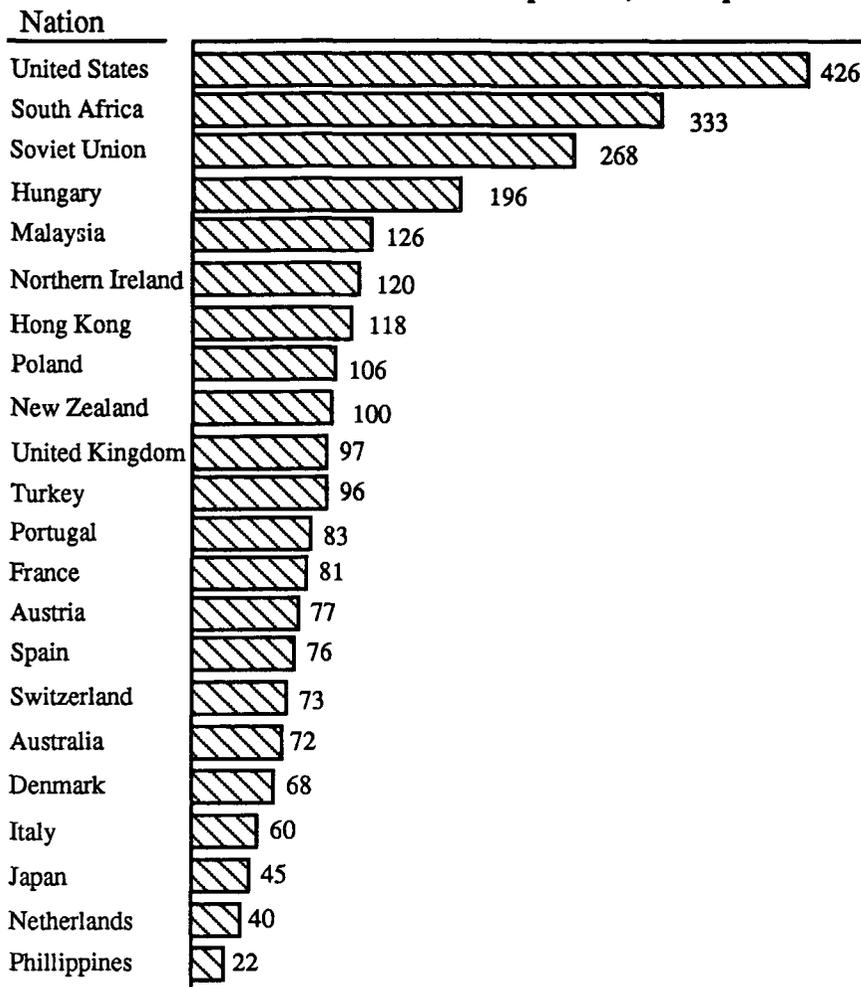
Source: U.S. Department of Justice

FIGURE 4
International Rates of Violent Crime Victimization
1988



Source: Van Dijk, et al., Experiences of Crime Across the World, Boston: Kluwer, 1990

FIGURE 5
Rates of Incarceration per 100,000 Population



Source: The Sentencing Project and Penal Reform International, 1989

II. CHILD AND YOUTH INVESTMENT

A. Head Start

France possesses the world's most comprehensive system of pre-school education and child care for high-risk populations.¹⁵ So it is no surprise to the French that Head Start preschool for inner-city children is the most successful across-the-board American prevention program ever created.¹⁶ As the conservative corporate presidents, who are mem-

15. Jill Smolowe, *Where Children Come First*, TIME, Nov. 9, 1992, at 58.

16. *Id.*

bers of the Committee for Economic Development in New York City, concluded, every dollar invested in inner-city preschool in the United States, creates five dollars in benefits—in terms of less crime, less drugs, less school dropouts, less welfare dependency and less unemployment.¹⁷

B. *Job Corps*¹⁸

When it comes to high-risk inner-city youth, Head Start preschool is at one end of the age spectrum. At the other end is Job Corps, also begun in the late 1960's. The Job Corps may rank as the second most successful across-the-board American prevention program ever created. Job Corps, an *intensive* program, takes seriously the need to provide a supportive, structured environment for the youth it seeks to assist. Job Corps features classroom courses, which can lead to high school equivalency degrees, counseling and hands-on job training for very high-risk youth. Corps programs are located in rural and urban settings.¹⁹ Some of the urban settings are campus-like.²⁰ Others essentially are "on the street."²¹ In the original design, a residential setting provided sanctuary away from one's home.²² Today, nonresidential variations are being tried, and it will be important to compare their cost-effectiveness to the live-in design. Yet, even for the non-residential programs, the notion of an extended-family environment has been maintained.²³

According to United States Department of Labor statistics, during the first year after the experience, Job Corps members are one-third less likely to be arrested than nonparticipants.²⁴ Every dollar spent on Job Corps resulted in one dollar and forty-five cents in benefits—including reduced crime and substance abuse (which account for forty-two cents in benefits alone), reduced welfare dependency, increased job productivity and higher income.²⁵ Evaluations conducted during the Reagan Administration (which tried to eliminate Job Corps)²⁶ found that seventy-five percent of Job Corps enrollees move on to a job or to full-time study.²⁷ Graduates retain jobs longer and earn about fifteen per-

17. See COMM. FOR ECONOMIC DEV. CHILDREN IN NEED, INVESTMENT STRATEGIES FOR THE EDUCATIONAL DISADVANTAGED (1987).

18. For more information on job corps programs see, Steven Greenhouse, *Lessons Across Six Decades As Clinton Tries to Make Jobs*, N.Y. TIMES, Nov. 24, 1992, at A1; Spencer Rich, *Job-Training Program Is Paying Off—for Some*, WASH. POST, May 23, 1992, at A11; Morton B. Sklar, *Proposed JTPA Reforms Miss the Mark*, 11/7 YOUTH POLICY 36 (Sept./Oct. 1989).

19. YOUTH INVESTMENT, *supra* note 11, at 12.

20. *Id.*

21. *Id.*

22. *Id.*

23. *Id.*

24. *Id.* at 13.

25. *Id.*

26. *Id.*

27. YOUTH INVESTMENT, *supra* note 11, at 13.

cent more than if they had not participated in the program.²⁸ Along the same lines, a United States General Accounting Office study concluded that Job Corps members are far more likely to receive a high school diploma or equivalency degree than comparison group members and that the positive impact on their earnings continues after training.²⁹ Robert Taggart, a strong supporter of Job Corps, asserts that those who doubt that labor market problems are real and serious, that social interventions can make a difference or that the effectiveness of public programs can be improved will find little to support their preconceptions in the experience of programs like Job Corps.³⁰ In contrast to Job Corps, the present federal job training system, the Job Training Partnership Act, has failed for high-risk youth. Evaluations have shown that youth in the program actually did worse than comparable youths not in the program.³¹

C. *Kids In-between*

In-between the very young children who need to receive Head Start and older teens and young adults who can benefit from Job Corps-type remedial education, training and placement, there already exist successfully evaluated, model inner-city programs for high-risk children and youth aged roughly seven to fifteen.³² The Argus Community in the Bronx and Centro Sister Isolina Ferre, in Puerto Rico, illustrate these positively evaluated, indigenous, community-based initiatives.

The Argus Community: The Argus Community, on East 160th Street in the Bronx, was founded in 1968, by Elizabeth Sturz, a poet and former probation officer.³³ Argus is a community-based center for high-risk youth, mainly African-American and Puerto Rican. It provides "an alternative life program for adolescents and adults who have been on the treadmill of unemployment, under-employment, street hustling, welfare, substance abuse, crime and prison who saw no way out for themselves."³⁴

Through residential and nonresidential programs, Argus seeks to offer some fundamentals too often lacking in the families and communities from which these youths come.³⁵ The goal is to create an extended family of responsible adults and peers that offer "warmth, nurturance, communication, and structure," and that model and teach productive values.³⁶ Within that "extended family" setting, the program offers pre-

28. *Id.*

29. Rich, *supra* note 18, at A11.

30. See ROBERT TAGGART, A FISHERMAN'S GUIDE: AN ASSESSMENT OF TRAINING AND REMEDIATION STRATEGIES (The W.E. Upjohn Institute for Employment Research ed., 1981).

31. Rich, *supra* note 18, at All.

32. See, e.g., YOUTH INVESTMENT, *supra* note 11, at 15.

33. *Id.* at 15. For a more in-depth account of The Argus Community, see ELIZABETH LITTLETON STURZ, WIDENING CIRCLES (1983).

34. YOUTH INVESTMENT, *supra* note 11, at 15.

35. *Id.*

36. *Id.*

vocational, vocational and academic training, and works to link those who have been trained with employers in the city.³⁷

Over time, Argus added day care, family planning, health care and early education, which not only provided parenting assistance for the children of teen mothers in the program but also sought to "teach the young mothers—and fathers—how to be good parents."³⁸ Founders of Argus believed that "angry, alienated teenagers can be pulled in, can be brought to the point where they not only do not steal and assault, but have something to give to the society."³⁹

The nonresidential program, the Learning for Living Center, is mostly for teenagers who are at risk but not yet in serious trouble. It is designed to provide alternative life training to prevent the youth from ending up in the residential program, which is for those somewhat older with more serious problems—today, especially drugs.⁴⁰ So a full range of intervention has evolved, from early prevention to treatment.⁴¹

Some clients are referred to Argus from throughout New York City, but most come from the neighborhood. Argus youth are at higher risk than the clients of most other community-based youth agencies in New York City.⁴² Despite this extremely troubled clientele, the program has had encouraging successes.⁴³

The Eisenhower Foundation evaluated a cycle of the Argus day time, nonresidential Learning for Living Center. Youth were assessed over twenty weeks of training and then over a follow-up period. Measures were taken before and after, nine months apart, with one-hundred high-risk Argus youth and one-hundred comparable youth who did not receive training. Argus youth had higher salaries, and received more job benefits than the comparison youth.⁴⁴ To complement these findings, federal studies show that sixty-seven percent of the Argus Community's enrollees attained non-subsidized job placement in nineteen eighty.⁴⁵ This is a much higher job-placement rate than for similar high-risk youth who are not involved in the program.⁴⁶ These studies also demonstrated lower crime recidivism rates for Argus graduates than for graduates from almost any other program in New York City that works with such high-risk youth.⁴⁷

An evaluation was conducted of Argus' Job Training Partnership Act (JTPA)⁴⁸ program for high-risk inner-city youths by Professor LaRue Jones under the auspices of the Milton S. Eisenhower Foundation in

37. *Id.*

38. *Id.* at 16.

39. *Id.*

40. *Id.*

41. *Id.*

42. *Id.*

43. *Id.*

44. *Id.*

45. *Id.*

46. *Id.*

47. *Id.*

48. Job Training Partnership Act, 29 U.S.C.A. §§ 1501-1791 (1985 & Supp. 1992).

1987.⁴⁹ The study concluded that Argus enrollees (1) showed increased scores on conduct and morality, (2) received higher salaries, (3) paid more taxes and (4) received more job benefits than a comparable group of trainees who did not receive the support services offered by the Argus Community.⁵⁰

Centro Sister Isolina Ferre: Centro Sister Isolina Ferre, in the La Playa neighborhood of Ponce, Puerto Rico, was started in 1968 by a Catholic nun, Sister Isolina Ferre, who had spent the past several years working on New York City's toughest streets.⁵¹ Playa de Ponce was a community "where 16,000 people lived neglected by government and private agencies" with delinquency rates more than twice that of the rest of the city of Ponce, high unemployment, poor health conditions, no basic health care services, and "few, if any, resources."⁵² Centro began on the premise, "If family and community could be strengthened, and meaningful employment made available," it might be possible to "make substantial progress in the struggle against neighborhood crime and violence."⁵³

With this vision, Sister Isolina, began to put into place several programs designed to develop the competence of community youth.⁵⁴ One example stands out especially: the system of youth advocates or "intercessors." These were young, streetwise community people who became all-around advocates and mentors for young people brought before the juvenile court.⁵⁵ The advocates would "get to know the youth and his or her peers and family, and would look into the schoolwork, family situation, and day-to-day behavior of the youth."⁵⁶ They would involve the youth in a range of developmental programs Centro created, including job training, recreation and tutoring.⁵⁷ Their role went well beyond simple individual counseling; the advocate was to "become familiar with the whole living experience of the youth," to work with "the family, the peers, the school, the staff, the police and the court." In short, "to help the community become aware of the resources it had that should help the youth develop into a healthy adult."⁵⁸ After some initial mistrust, the police began to work closely with the intercessors, often calling them first before taking a youth to court.⁵⁹

Centro also developed innovative educational alternatives for youth at risk of dropping out of school, and a program of family supports through "advocate families" who took the lead in helping their neigh-

49. Larue Jones, *Minority Inner-City Youth Employment Crime Reduction Evaluation*, final report grad # 0091403 (Milton S. Eisenhower Foundation ed., 1987).

50. *Id.*

51. YOUTH INVESTMENT, *supra* note 11, at 13.

52. *Id.*

53. *Id.*

54. *Id.*

55. *Id.*

56. *Id.*

57. *Id.*

58. *Id.* at 13-14.

59. *Id.* at 14.

bors with family problems.⁶⁰ They created an extensive job-training program, on the premise that "building a community without jobs for youth is like trying to build a brick wall without cement."⁶¹

Charles Silberman called Centro "the best example of youth and community regeneration I found anywhere in the United States."⁶² La Playa is considered the toughest neighborhood in Ponce. Yet over the period of initial operations of Centro, from 1970 to 1977, the rate of reported juvenile offenses was fairly constant in Ponce, while it showed a decline of eighty-five percent in La Playa.⁶³

Centro and the Eisenhower Foundation now replicate and evaluate the program in San Juan. The replication embraces all the original education, mediation and employment initiatives begun in Ponce, but adds community-based policing. A police mini-station was built at the entrance to the "campus" where the other initiatives are located. A police officer lives with his wife and three children above the mini-station. For the most part, the officer does not make arrests. He works on prevention, accompanied by other officers not in residence. Preliminary assessments show the number of crimes reported decreased in the Centro precinct as compared to other San Juan precincts.⁶⁴

D. *Multiple Solutions to Multiple Problems*

Such programs for children and youth of middle ages seem to have some common underlying principles. There is always some kind of sanctuary—a place to go off the streets. The sanctuary provides an extended-family-like setting where both social support and discipline exist. Adult role models and mentors act as big brothers and big sisters. This extended family environment encourages young people to stay in school or begin innovative community-based remedial education, sometimes using novel computer-based software.⁶⁵ In the successful programs, remedial education is linked to specific job training or to college education.⁶⁶ In turn, job training is linked to job placement.⁶⁷ This is important, because the JTPA, which is the failed American federal youth job training program, unlike the excellent German system,⁶⁸ does not link training to placement.⁶⁹

60. *Id.*

61. *Id.*

62. CHARLES SILBERMAN, CRIMINAL VIOLENCE, CRIMINAL JUSTICE 434-35 (1978).

63. *Id.*

64. See THE MILTON S. EISENHOWER FOUNDATION, JUNTA DE COLABORACION POLICIA Y COMUNIDAD (unpublished evaluation reports, on file with The Milton S. Eisenhower Foundation).

65. These are computer-assisted learning programs that allow youth to progress at their own speed unhindered by the stigma or embarrassment of being "behind" other students in the classroom situation. An example of such a program is a program developed by USA Basics. See generally TAGGART, *supra* note 30.

66. YOUTH INVESTMENT, *supra* note 11, at 55.

67. *Id.*

68. Marc Fisher, *German Job Training: A Model for America? U.S. Experts Examining Government-Industry Apprenticeship Program*, WASH. POST, Oct. 18, 1992, at A1.

69. Rich, *supra* note 18, at A11.

In spite of the inadequacies of the JTPA, some local community organizations supplement it with better training placement operations.⁷⁰ Job placements can economically develop the neighborhood. One example is in the rehabilitation of housing.⁷¹ In some of these successfully evaluated programs, community-based and problem-oriented policing assists the economic development process, as is the case with the Centro San Juan mini-station.⁷² Such community policing does not usually reduce crime in inner city neighborhoods, based on careful evaluations, but it can reduce fear in urban middle class neighborhoods.⁷³ The fear reduction can help encourage businesses and the public sector to build in the inner city. If this economic development is planned correctly, it provides jobs for high-risk youth. The youth qualify for the jobs by possessing adequate job training and then completing high school, which is made possible by the mentoring, social support and discipline created in extended family sanctuaries.

Accordingly, the most successful programs seem to provide multiple solutions to multiple problems in the American inner city. The implication is that we do not necessarily need more experiments or more demonstrations. We need to replicate to scale what already works—for preschoolers, for middle school children and for youth who require job training and placement. This means (1) Head Start for three years for all poor children; (2) a new job training and placement system with a more Job Corps-type investment for all who qualify; and (3) a National Corporation for Youth Investment in the private, non-profit sector that replicates the principles underlying successful inner city community based initiatives, like Argus and Centro. In the words of David Hamburg, President of the Carnegie Corporation in New York, “*We know enough to act, and we can’t afford not to act.*”⁷⁴

II. COMMUNITY RECONSTRUCTION

Part One described the child and youth investment side of a pragmatic new policy, but what about the community reconstruction side? Again, there already exist several models of success. Over more than a decade, the Local Initiatives Support Corporation⁷⁵ and the Enterprise Foundation, have financed and built over 35,000 units of low-income housing for the poor and millions of square feet of commercial space

70. YOUTH INVESTMENT, *supra* note 11, at 71.

71. *Id.* at 74.

72. The Centro San Juan mini-station is a nonresidential program that prepares high-risk teenagers and young adults from the neighborhood for grammar school and high school equivalency examinations. In addition to the focus on education, the program attempts to develop supportive social skills and values that will mitigate against delinquency, drug abuse and unemployment. *Id.* at 57.

73. *Id.* at 42.

74. David A. Hamburg, *Fundamental Building Blocks of Early Life*, in THE CARNEGIE CORPORATION OF NEW YORK, ANNUAL REPORT (1987).

75. The Local Initiatives Support Corporation is a private-sector corporation created in the early 1970's by the Ford Foundation. Its purpose is to generate neighborhood-based economic development in the private sector—operating through nonprofit community development organizations. YOUTH INVESTMENT, *supra* note 11, at 67.

through community development corporations ("CDC"s). The CDCs are now the biggest developers of low-income housing in the United States, larger than the American federal government.⁷⁶ These organizations make loans and grants directly to local community-based, inner-city non-profit organizations.⁷⁷

The number of such local non-profit organizations, which can provide "bubble up" economic development, rather than trickle down development that has failed, needs to be greatly expanded in the United States. To better facilitate this development, the federal government needs to capitalize inner-city, minority-owned banks, like the model South Shore Bank in Chicago, which made investments in its neighborhood to revive economically depressed black neighborhoods and reverse the process of urban decay.⁷⁸ Beyond housing rehabilitation, inner-city non-profit development corporations need to lead the way in the repair of the urban infrastructure, including new roads, highways and rapid rail systems. The generated employment needs to be for high-risk youth, as well as for lower, working and middle class Americans—as part of an urban reinvestment agenda that moves the country from recession.

III. ANALYSIS

A. *Doing What Works*

This policy of child investment, youth investment and community reconstruction is simply common sense. It takes those programs already working in the public sector and combines them with those programs that have already worked in the private sector. It builds on the experience that private sector human and economic development, is, for the most part, better led by *non-profits* than by for-profits in the inner city because non-profits are better able to bubble up ideas from indigenous leaders in inner-city communities. The idea, based on careful evaluations, is to replicate to scale those public and private non-profit programs that already have succeeded, based on careful evaluations.

Such a policy needs to be funded for a minimum period of ten years, at a level of ten billion dollars per year in new spending on child and youth investment and twenty billion dollars per year in new budget authority on community reconstruction.⁷⁹ The cost of the community reconstruction would simply bring some federal housing and urban de-

76. *Private Cures for Public Ills*, N.Y. TIMES, Feb. 28, 1991, at A24.

77. *Id.*

78. Michael Quint, *This Bank Can Turn a Profit And Follow a Social Agenda*, N.Y. TIMES, May 24, 1992, at A1.

79. THE MILTON S. EISENHOWER FOUNDATION, INVESTING IN CHILDREN AND YOUTH, RECONSTRUCTING OUR CITIES: DOING WHAT WORKS TO REVERSE THE BETRAYAL OF AMERICAN DEMOCRACY (forthcoming 1993) (document published in commemoration of the twenty-fifth anniversary of the National Advisory Commission on Civil Disorders (The Kerner Riot Commission) of which the Eisenhower Foundation is the continuation thereof) (on file with the Milton S. Eisenhower Foundation) [hereinafter INVESTING IN CHILDREN].

velopment budget authority up to where it was before 1980.⁸⁰

B. *Beware of Fool's Gold*

It is equally important to advocate *against* what *does not* work, based on scientific evaluations and years of experience. A recent theater in London revived the play, "The Alchemist,"⁸¹ about people duped by the promise of fool's gold. Over the last ten years, the American federal government tried to sell a lot of fool's gold to the American public, including the false promises of enterprise zones, volunteerism, self-sufficiency, partnerships and employment.

1. Enterprise Zones

Enterprise zones, currently the most fashionable false promise among many Republicans and Democrats,⁸² represent still more failed trickle-down economics. The basic notion is that, through tax incentives to entrepreneurs, we can create new businesses in the inner city. Over the last decade enterprise zones have been tried in nearly forty states. Yet, evaluations have not found significant employment or economic development benefits.⁸³ For example, in Louisville, Kentucky, there was little evidence that tax breaks induced anyone to invest in an enterprise zone who would not otherwise have done so.⁸⁴ Only fourteen percent of the jobs created in the zone went to persons unemployed or on welfare who lived in the zone.⁸⁵ And the United States General Accounting Office's evaluation concluded that the Maryland enterprise zone program "did not stimulate economic growth as measured by employment or strongly influence most employers' decisions about business location."⁸⁶

Enterprise zone-like tax breaks and related benefits have also led to scandals in the inner-city, such as the money misspent by the Wedtech Corporation in the Bronx.⁸⁷ As recent studies in the United States and in Great Britain show, the hidden costs of enterprise zone strategies in lost tax revenues actually render them prohibitively expensive, in terms of costs per job created.⁸⁸ The conservative economist concluded that enterprise zones are often wasteful and tend to displace rather than cre-

80. *Id.*

81. Ben Jonson, *The Alchemist*, in *PLAYS AND POEMS* 9 (London, George Routledge and Son, 2d ed. 1886).

82. *Not so EZ*, *ECONOMIST*, Jan. 28, 1989, at 16.

83. *Enterprise Zones: Hearings on J.R. 11 & 23 Before the Subcomm. on Select Revenue Measures of the House Comm. on Ways and Means*, 102d Cong., 1st Sess., 247 (1991) (Statement of William J. Cunningham, Legislative Representative, American Federation of Labor and Congress of Industrial Organizations) [hereinafter *Enterprise Zones*: statement of Cunningham]. See also *Enterprise Zones*: statement of Curtis, *supra* note 2, at 261-62.

84. *Enterprise Zones*: statement of Curtis, *supra* note 2, at 262.

85. *Id.*

86. *Enterprise Zones*: statement of Cunningham, *supra* note 83, at 247.

87. *Enterprise Zones*: statement of Curtis, *supra* note 2, at 262.

88. *Not so EZ*, *supra* note 82, at 16. A recent study in Great Britain found that the one-time cost for each extra job created was approximately fifty thousand dollars. *Id.*

ate business activity.⁸⁹

Regardless of what enterprise zone experiment one chooses from among the many proposed, it is hard to find any plan that recognizes that the formula for success is multiple solutions to multiple problems, and that social development must be integrated with economic development in a very comprehensive way.⁹⁰ For example, if entrepreneurs were given trickle-down benefits in the inner-city, what provision is there for them to hire high-risk youths and ex-offenders given that their business already is, by definition, risky? What provision is there for remedial education, linked to Jobs Corps-type training and continued counselling via mentors during job placement by the ex-offenders in the businesses created by the entrepreneurs?⁹¹ Few schemes show clearly how there will be sufficient educational and employment investments in high-risk youth over a sustained period of time with sufficient mentoring.⁹² Nor, typically, in enterprise zone experiments are indigenous community leaders given true leadership roles.⁹³ For example, corporate and business leaders are given a stake in running Private Industry Councils as part of the present ineffective job training program for high-risk youth.⁹⁴

What we need instead is bubble-up social and economic development that creates real infrastructure in devastated communities. For-profits can help in the development of that infrastructure, as long as the process is led by non-profits.⁹⁵ Once the infrastructure is in place, more for-profit institutions will find it more attractive to invest in these communities. It is at this stage of development of the inner-city, and not before, that we should return to the potential role of for-profit enterprise zones.

2. Volunteerism

We have been told that vast sums are needed for paid professionals in the military,⁹⁶ but that volunteerism is one of the answers to inner-city dilemmas. However, neighborhood block watches, composed of volunteers, do not work to reduce crime in the inner-city.⁹⁷ Mentoring as a form of volunteerism has even more potential. But, based on available evaluations, even mentoring fails unless the volunteers possess the right motivation, have appropriate experience and sufficient re-

89. *Enterprise Zones*: statement of Curtis, *supra* note 2, at 262; see also *Not so EZ*, *supra* note 82, at 16.

90. *Enterprise Zones*: statement of Curtis, *supra* note 2, at 262.

91. *Id.*

92. *Id.*

93. *Id.*

94. Rich, *supra* note 18, at A11.

95. YOUTH INVESTMENT, *supra* note 11, at 36 & 75.

96. Patrick E. Tyler, *Halving Defense Budget in Decade Suggested*, WASH. POST, Nov. 21, 1989, at A1; *Where To Find It: \$ 150 Billion a Year*, N.Y. TIMES, Mar. 8, 1990, at A24.

97. YOUTH INVESTMENT, *supra* note 11 at 44-50.

sources.⁹⁸ So let us be a bit cautious about those thousand points of light.

3. Self-Sufficiency

Grantees often are told by funders that, after a two- or three-year federal government grant, an inner-city program should become self-sufficient.⁹⁹ In some instances we *are* able to create for-profit businesses that allow federal programs to continue.¹⁰⁰ But, when it comes to utterly devastated communities like south central Los Angeles, the south side of Chicago, the south Bronx or southeast Washington, D.C., where there is little infrastructure in place,¹⁰¹ it is naive to assume that programs will become self-sufficient.¹⁰² We need long-term commitments with comprehensive solutions.

4. Partnerships

The federal government sometimes uses the word partnership as fool's gold as well, encouraging coalitions of programs and organizations, with the promise that there is strength in numbers.¹⁰³ But if, for example, one coordinates an unsuccessful inner-city program like block watches with an unsuccessful inner-city program like enterprise zones, the result will be a coordinated but still unsuccessful partnership. We must be sure, then, that individual interventions are partnered with other programs that actually work.

5. Empowerment

Finally, beware of the word empowerment, often used in the context of public housing in the United States.¹⁰⁴ Public housing tenants are encouraged to empower themselves by managing their own estates. But this is done in only a very few places, where, of course, visiting dignitaries are taken.¹⁰⁵ These are nonetheless, the exception. Most housing projects in the United States are not managed by residents, and the federal government has neglected to provide funding to train residents or for physical maintenance of their buildings.¹⁰⁶ Similarly, there is rhetoric about home ownership for the poor, but little follow through on the promises.¹⁰⁷ There is not much talk about empowerment through education and employment, which are the real answers. As a result, American psychologists invented a new term "post-empower-

98. See generally MARC FREEDMAN, *THE KINDNESS OF STRANGERS: REFLECTIONS ON THE MENTORING MOVEMENT* (1992).

99. See YOUTH INVESTMENT, *supra* note 11, at 38-39.

100. *Id.* at 75.

101. INVESTING IN CHILDREN, *supra* note 79.

102. *Id.*

103. *Id.*

104. YOUTH INVESTMENT, *supra* note 11, at 77.

105. Even the Queen of England was taken to one such housing estate when visiting Washington, D.C.

106. YOUTH INVESTMENT, *supra* note 11, at 77.

107. *Id.*

ment syndrome."¹⁰⁸ This refers to programs for the poor, that are funded for a few years, then encouraged to become self-sufficient. When the program fails, participants realize they are not empowered, the poor become even more frustrated and angry.¹⁰⁹

6. Resources

Enterprise zones, volunteerism, self-sufficiency, partnerships and empowerment. Fool's gold has been for sale because the federal government has been unable and unwilling to invest the substantial resources needed to replicate enough programs sufficient to make a national impact. Europe and Japan have been more responsible, morally and economically, than the United States over the last decade in investing in children, youth and urban infrastructure. Only the federal government has enough resources to generate change that will have a significant national impact to leverage the additional private and local public funds needed.

Long-term comprehensive policy should be financed through a number of well discussed, bi-partisan plans—like breaking down the budgetary "Berlin Wall" that now proscribes reallocating defense and foreign aid funds into domestic investment, increasing taxes on the richest one percent (who had their taxes reduced and incomes increased by 120 percent over the 1960's)¹¹⁰ and redirecting some pension fund investments in ways that benefit our children, youth and cities. America found the money to fight the Persian Gulf War and it found the hundreds of billions of dollars needed to bail out the failed, deregulated savings and loan industry. The United States *can* find the money for a true strategy of child and youth investment and community reconstruction. All we need is the leadership at the very top. We now have that leadership.

IV. CONCLUSION

If we are to reverse the betrayal of the American democracy, wise national leaders also need to embrace wise citizens. In the words of William Greider, "Rehabilitating democracy will require citizens to devote themselves first to challenging the status quo, disrupting the existing contours of power and opening the way to renewal."¹¹¹ Common people must engage their surrounding reality and "question the conflict between what they are told and what they see and experience."¹¹² In the United States, this means old fashion grassroots political lobbying to gain full funding for preschools modeled after the French experience and job training modeled after the German experience. It means mas-

108. INVESTING IN CHILDREN, *supra* note 79.

109. *Id.*

110. *See supra* note 2 and accompanying text.

111. WILLIAM GREIDER, WHO WILL TELL THE PEOPLE: THE BETRAYAL OF AMERICAN DEMOCRACY 410 (1992).

112. *Id.*

sive voter registration of the poor. It means tight controls on special interest group lobbyists in Washington, D.C., the people who walk down K Street in thousand dollar suits and alligator shoes. It means public financing of elections, elimination of contribution loopholes and far shorter campaigns that limit both the use of money and the use of television, as is the case in the United Kingdom.

We need not continue pushing the rock up-hill. There is hope. We know what works. We no longer need to defer the American dream for substantial portions of the American population.

“What happens to a dream deferred,” asked the honored African-American poet, Langston Hughes:

Does it dry up
like a raisin in the sun?
Or fester like sore—
And then run?
Does it stink like rotten meat?
Or crust and sugar over—
like a syrupy sweet?
Maybe it just sags
like a heavy load.
*Or does it explode?*¹¹³

113. LANGSTON HUGHES, *Lennox Avenue Mural: Harlem*, in *MONTAGE OF A DREAM DEFERRED* 71, 71 (1951).

