

# The Importance of Urban Policy to Minority Business Development

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I am happy to be here for a number of reasons. I'm not going to compete with the illustrious and incomparable Dr. Brimmer at all, but rather try to give another perspective to what black business enterprise or minority business development might be in terms of an urban policy, particularly for our urban centers in the Northeast and the Midwest. The National Center for Urban Ethnic Affairs (NCUEA) has done a study for the U.S. Department of Commerce of 18 cities and 87 neighborhoods entitled "Who's Left in the Neighborhood?" We are also concerned with trying to develop neighborhood economic revitalization corporations for local business development companies (LBDCs) in 11 cities. We have 50 LBDCs being developed now in all these cities. Over a six-year period, I've been trying to promote these community development corporations in northern urban cities. But I'm not here to talk about NCUEA.

I am here to raise some important questions about the destiny of American cities, and the climate for creating a national urban policy conducive to the development of minority business enterprise. We have studied 75 cities from Baltimore to Boston and from St. Paul to St. Louis. In these cities, if you look at the increasing black and brown, or black and Hispanic, population, then you ask yourself "Who are the whites left in the city? Who are the whites who live next to blacks and growing Hispanic communities in our northern urban cities?" Ken Gibson says if you want to see where cities are going, come to Newark. Newark is increasingly becoming black and brown. Will Newark also become black, brown, and broke? That appears to be the prospect for many of our northern urban cities in terms of the lack of a national urban policy over the last eight or ten years.

If our cities continue to decline, then our cities might become black, brown, and broke. And they might develop a new kind of American apartheid, surrounded by increasingly hostile suburbs. As noted, we've not had a national urban policy. In 1972, I brought together 74 or 76 different neighborhood groups: black, white, Hispanic, in Chicago. We looked at the lending practices of two or three banks in Chicago. By analyzing the loans made in one zip code area, we found that banks had taken \$36 million out of that neighborhood, and had only put back about \$90,000 to \$100,000. We traced that money all over the country, to Miami Beach con-

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dominiums and a lot of other places. We saw that that neighborhood, that changing neighborhood, black, Hispanic and white, was being disinvested. And then when the people wanted to borrow their own money, they were being red-lined. It took three years from that Chicago meeting to pass the Federal Home Loan Mortgage Disclosure Act. That first red-lining bill in the Congress was passed by one vote in the House, and one vote in the Senate on New Year's Eve, 1975, and it was signed late New Year's Eve by President Ford. That piece of urban legislation came not from academics, not from the Congress, not from the financial industry, but from neighborhood groups. There's another key bill in terms of urban policy, a National Neighborhood Policy Bill, that has also come from neighborhood groups who are concerned that our cities are going to be black, brown, and broke unless we somehow have new kinds of urban development and neighborhood revitalization.

That's what we're concerned about, but first I think we ought to take a look at American society. One of my problems was being a coal miner's son; my father spent 47 years in the mines getting black lung and singing his favorite song, "Sixteen tons and what do you get, another day older and deeper in debt." You know, sell your soul at the company store. I came out of the coal mines and by accident ended up in the inner city. Then, also somewhat by accident, I became a fellow at Harvard studying pluralism, neighborhoods, and politics, and by accident tried to respond to Mayor Gibson or Mayor Hatcher, who said come and help us deal with whoever those white folks are who are left in Newark and Gary — the people who are going to shape and share the burden of social change in American life. As Dr. Brimmer said, the people who are going to share our northern urban industrial cities will be increasingly large numbers of blacks and Hispanics, and the remaining whites. Those remaining whites happen to be very heavily first, second, and third generation people, who may be stuck and want to move or who may not want to move. We find, however, that a lot of them don't want to move, even out of a city like Newark that has its share of problems — and tragic ones at that. This is also true in cities like Toledo, Youngstown, and many others.

One of the things that bothers me, and one of the things that I am very interested in, is that despite the great American myth, in terms of race in our cities the fact is that we don't know how to live together. I was taught the myth of the melting pot, I was raised on it, and had come to believe it. But after the deaths of Dr. King and Robert Kennedy, I began to go back to see who lived next to blacks in Baltimore, and in our other cities. The Kerner Commission was right in saying that there was an inevitable group conflict between the rising aspirations of minorities and the white, working middle class who were left in our cities. And so we have an increasing polarization in terms of competition for jobs and for housing. That's one very serious problem. All through the 1960s and 1970s we have had this kind of polarization.

America doesn't have a national sense of identity. Who are we as

Americans? On the one hand you have Indians, Chicanos, and blacks. And then you have a lot of people, particularly the working class, lower and middle class whites, who come from an eastern and southern European background and lived in Gary, Newark, Toledo, and Pittsburgh, in the older neighborhoods of our industrial cities. Those people were from a Democratic left. Remember at the Chicago Democratic Convention, the police were called pigs. Well, we went to study Chicago policemen, and 67 of them were PIIGS, Polish, Irish, Italians, Greeks and Slavs. And I'm one of them. They were not college educated. They were not social workers or Ph.D.s or anthropologists. They were, at best, high school educated.

One of the great tragedies of American society, greater even than the American depression, is the dying of our American cities. Part of it is because we have never understood America's ethnic, racial, and cultural diversity. We all thought that everybody was going to look like Virginia Slim or the Marlboro Man. We all learned more about John D. Rockefeller, Carnegie, and Mellon than about our own family backgrounds. I was taught not to learn Italian but to study hard to be somebody. I was never taught anything about my background or blacks' background or Appalachian background or anybody else's. But we learned there was some kind of mythical melting pot.

What's the result? My nephew is named Rodney Rogerio and lives in Newark five blocks from blacks. He's afraid of them. He lives three blocks from Puerto Ricans, he's afraid of them. He's a working class kid. He's afraid of blacks, of people with a different life-style, of the professors, and of the Puerto Ricans. He doesn't know who he is. And guess what he studies in school — Eskimos. He thinks they're great. One of the great tragedies in terms of creating a new kind of urban environment is that our society has never made it legitimate to be "ethnic" or "racial" or to have a "different" life-style.

Somehow, in some way, there has to be another dimension to our urban policy, that will recognize the fact that people mostly live in neighborhoods. That's where their emotional investment is, and sometimes that's where their economic investment is, especially people who own their houses. People live in neighborhoods that continue to die, and cities die. The central ward in Newark has cancer, which might be so bad that it needs some strong removal. If you look at other wards in Newark, they also have cancer. If a drug store closes up and if a market closes up, then you think "Why should I fix my house, two blocks away?" All these disincentives are going to make our cities black, brown, and broke, unless we take some realistic stands. We must begin to look at our American society in its diversity: ethnically, racially, culturally, regionally. Politicians go around eating blintzes and cornbread and pizza and all that on election day. Then the rest of the time they forget.

There are two kinds of issues. When I was a fellow at Harvard, Boston school integration began. And I said, "Boston, 60 colleges, the home of the abolitionists. It isn't Alabama." But here in Boston, they

didn't know how to integrate their schools. Why? They placed the burden on the least able people. I would put the Ph.D.s on the first bus, and the M.A.s on the second bus, and the other people on the next bus. We have never even begun to understand that there's a class separation. And it's not black and white. There's another separation we don't understand, and that is diversity in American life. For an improved climate for minority business enterprise, or any kind of enterprise, for the survival of our cities, we've got to broaden the constituency that believes in revitalization or urban society.

Now with Federal, state, and local governments becoming stronger and more complicated, and with larger corporations, banks, and industries, you have two big sectors. But I think these two big sectors alone cannot bring about an urban policy that would benefit minority business enterprise or anyone else, in terms of neighborhood vitalization as a critical part of pluralistic urban society. You need all kinds of customers. You've got to compete not only among your own people, but also at large. And you shouldn't be denied access. Right now we've got five people competing for every three jobs. That means extra polarization. Twenty-eight million families are going to be looking for housing and we have a housing supply of only 18 million units. In essence, 28 families are looking at 18 houses. We've got trouble.

I saw all those forces that were stifling the development of human life in our center cities. I also saw the millions of people that live in our midst without hope: some because of poverty, some because of race, and some because of both. I also saw Americans move away from cities and the urban crisis. I also saw and still see that we don't understand the diversity of American life. To create an urban policy that might lead to a new climate for business development, minority business development, black business development, in terms of revitalizing American cities, we must put together not only the public sectors and private industry, but the community, the neighborhood. If that neighborhood piece does not become a partner with the public and private sectors, then the neighborhoods will continue to die. Because if my neighbor moves, I might move. It's the same with business, it's the same with houses, and it's the same with all those disinvestments which bring death to our neighborhoods. And as those neighborhoods die, then our cities continue to die. That's the kind of climate we're in.

I think that we have to find out how to help people to understand diversity. Alex Haley is right in terms of his book *Roots*: people without roots can't fly. You've got to know who you are. Indians have talked about cultural genocide and the lack of a cultural democracy and cultural justice. Chicanos, Hispanics, and other groups have talked about identity and diversity in terms of culture. Blacks have raised that question in terms of identity being the vital factor in revitalization of their own culture and their own life. And then you have this white middle class group that's not sure, that doesn't understand what's going on. It doesn't understand what happened in terms of the counter-culture students and what happened with

blacks. The whites get caught in the middle. They don't understand that the melting pot really is a myth.

I'm afraid that as whites continue to flee to the suburbs they'll become anti-urban, which will lead to a further polarization and a continued development of an economic apartheid, as Dr. Brimmer indicates. Also, there might develop a new kind of American apartheid between the abandoned cities and hostile suburbs. I think that the way we look at ourselves as a people, as a Nation, is the number one item on the agenda to be dealt with. That's the first thing.

And the second thing we must do is to listen to what people are saying about urban policy. Paul Porter talks about the recovery of American cities. But he wants to move the poor people out, and that probably means mostly black people. I'm leery of that kind of solution because we've tried that with urban renewal, then with freeways. I never saw a freeway go through a golf course; I saw it go through older neighborhoods. But how about urban policy? Is Roger Starr right when he writes in the New York Times that some neighborhoods just should be written off? Is Anthony Downs right when he says there is a triage? Just let the neighborhoods die. If we have no governance in South Bronx, or in Longdale or in Chicago, that's going to affect the body politic, because we're all interconnected, we're all interrelated. I don't think you can write cities off. In *The Public Interest* recently, William Baer said certain neighborhoods ought to be allowed to die so that others may live. That's a real triage theory. And then Richard Nathan talks about a Marshall Plan for the cities, and he's a very bright economist in Washington, but you know he never mentions race. We've never learned how to deal with that; and we have to deal with it.

A number of things must happen in American society. We must discover who we are as Americans. Let's throw out the melting pot idea, that everybody's going to be the same. Not only is there the danger of the death of our urban communities, in the sense of an urban pluralistic society which would be conducive to black development and minority business development, but there is the danger of our becoming culturally bankrupt. People have to know who they are. If people don't know who they are, they're going to be afraid of others: that black businessman, that Puerto Rican or Spanish person, and that person with a different life-style. I'm talking now about whites. We are afraid of each other, and our increased polarization comes from not being able to understand the intercultural imperative of American life, that the whole thing is a multi-cultural village and we've got to be sensitive to the diversities.

Who shapes and who shares the burdens of social change in our urban society? It must be a pluralistic venture. So we need to revitalize; the mayors need money to pay for the necessary services. Who's going to develop the new services at the neighborhood level: health services, services for the elderly, and so on? Who's going to develop the businesses that will provide new kinds of services at a community level? Who's going to

develop the business climate in terms of customers? Mayor can't do it all; business can't do it all; we need to develop incentives and strategies for neighborhood reinvestment by small and large businesses for economic revitalization. And we need to sell the idea of a pluralistic urban society. I think that's essential if we're going to create a new kind of urban policy.

How are we ever going to learn to live together if we don't understand that diversity? Now I have to know who I am, I have to know what my story is; I have to be together, as the kid says in the street. I have to be together if I'm not going to be afraid of somebody else that looks different. Our society failed, our school systems failed, they all failed when they tried to level out everybody, and the race thing wouldn't go away. The Indian thing never went away. The Chicano thing, the Spanish thing never went away, and there's an ethnic factor that really won't go away. So how do you legitimize that racial, ethnic, cultural diversity that is the heart and soul of American cities? That's the kind of challenge I think we face. What then are the new reinvestment strategies and how are we going to create the kind of legislation and policy that establish the neighborhood as a vital factor in the revitalization of the city? Of course the mayors need new bonding power. Of course we need to revise the tax structure. But people live in neighborhoods and if those neighborhoods aren't revitalized, then we're in trouble.

We must recognize that what is broadly referred to as the "urban crisis" can be seen in microcosm as a series of struggles by urban neighborhoods to maintain or secure the amenities of life for their residents. We must explore ways to stabilize and revitalize our neighborhoods. We need to restructure financial institutions, reorient government programs, and develop strategies and programs for a neighborhood urban policy. We need to restructure the procedures of government through a mixture of centralization and decentralization of services. We need to restructure some of our financial institutions and systems with emphasis on subsidy and new kinds of incentive programs. We need the provision of oversight over the relevant regulatory bodies in the context of neighborhood problems.

I want to be able to talk about a third century that believes in cultural justice and cultural democracy, as well as economic liberty and justice for all. And if we don't have a healthy sense of America's diversity, then there'll be no climate for anybody's business in terms of our urban society: I think that's the challenge we face. I'm for a pluralistic American society that can create an urban policy that will increase the opportunities for black minority businessmen and for people to work together to revitalize and rebuild our cities. I hope that we'll have lots of support from the National Urban Coalition and other groups in terms of neighborhood revitalization and neighborhood reinvestment strategies at the community level, the public level, and the private industry level. Perhaps then we can create a new kind of American city with a new kind of climate and a new kind of urban policy, and that would be a great blessing.