

## GHETTO DEVELOPMENT, COMMUNITY CORPORATIONS, AND PUBLIC POLICY

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### I. Introduction

In the last several years, the twin concepts of political self-determination and economic development have caught the imagination of young blacks (and other minorities) in the urban ghetto. Community self-determination is the political program most often associated with the new spirit of racial identification—“black pride”—in America.<sup>1</sup> The acquisition of economic power is perhaps the only—at any rate, surely the most effective—way for the black community to acquire political influence commensurate with its numerical proportion in the population. And much socio-psychological theory (e.g., the work of Allport and Pettigrew) argues that genuine integration can only take place between groups who are cooperatively dependent on one another, such as groups of equal political status.<sup>2</sup>

From the spring of 1967 to the summer of 1968, the authors were associated with one of the earlier experiments in planned

urban community economic development. Under a grant from the United States Office of Economic Opportunity (OEO), a group of economists who had previously worked in and studied the problems of underdeveloped countries were engaged as consultants to a new development corporation in New York: the Harlem Commonwealth Council (HCC).<sup>3</sup> Since 1968, the authors have published a monograph<sup>4</sup> and have begun to investigate the linkages between the urban ghetto and the larger, national economy, as well as the connections between urban poverty and the ways in which urban markets work—or do not work.<sup>5</sup>

The continuation of federal support to the nascent Community Development Corporation (CDC) is vital. While the Special Impact Program contained in Title I-D of the Economic Opportunity Act of 1964, as amended, is not necessarily the only or even the best way to keep these vital new institutions alive, it is at least a mechanism which has shown itself to be viable through a fairly long and rocky experimental period. Until such time as a national commitment to urban development in general and ghetto development in particular can become a reality, the Special Impact Program represents perhaps the government's only meaningful response to the growing demand for community development in the United States.

## II. Private Profit and Social Worth

To show why CDCs are—at least in our view—a necessary component of any development strategy, and why we have implicitly discounted the social value of the so-called “black capitalism” programs of this and the preceding Administrations, we must first give *our* working definition of the subject. “Ghetto development” means very different things to different people, so that any particular definition is important. For us, “ghetto development” refers to an over-all social and economic transformation, with a large increase in the diversity of higher economic and institutional functions which ghetto residents are capable of sustaining, matched by a decisive improvement in the cohesion of the ghetto community (in other words, we are talking about institution-binding, and not merely increasing per capita income). Specifically, we envisage the creation of a number of “inside jobs,” acquisition by the community of assets both inside and outside the ghetto, a substantial

expansion of existing black businesses (particularly through cooperative forms of ownership), the large-scale transfer of ghetto property to ghetto residents and/or the community *qua* community, emphasis on the provision of pre-vocational and skill training within these ghetto enterprises, and local control community political institutions such as schools, police, health facilities. This kind of "local control" is, of course, already enjoyed by most suburban communities whose populations are not nearly so large as those of Harlem, Roxbury, or Watts.

Many economists and political scientists oppose investment in ghetto economic development because of its relative inefficiency in terms of the narrow criterion of jobs "created" per dollar of investment, and its alleged inconsistency with the ideological goal of racial integration. Instead, these analysts propose policies designed to "disperse" the ghetto by relocating its residents to the suburbs.<sup>6</sup> It is not our intention to discuss this issue here; that has already been accomplished elsewhere.<sup>7</sup> Assuming that a development strategy *is* of interest, we shall instead examine the reasons why community corporations—and the provision of federal funds for these unique institutions—are so important.

To any person seriously concerned with urban decay, enterprises that help in developing the ghetto ought to be enormously attractive given the intolerably high monetary and social costs of ghetto poverty. These islands of underdevelopment in the world's richest country lead to an appalling waste in the form of foregone productivity, quite apart from the cost of human suffering. For Harlem alone, lost production can be roughly estimated from the local per capita income of about \$1,000 (as compared with the United States average of over \$4,000) as \$1.25 billion annually. Over and above this short-fall, there are vast cash expenditures involved in running the police stations, courts, prisons, hospitals, mental asylums, rehabilitation centers, welfare departments, and other social institutions required for keeping the lid on the ghetto.

Yet in an economy organized largely by commercial motivations, it is not the over-all economic benefit that decides if an activity will be undertaken, but its commercial profitability. In the ghetto, these qualities are very nearly mutually exclusive.

Money-making ventures in the ghetto are invariably exploitative: slum-lordism, numbers, vice, drugs, and consumer credit frauds. Few and far between are the socially constructive activities that generate large enough profits—10 to 15 percent

after taxes—to attract sufficient investment by the core institution of the American economy: the large private corporation. Situations being as they are, the ghetto is the last place to establish a privately owned and operated business having the option of alternative locations.<sup>8</sup> Rents are high; labor skills, morale, turnover, and absenteeism unfavorable; crime and casualty losses frightening; insurance prohibitively expensive, if available at all; public services lagging miserably behind those in more prosperous areas. The ideal business for ghetto development—one that is socially constructive and at the same time truly profitable—is rare indeed. The idea of ghetto development based on large numbers of self-contained, profit-making businesses that would generate their own capital for expansion is fantasy.

When we assert that ghetto development is technically and economically feasible, we have no illusions about the commercial prospects of isolated ghetto enterprises. A workable ghetto development strategy must rely on tightly planned coordination and mutual support between individual activities, to bring them up to the level of profitability that assures survival in an economy geared to commercial success. Yet, survival implies no more than the modest bookkeeping profits needed for paying off bank loans. This level of commercial performance by enterprises under the community development umbrella is undoubtedly feasible, but it will not motivate the massive investments needed to develop the ghetto.

Investments for ghetto development must be motivated instead by over-all social worth, not by commercial success; that is to say, in a private enterprise economy, investments must be generated by the political process. If the needed political motivation cannot or will not be provided, ghetto development and the private enterprise economy are incompatible.

We have argued that the cornerstone of a ghetto development strategy should be the creation of a network of CDCs directed entirely by those energetic young activists inside the ghetto who are prepared to challenge existing conditions, and who are responsive to and at the same time molders of the opinions and preferences of the residents of the ghetto. These CDCs, of which a growing number of forerunners already exist, should be invited into the public business of expanding job access for ghetto workers. This could be done, for example, by subcontracting CDCs to perform outreach recruiting and prevocational training for established public and private sector employers.

But more importantly, the CDCs have the capability of establishing what we refer to as "greenhouse industries." In these industries, sympathetic nonwhite foremen can train ghetto workers on the job and in a familiar environment until their attendance level, work performance and preferences warrant "promotion" (which may involve placement into jobs outside of the ghetto altogether).

In appending supporting bundles of consumer-oriented service activities to the core of an industrial project<sup>9</sup>—for example, adding credit unions, "do-it-yourself" repair stalls, and insurance claim service "centers" to a computerized automotive diagnostic center<sup>10</sup>—the CDC will necessarily trade off profits for the sake of community service benefits. It is difficult to imagine how any institution other than the community development corporation would be willing and able to accept the curtailed profits and unorthodox operating procedures necessarily associated with such an experiment.

### III. A Program for Ghetto Development

The ghetto communities, individually and considered as a potential "trading bloc," contain more than enough consumers and purchasing power to make ghetto consumer goods industries viable. In central Harlem alone (in 1966), the 250,000 residents had a combined gross income of over \$200 million. Moreover, the municipal, state and federal governments have offices and public enterprises in every city; these could certainly be made to purchase goods and services from ghetto industries as a matter of public policy, thereby opening up a market for "export" production. Roy Innis estimates that "Harlem schools purchase over \$100,000,000 in goods and services each year."<sup>11</sup> Many of the larger ghettos (e.g., Harlem and the Chicago South Side) already have a relatively broad commercial base upon which to build.

The probability of commercial success will be measurably improved if existing establishments which are now uneconomically small can be organized along cooperative lines. There are precedents for this among white businessmen, not to speak of the eminently successful rural electrification cooperatives made up of small agricultural producers in the heartlands of America. For example, organizations of "affiliated independent" businesses are a form of producers' cooperative built around the function of joint purchasing. In American food retailing, the market share of the affiliated independents rose

from 8 per cent to 55 per cent in the last decade, as new members were signed up. This success seems to be explained by a combination of the economies of large-scale purchasing characteristic of the chain stores with the high motivation and flexible adaptation to local conditions of independent entrepreneurship.

Commercial success can also be increased if the strategy of "backward integration," from control over distribution ("Shelf Space") to control over the production of at least some of the goods to be marketed on those shelves, is deployed imaginatively. One example is the backward integration from a chain of cooperative supermarkets to food packaging and processing plants. Supermarkets are a sensible component of ghetto development programs for two reasons. Many areas have a definite deficiency of food outlets available within walking distance of most residents. Moreover, recent econometric research at Columbia University in New York City suggests that one of the reasons that the "poor pay more" for food is that the ghetto retail food industry is dominated by small ("mom and pop") shops. These stores legitimately must charge higher unit prices for many goods than do supermarkets because of the higher unit costs they must absorb for inventory, insurance, and most other inputs.<sup>12</sup> Finally, another possibility would be the wholesaling of office equipment. This could be carried out with the more than 1,200 institutional consumers in or adjacent to Harlem (churches, schools, government buildings, etc.) and gradually integrating backward into metalworking, such as office furniture production.

Imaginative new engineering-economic studies (particularly the central city new town and industrial park studies financed by the Economic Development Administration and the Department of Housing and Urban Development) have shown that the creative application of new technologies in building construction, industrial processing, and transportation can make central city industrial locations attractive again.<sup>13</sup> Moreover, new "technologies" in and attitudes toward training, to the extent that they integrate pre-vocational and on-the-job training within the context of career ladders and against the background of improved community-oriented public schools, will ensure these ghetto industries an adequate supply of capable local labor.

The limitations of physical space within the ghetto need not bottle up development. Even apart from the construction of "vest-pocket" industrial parks, high-rise industrial buildings, and

pioneering multi-function structures (combining housing, school, commerce, and light industry), as long as the new activities are part of a comprehensive community development plan, their effectiveness need not be undermined by placing them in readily accessible outside locations. Examples from the Harlem development "plan" are the air space over the South Bronx, New York City rail yards, or the recently completed Brooklyn Navy Yard industrial park. Going one step further, the plan may well include a downtown and even a suburban jobs component for ghetto residents, involving coordinated recruitment, prevocational training, placement, and follow-up support. If backed by negotiations of the CDC for block placement of trainees with large corporations and government agencies, together with a restructuring of publicly regulated fares for large-scale reverse commuting (from Harlem to Westchester), such a component within a ghetto development plan may well be the most effective way of securing outside employment for ghetto residents. The example certainly demonstrates the potential complementarity of "inside" and "outside" job development programs.

A social and political program of ghetto development might, apart from the coordinated planning of enterprises, contain some of the following elements:

- (1) Management of local branch stores of national chains by the CDC;
- (2) Public housing, administered and owned by a combination of tenants and community housing groups;
- (3) Election of autonomous local school boards with powers comparable to those of middle-class suburban residential communities;
- (4) Majority representation on the boards of directors of local hospitals and other public health facilities;
- (5) Autonomous local institutions responsible to the community at large for administering manpower training and recruitment services as well as unemployment, welfare, and other transfer operations; and
- (6) Community control of police, elected civilian review boards in each precinct, with powers to investigate,

subpoena, and initiate proceedings for the removal of policemen convicted of brutality against the residents of the community.<sup>14</sup>

Several key questions remain to be explored. Contrary to the position taken by some economists, who see the problem of the ghetto primarily in terms of unemployment, and are thus ready to go along with any job program, no matter how poorly paid. We regard it as fundamental that *jobs paying below subsistence wages--no matter how many--have no place in any anti-poverty program*. The more we encourage the proliferation of such, the more we inescapably add--since common humanity forces us to keep alive the offspring of the holders--to the already crushing welfare burden. The toleration of below-subsistence wages in combination with a family-centered welfare system merely repeats the disastrous experience of the nineteenth-century English poor laws which encouraged textile and other manufacturers to pass on part of their payroll costs to the parishes responsible for the support of the poor. Apart from the patent inequity and social injustice inherent in this system, in the long run it grievously damaged the very industries in England which it subsidized. It robbed them of the chief incentive for the introduction of technical innovations, and thereby progressively destroyed their initially phenomenal international technological lead. If there ever were a primrose path to perdition for a country to take this surely is the one.

Our total rejection of a non-jobs strategy leads us to restrict our planning recommendations to what under the current wage structure are medium-to-high wage industries, paying from \$3.50 upward.<sup>15</sup> Since such industries tend to be highly concentrated, entry by any new organization (let alone a black group) is at best restricted and often prohibitively expensive. Yet, without local ownership, community control of the proceeds is unlikely to materialize. We may also question the availability of a developmental infrastructure in the ghetto: water, electricity, transportation, waste disposal, etc., adequate for the support of modern industries. Since low-wage service and manufacturing facilities require relatively less social overhead capital than do high-wage "leading edge" industries, inadequate ghetto infrastructure may act as an additional obstacle to the kind of economic development we are advocating.

It must be noted, however, that both the current



intrametropolitan maldistribution of social overhead capital and the feasibility of a future redistribution of these capital services are fundamentally political questions. As more and more cities attain black majorities, the economic preconditions for ghetto development will become an increasingly important object of political struggle.

And this is the central point. Ghetto development is fundamentally a *political* process. In a monograph on the economy of Harlem, we try to show that ghetto economic development can be

far more than a mechanism for allocating resources efficiently, organizing production, generating profit streams, or even creating jobs...economic development, wherever it takes place, acts as a catalyst of social and political change. Jobs created inside the ghetto are the instruments as well as the objects of this change, contributing to a reduction in psychological and social pathology, an improvement in the "technology" of community organization, increased skill levels, and the re-enforcement of the community's political base and potential. Conventional economic analysis treats these social effects as external-incidental to, and not very important in light of overall economic activity. We believe, however, that economic development of the ghetto is vital because of the social externalities that mere creation of even a considerable number of otherwise sterile places.<sup>16</sup>

#### IV. Policy Recommendations

The paramount national need is for the Congress to enact new national priorities and policies dealing with urbanization, manpower, subsistence wages, and poverty. We are now recommending the most desperate emergency action until the broader issues can be addressed. We suggest the following three immediate measures.

*First*, the existing CDCs must be kept alive for the duration. To this end, we recommend strengthening Title I-D of the Economic Opportunity Act of 1964, as amended.

*Second*, the mission of the CDC—development, and not simply success of showcase projects—must be safeguarded at all

costs. We shall have gained little if the organizations survive but their mission is sterilized. We therefore recommend that the performance of each CDC be judged, for refunding purposes, under *self-defined success criteria*, not under conventional banking criteria or even under “development” criteria as seen by a paternalistic funding agency. In other words, let a CDC be judged on its own definition, adopted in advance, of what should be regarded as “development” under its own particular circumstances. We recommend a review process by an independent national review board not involved in funding decisions, to judge these self-defined success criteria for reasonableness, and to assist the CDCs in striking a balance between flexible adjustment of the criteria over time and the need for some continuity. We further recommend that these success criteria, once certified, be made binding on Federal funding agencies involved in the support of CDCs. The funding agency would then be required to judge how well a CDC has been doing under the CDC’s own definition—and not under the definition of some inscrutable bureaucratic authority. The suggested measure has the further virtue of stimulating directly community development by precipitating a debate about the very aims of development.<sup>17</sup> While this creates conflicts, it also contributes to public involvement, clarifies issues, and exercises the processes of democratic decision-making. Most important, the measure maintains for the CDCs a lease on life in spirit as well as in fact.

*Third*, we recommend that the March 1971 Current Population Survey; the Labor Department’s Urban Employment Surveys of 1966, 1969, and 1970; the 1966 and 1967 Office of Economic Opportunity Surveys of Economic Opportunity; 1970 Census Employment Survey; and minor related efforts be consolidated into a standard statistical series to be assembled and published bi-annually or even (in less detail) quarterly. The series would focus on the incidence of sub-employment<sup>18</sup> in small areas by family and by type of economic activity. In this recommendation we take our departure from the position of the unsuccessful 1970 Community Development Corporation bill, which contained just such a provision. The sub-employment series would not only increase insight into labor market problems, but would also help to measure the impact of the CDCs on their environment, and especially on the economic and social well-being of their constituents. While there are substantial technical and judgmental problems

involved in the construction of a single composite index of "labor market failure," we have no doubt that the able and dedicated professionals at the Bureau of Labor Statistics could—if adequately funded—produce the requisite indicators.

### V. Conclusion

Taken individually, none of the components of the development strategy we are advocating is either radical or new. Consumers' and producers' cooperatives have been established in white communities for over a hundred years. Many small towns in America have their own nonprofit development corporations which assemble land, organize local entrepreneurs, and at least occasionally give some weight to community preferences when selecting sites for industrial parks. The use of captive shelf space as a lever for backward integration to producing units is a technique prominently employed by the large food chains. The "infant industry" strategy is well known and quite commonly advocated in international economic development, such as by the United States Agency for International Development. Finally, white food merchants with small shops have, as we observed earlier, taken up the affiliated-independents approach to industrial organization to such an extent that their networks have surpassed the market share of the larger chains. We have not made any attempt to disguise or deny the fundamentally eclectic character of the elements of economic development strategy we have proposed.

New in our approach (at least in terms of *domestic* economic policy) is the articulation of these techniques into a system, and the suggestion that blacks might use the mix of techniques to organize their communities. Used in combination—which is all that is meant by a planned, strategic approach—these not unconventional techniques constitute a formidable economic planning instrument.

Within the context of the plan-within, that is, the co-ordinated mix of techniques—ghetto businesses are considerably more than vehicles for generating profits for a black bourgeoisie. In this context, ghetto businesses become development instruments in their own right, devices which the community can manipulate toward many objectives, both economic and political.

The Nixon Administration has, by contrast, chosen to pursue an orthodox, atomistic business development strategy, to

identify and fund essentially isolated and functionally unrelated ghetto enterprises whose only common attribute is the expectation that they will yield profits to independent “black capitalists.” Such a policy will (the Nixon Administration hopes) “cool” the ghetto by sustaining its middle class. In our opinion, this expectation will not and cannot be realized by such a “business as usual” approach as “black capitalism.” It is the *collective* economic and political strength of the community—not the asset portfolios of a small number of its “barons”—which matters in the end.

Probably, the existing ghetto leadership will not turn to a truly planned strategic community development approach of the kind we suggest unless their more traditional approach to economic (“business”) development fails. We believe that it will fail; indeed, that it is already failing. Meanwhile, people within the ghetto are going to bring more and more pressure to bear on their leaders as their perceived situation becomes more intolerable. This is likely to be especially true for the young black men in the ghetto. Pressure for change, as economists and psychologists long ago observed, is a function of the relative and not the absolute position of an individual or group within society, and it feeds upon preceding changes. In these terms, there is every reason to expect an increase of tensions within the ghetto. This projection is supported by the Census Bureau’s recent finding that residential segregation in American cities is actually increasing,<sup>19</sup> and by our own studies which show that, even for full-time employed, married Harlem men, additional education—up to college and possibly beyond—does not translate into perceptibly higher wages.<sup>20</sup>

As such pressures build, those militant ghetto leaders who are not committed to a conventional business approach—or the next generation of leaders following them—may be increasingly willing to experiment with unconventional economic and organizational strategies. We perceive their present reluctance to attempt planned ghetto development as, more than anything, a matter of mores and political style. America has been built by the decentralized efforts of individuals and small groups; there simply is no successful political tradition to draw on for organizing broad, sustained social action that follows a comprehensive economic and political design. In a word, there is no mainstream tradition for planning; on the contrary, every inbred political reflex of the average individual over thirty is “conditioned” to fend off planning, seen as conveying the

threat of social coercion. Given this tradition, no American minority group that views itself as fighting for its freedom will lightly commit itself to planned community development.

Yet concerted group action in the economic and social sphere is becoming more inevitable every day, not only in relation to the problem of the urban ghetto, but also in relation to almost every aspect of modern living. Advancing population densities, the growing sophistication of technology, the rapid deterioration of the environment through all manner of pollution, the shrinkage of the globe through high-speed transport—all of these are carrying us toward a fundamentally changed world.

In this world the entire material basis of meaningful human social existence will depend on highly articulated, carefully designed technical and organizational systems, rather than on the commercially motivated maneuvering of large numbers of small social units, be they enterprises, households, or traditional political pressure groups. Political styles and structures will either ride this advancing tide or be crushed by it. We are advocating planned community development within the ghettos in the conviction that such planning is also urgently needed in regard to practically every aspect of middle-class metropolitan living right now, and will in all certainty become a condition of sheer physical survival within our lifetimes. The only conceivable guarantee of an open society under the material conditions facing us is the organization of the needed planning process by socially meaningful communities of limited size, as in urban neighborhoods, and the broadest possible participation of individuals in all aspects of planning, all the way down to the grassroots level. The approach we recommend is thus designed to become part of the future, not merely to serve as a palliative for the mistakes of the past.

#### FOOTNOTES

1. See Roy Innis, "Separatist Economics: A New Social Contract," in William F. Haddad and G. Douglas Pugh, eds., *Black Economic Development* (Englewood Cliffs, N.J. Spectrum, 1969); Charles Tate, "Brimmer and Black Capitalism." *The Review of Black Political Economy*, (Spring/Summer, 1970).
2. See Dale Hiestand, *Discrimination in Employment: An Appraisal of the Research* (Ann Arbor Institute of Labor and Industrial Relations, University of Michigan - Wayne State University, 1970), pp. 41-42.

- 3 For an early description of the goals and structure of the Harlem Development Project, see Bennett Harrison, "A Pilot Project for the Economic Development Planning of American Urban Slums," *International Development Review*, (March, 1968).
4. Thomas Vietorisz and Bennett Harrison, *The Economic Development of Harlem* (New York, Praeger Publishers, 1970).
5. Thomas Vietorisz and Bennett Harrison, "The Potential of Ghetto Development," *Papers and Proceedings of the 1971 Northeastern Meetings of the Regional Science Association*, Bennett Harrison, *Education, Training, and The Urban Ghetto* (Baltimore, The Johns Hopkins Press, 1972).
- 6 The most widely known arguments for "ghetto dispersal" are those of John F. Kain. See "The Big Cities' Big Problem," *Challenge*, (Sept./Oct., 1966); and John F. Kain and Joseph J. Persky, "Alternatives to the Gilded Ghetto," *The Public Interest*, (Winter, 1969).
- 7 Matthew Edel, "Development or Dispersal—Approaches to Ghetto Poverty," in Jerome Rothenberg and Matthew Edel, *Readings in Urban Economics* (New York, Macmillan, forthcoming); Gerson Green and Geoffrey Faux, "The Social Utility of Black Enterprise," in *Black Economic Development, op. cit.*; Bennett Harrison, *Metropolitan Suburbanization and Minority Economic Opportunity* (Washington, D. C., The Urban Institute, forthcoming); Bennett Harrison, "Suburbanization and Ghetto Dispersal: A Critique of the Conventional Wisdom," in Mavis Mann Reeves and Parris Glendening, eds., *Controversies of State and Local Government* (Boston, Allyn and Bacon, 1971).
8. For an excellent discussion of this issue, see William K. Tabb, *The Political Economy of the Black Ghetto*, (New York, W.W. Norton, 1970), ch. 4, and the references cited therein.
9. For a geometric presentation of a procedure for assembling and scheduling such packages (or "clusters") of projects, see Thomas Vietorisz, "Quantized Preferences and Planning by Priorities," *American Economic Review/Papers and Proceedings*, (May, 1970).
10. Vietorisz and Harrison, *The Economic Development of Harlem, op. cit.*, pp. 128-136.
11. Quoted in Tate, *op. cit.*, p. 89.
12. Roger Alcaly, "Food Prices in New York City: Analysis of a 1967 Survey," in Development Planning Workshop, Columbia University, *The Economy of Harlem*, Vol. 1, 1968, Office of Economic Opportunity Grant No. CG-8730, Mimeographed.
13. John H. Alschuler and Irving M. Footlik, "Industry Can Cut Costs With Multi-Story Building," *Mid-Chicago Development Study*, (U.S. Economic Development Administration, Washington, D. C., 1968); Irving Hoch, "The Three-Dimensional City," in Harvey S. Perloff, ed., *The Quality of the Urban Environment* (Baltimore, The Johns Hopkins Press, 1969); Institute for Urban Studies, Fordham University, *The Brooklyn Naval Yard: A Plan for Redevelopment*, (U.S. Economic Development Administration, May, 1968); Athelstan Spilhaus, "Technology, Living Cities, and Human Environment,"

*American Scientist*, LVII, 1 (1969); U.S. Department of Housing and Urban Development, *Tomorrow's Transportation: New Systems for the Urban Future*, (Washington, D. C., 1968).

14. Tom Hayden, "Colonialism and Liberation as American Problems," in Roland L. Warren, ed., *Politics and the Ghettos* (New York, Atherton Press, 1969), pp. 184-185.
15. Our threshold for subsistence—decent poverty, no more—is measured by the "lower" (formerly "minimum adequate") family budget of the Bureau of Labor Statistics. For a family of four in the major metropolitan areas, the average "lower" budget is now about \$7,000 (the figure for New York-Northeastern New Jersey region—spring, 1970 — is \$7,183; *New York Times* December 21, 1970). Assuming full-time year-round employment, with a single "breadwinner"— still the American norm— this translates into an average hourly wage of \$3.58.
16. Vietorisz and Harrison, *The Economic Development of Harlem*, *op. cit.*, p. 66.
17. The self-definition of success criteria has been found to be an important characteristic of solidarity groups studied by anthropologists and sociologists. See Frank W. Young, "Reactive Subsystems" (Palo Alto, California; Center for Advanced Study in the Behavioral Sciences, Stanford University, 1970), mimeographed.
18. The original Labor Department sub-employment index, constructed for 10 central city ghettos in November, 1966, consisted of the sum of those who were actually unemployed during the survey week, those working part-time but seeking full-time work, heads of households under 65 years of age earning less than \$60 a week full-time, non-heads under 65 years of age earning less than \$56 a week full-time, half the number of male non-participants aged 20-64 (on the grounds that they had given up looking not because they did not want to work, but because of the "conviction—whether right or wrong—that they can't find a job"), and half of the male undercount (the "expected but unfound" adult males). The results of that initial survey are shown in Table A (p. 43) together with several benchmarks.
19. Vietorisz and Harrison, *The Economic Development of Harlem*, *op. cit.*, pp. 59-60.
20. *Ibid.* pp. 25-30. For a study of the returns to education and training in eighteen urban ghettos, see Harrison, *Education, Training, and The Urban Ghetto...op. cit.*, and Harrison, "Education and Underemployment in the Urban Ghetto," in David M. Gordon, ed., *Problems in Political Economy: An Urban Perspective* (Lexington, Mass., D. C. Heath, 1971).

TABLE A

## INCOME, UNEMPLOYMENT AND SUBEMPLOYMENT IN 10 URBAN GHETTOS

Ghetto and city	Unemployment rate		Ghetto subemployment rate <sup>1</sup>	Median individual weekly wage <sup>1</sup>	Median annual family income	BLS minimum adequate family budget <sup>2</sup>
	Ghetto <sup>1</sup>	SMSA				
Roxbury (Boston)	6.5	2.9 <sup>1</sup>	24.2	\$74	\$4,224	\$6,251
Central Harlem (N.Y.C.)	8.3		28.6	73	3,907	
East Harlem (N.Y.C.)	9.1	3.7 <sup>1</sup>	33.1	67	3,641	6,021
Bedford-Stuyvesant (N.Y.C.)	6.3		27.6	73	4,736	
North Philadelphia	9.1	3.7 <sup>1</sup>	34.2	65	3,392	5,898
North Side (St. Louis)	12.5	4.4 <sup>1</sup>	38.9	66	3,544	6,002
Slums of San Antonio	7.8	4.2 <sup>2</sup>	47.4	55	2,876	(3)
Mission-Fillmore (S.F.)	11.4	5.4 <sup>1</sup>	24.6	74	4,200	6,571
Salt River Bed (Phoenix)	12.5	3.3 <sup>2</sup>	41.7	57	2,520	(3)
Slums of New Orleans	9.5	3.3 <sup>2</sup>	45.3	58	3,045	(3)

<sup>1</sup> November, 1966.

<sup>2</sup> March, 1967.

<sup>3</sup> Not available.

Source: Bennett Harrison, *Education, Training and the Urban Ghetto* (Ph.D. thesis, Univ. of Pennsylvania, 1970) to be published by The Johns Hopkins Press.

For an excellent discussion of the political history of the subemployment index, and how the regular collection of small area subemployment statistics might facilitate the drafting of national manpower and anti-poverty legislation, see Willing Spring, "Underemployment: The Measure We Refuse to Take," *New Generation* (Winter, 1971).