Community Economic Development: It's Origins and Philosophy

By B. Kwaku Duren

The conceptual roots of "community-based economic development" (CBD) emerged in a relatively hostile environment dominated by the priorities of Blacks, Asians, and agricultural based economic systems. Thus there was, and continues to be, very little political commitment to the expression of CBD as a viable alternative economic activity.

Understanding, the first traces of the Modern CBD Movement came during the early 1960s,"poor" communities of color, noting not only in poorer American communities. Although "cooperatives" of all kinds, and publicly chartered "development corporations" have long history in the United States, there are many writers who trace the development of community-based development corporations to the pre-Reconstruction efforts of Booker T. Washington and Marcus Garvey. The efforts of these men focused primarily on improving the quality of life within the "segmented" African American communities, they placed much emphasis on development of business and skills, and the establishment of various business entities. These private "self-help" efforts rarely achieved any degree of success in poor communities, and by the time of the Great Depression of the 1930's had all but ceased to exist.

The predominant model for the current concept of how to do community-based economic development has been the "community development corporation" (CDC). CDC's have been particularly important experiment because they combined three critical elements: the principle of local control, a mandate to address the overall economic development of their areas, and the targeting of the poorest neighborhoods and people. Raymond UN of the CDC's in the 1950's and 60's, CDC's represented a vision of how to make an impact in the housing conditions for poor and minority people in a given neighborhood. CDC's have been funded through both the private and federal government, from the CDC practitioners and activists have drawn many of their ideas about how to approach economic development from CDC's.

In the late 1950's Paul Yaworski, working for the Ford Foundation at the time, was one of those who saw what he termed "urban renewal programs" were doing to Black inner-city residents. He proposed to the Ford Foundation that a Gray Areas Program was needed to serve the needs of inner-city residents, and that it should be operated with "private" money, outside of government. He saw the Gray Areas Program as an "incubator" in which creative people could experiment with human services programs for poor neighborhoods. Organizations were established in Boston, Philadelphia, Pittsburgh, Oakland, North Carolina, New Haven, and New York, among other places. They varied widely in design and effectiveness, but did introduce a testing ground for innovation. Although Gray Areas Programs visibly demonstrated the policy-makers the power of independent, private organizations working with City Hall to respond to needs of ghetto residents, they were not seen as "economic development" efforts.

In the mid 60's, a number of community organizations around the country, primarily in Black neighborhoods, began to establish "development programs." They included the Cleveland Area Development Corporation in Cleveland, Ohio, Github in Rochester; Revere Land Surveyors' Zone Investment Association as Philadelphia, the Woodlawn Organization in Chicago and Ted Walker's Watts Labor Community Action Committee in Los Angeles. Some of these organizations grew out of an organizing or political advocacy tradition, but most tended to separate political advocacy from economic development.

As CDC practitioners gained experience in development activities, and became the "civil unrest" of the mid 1960's made the country painfully aware of the shameful conditions in its urban areas, the conviction grew that something more had to be done. Local leaders felt that the "economic problem" was the phenomenon of "Black Capitalism" through small business development. The end of the 1960's dramatically reinforced this conservative trend as the "primary engine" won.

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provided new housing construction, rehabilitated thousands of low-income housing units, created permanent jobs, and sponsored or played significant roles in initiating community-based economic development activities. From neighborhood revitalization to state legislative initiatives providing some measure of CED support through "low-cost working capital" and technical assistance to Community-Based Organizations (CBOs) and Community Development Cooperatives (CDCs) operating low-income communities.

Today, as a direct result of the "new federation" established in part and popularized by the Reagan Administration and its massive "deterrence" of federal funding, and also in response to the 1992 massive "civil unrest" in Los Angeles, many minority and poor communities have developed a newly found interest in CED. Their primary objective is often to develop local and state assisted revenue generating enterprises to compensate for the loss of federal funding. After achieving a consolidated base of support in their communities through various advocacy methods, CDCs and CBOs are getting a better hearing from local governments when they suggest that the economic revitalization of poor communities might well be synonymous with "good public policy".

It is beyond debate that the "new CED movement" offers a timely mechanism to address the immediate economic problems of minority youth, ATFX recipients, public housing residents, tenant, the unemployed, and other citizens who have been traditionally excluded from the benefits of economic activity. Because CED based on a "social purpose," it contributes to the expansion of economic activity in economically depressed areas. CED is not predicated on public or private capital development of private economic policy. CED develops, it revitalizes communities. Communities become the vehicles for the revitalization of the economically depressed areas. The work done in CED is aimed at providing a "social purpose" to the work done in CED.

In order to assist low-income neighborhoods in becoming productive actors in the economic process rather than passive consumers, CED argues for "decolonization" of economic planning and activities. Through neighborhood and community-based development organizations, CED offers an institutionalized mechanism for planning and implementing policies that help low-income residents develop and improve their communities.

Over the past forty years this "new community-based economic development" movement has grown phenomenally throughout the United States. Communities are the vehicles for the revitalization of local community development needs, coupled with

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Community Services Unlimited (CSU) Inc. was set up 20 years ago as the non-profit arm of the Southern California Chapter of the Black Panther Party. Over the years it has continued to provide tax-exempt services to various community-based organizations (e.g., CAPA, Police Watch, and the Community in Support of the Gang Truce). CSU also provides non-profit status to the NVPW's community programs. Two of these are our Computer Literacy and Medical Screening Programs.

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