

'Win or Lose, You'll Still be Breaking Rocks'

This statement expresses the political reality that has escaped the grasp of many of Philadelphia's black residents.



UN the early part of the 19th century, popular Irish leader Daniel O'Connell stopped and began talking with an elderly man who was working as a road laborer—the man was so enthused by O'Connell's speech that he was soon transformed into a state of intense patriotic zeal.

"Calm yourself, old man," O'Connell finally told him. "Whether I win or lose, you'll still be breaking rocks."

The story serves to illustrate the dissatisfaction which many of Philadelphia's black residents have grown to feel toward the city's first black mayor. Many of the mayor's 1983 supporters feel that their support of him has not brought about the kind of direct, positive change in their lives that they expected. As a result, there is, in some quarters, a submerged but still discernable sense of discontent.

How pervasive that dissatisfaction truly is, and whether or not it will be reflected in the May 19 primary—either through low black voter turnout or through unexpectedly strong black support of Goode's Democratic challenger, former district attorney Edward G. Rendell—should be apparent by the time this article is published.

EXPECTATIONS: Nevertheless, it is apparent that for many black residents of the city, there is a wide gap between the hope which was embodied by candidate W. Wilson Goode in 1983, and the fulfillment that has been provided by Mayor W. Wilson Goode in 1987.

Much of the criticism can be traced to one key word—expectations. Two questions immediately must be asked: 1) Are the expectations realistic? 2) Are the standards being used to measure the mayor fair?

As Dr. Noel A. Cazenave, Department of Sociology, Temple University, notes: "There is a tendency in Philadelphia to look very critically at what a black mayor can do, as if the black mayor is going to wave a magical wand and make things better."

The fact is, many of the individual problems which are highlighted in criticisms of the Goode Administration tend to be microcosms of a much broader, national pattern, he says. He points to

two major issues as examples—housing and employment.

"For example, under the Rizzo administration the city actually had housing dollars that it did not use," Dr. Cazenave says. "We had a situation then where there was a way, but there was no will. And now, ironically, the housing situation is worse—but then the housing situation is worse throughout the country, for a variety of reasons, part of which is the federal government's backing away from these commitments. So while there is a greater will, ironically, there is no way—there is no money."

Similarly, the problems that are involved in the enforcement of various antidiscrimination laws must be looked at in the context of the funding that is available for enforcement, he says.

"It becomes very difficult to place these things in that kind of a context," he says. "We have a national trend where black mayors have, in fact, come into power in large metropolitan areas. But the ship they have taken over to run is not necessarily the same ship that white mayors had an opportunity to run in the 1960s and 1970s, when there was an abundance of federal monies."

Lack of funding also has been a sticking point when it comes to issues involving community development, with the point frequently being made that there is only so much city government can do to promote programs in the neighborhoods.

DISTURBED: But for some community leaders, the value of that explanation is somewhat limited. Eloise Williams, of the Philadelphia Council of Neighborhood Organizations (PCNO), points to the recent agreement to use some funds from the city's operating budget to pay for the acquisition of the Reading Terminal property and thus pave the way for construction of the new convention center.

"It seems as though whatever is needed by the taxpayers—just the basic services that are needed, what they have a right to expect to receive for their tax dollars—there is never enough money to do this," Williams says. "But it seems as though the major projects—any development downtown or whatever—we always seem to be able to find

the money. So of course, we are very, very disturbed with that. Very much so."

Williams' organization also has been among those that have criticized the administration's much-publicized North Philadelphia Plan. Part of the criticism stems from the timing of the announcement, while another part stems from the lack of any specified funding for the plan itself.

FALSE HOPE: "There is a group of people who are now working on it that call themselves the North Philadelphia Coalition," says Williams. "The feedback that I get is that they recognize the fact that it is just pie in the sky, because there is no money for the plan, and it's just another means of giving people hope with no pot of gold at the end of the rainbow."

"And I disapprove of that tremendously, because I didn't think it was right for the mayor to come up to that North Philadelphia church, and come out with a plan like this right before the election year which so obviously builds people's hopes up—when he knew there was no money for this plan."

The fact is, the plan will probably not be implemented until after Goode leaves office, even if he is re-elected, she adds.

"I just don't think it's right to do it to poor people that way. And until he had some way of implementing this, it should never have come out. But my feelings are that it is getting time for re-election, and these are the tricks that you pull," she says.

Tied in with the issue of neighborhood development is the issue of gentrification. That is—as a neighborhood's economic vitality begins to increase, and more businesses and higher-income residents move in, that neighborhood's property taxes go up as well. In many cases, long-time residents of the neighborhood are forced to endure sudden, drastic tax increases as property values are reassessed—or move out. How to develop and implement a program of tax relief for these residents has been a topic of considerable debate throughout the city's recent economic boom.

POLITICAL PURPOSE: But while
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some community leaders may consider the North Philadelphia Plan as being just another example of the mayor's "paper tiger" approach to city planning—not everyone is as quick to place the blame at the mayor's door as Dr. Cazenave notes, the plan may raise people's hopes, which could be construed as a negative. But to attach the word "unfairly" to that aspect may unfairly imply that the administration has maliciously planned for this event.

"On the one hand, the politicians may be using it for political purposes, but I think the bureaucrats are, in a sense, trying to use the politicians and the political process to get their concerns on the agenda," Dr. Cazenave explains. "So I don't know that you could say this is a political report, considering that it has been in the making five years."

In Dr. Cazenave's opinion, the plan is more likely the result of a "bunch of well-intentioned bureaucrats" who are in a fairly powerless kind of position, drawing up a report, then going around to their community meetings, hoping that they can stir up enough interest to get grassroots support to emerge around a major issue.

NOT CLEAR ON AFFIRMATIVE ACTION: One of the most prominent areas of debate has been the administration's initiatives to promote the involvement of minorities and women in city-sponsored work. Recently Mayor Goode criticized the state-created Pennsylvania Convention Center Authority for not moving fast enough on an affirmative action plan.

At the same time, however, some city groups—PCNO among them—have criticized the mayor for supporting a bill in the legislature that did not have such an affirmative action requirement in the first place.

"People are questioning how he could approve, along with the governor, the proposed bill of the (convention center) authority without it having any clear language of affirmative action just to get the money from the State of Pennsylvania," says Williams. "And they still haven't worked out any affirmative action. So Black people are thinking now that they are going to be eliminated from a project that will be one of the largest projects that this city has ever tried to undertake. So what can you expect but negative feeling from the black community?"

Still, supporters of the mayor suggest

that the overall program requires a step-by-step process, and that the affirmative action aspect is only a matter of time.

MINORITIES: Step-by-step also would seem to describe the workings of the city's Minority Business Enterprise Council (MBEC), created in 1983 to oversee implementation of chapter 17-500 of The Philadelphia Code, which established the requirement that 25 percent of the city's contract work go directly to firms owned and operated by minorities and women.

"Our desire has been to make sure we do not undo what it took so many years to accomplish. But, at the same time, I think we will be expecting a lot more from the mayor in his second term."

"I looked around the City and I see that we still don't have a black bank. We still don't have a black insurance company. And I don't know that in the major development projects that are taking place in the City that there are any major black consortiums being put together that will become part of the mainstream of building the City's future."

In its four-year history, the agency has been a hotbed of controversy. In 1986, for example, *The Inquirer* reported that an unusually large number of construction contracts went to companies that used minorities and women as "fronts" in order to obtain minority or female-owned business status.

But as one lawyer who is particularly experienced in the field notes, that failing is not necessarily the result of the administration's efforts to insure the best possible efficacy of the MBEC operation.

"Just as important is the fact that we're talking about a relatively ingrained governmental infrastructure that the mayor inherited—an infrastructure that certainly was significantly impacted by the eight years of the Rizzo administration, and in the succeeding years by the Green administration," explains Rotan Lee, a partner in the center city law firm of Burrell, Waxman, Donaghy and Lee.

Part of the problem has been that Philadelphia, in spite of the fact that it is one of the nation's largest cities, was very late in enacting a statute associated with economic affirmative action, Lee says. In fact, 17-500 was not passed until 1982—several years after the federal affirmative action bill (95-507) was passed in October 1978.

REAL "TEETH": Curtis Jones Jr., the newly appointed staff director of MBEC, notes that while the apparatus for implementing the economic affirmative action program was created during the Green administration, it wasn't given any real "teeth" until Mayor Goode was elected. When 17-500 was established, less than one percent of the city's total procurement dollars went to minority firms, Jones notes. And 50 percent of that total went to one firm.

According to MBEC figures, there has been a steady and significant increase in minority business participation in city contracts in every year since the agency's creation. In fiscal year 1984 for example, minority and women-owned enterprise contracts added up to \$43.1 million (29.1 for MBEs, 14.0 for WBEs); in FY 1985, the total was \$90 million (62.9 and 27.1); and for FY 1986, the total was \$162.3 million (119.0 and 43.3).

In recent interviews, Jones told reporters that verification of applicant M/WBE firms and prosecution of viola-

tors would be among his top priorities.

In addition, Jones said he would continue what has been "a priority mission" of MBEC throughout the Goode administration—that is, working with qualified M/WBE firms so that they become familiar with the city bidding and procurement system.

TOUGH TO NEGOTIATE: "The city is a tough animal to negotiate with," notes Dennis Waller, of the Minority Business Enterprise Council. "There are many, many players involved in this whole process."

Part of that process involves familiarizing M/WBE firms with the city's special requirements pertaining to insurance, bonding, delivery schedules, and so on. For example, in projects that are particularly unique to public financing, such as fixing a water main break or demolishing a building, the city has to be able to deal with a contractor who has the bond, who has the insurance, and who can get the necessary men and women on-site and can do the job.

"Getting people up to speed I think is another role of the MBEC—that whole technical assistance piece—and figuring out how this procurement process, this peculiar nature of doing business with the city—it's like no other process, and it's challenging," adds Waller.

GETTING CREDIT: One possible reason why more minority firms have not become part of the Philadelphia city contracts competition could relate to those firms' ability to obtain the critical support of the banking community.

Because the city purchases such a large quantity of different goods and services, it often enters into requirement contracts that lock vendors into prices for 12, 18 or 24-month periods. Those contracts hold true regardless of what happens in the marketplace.

"The bank becomes critical at that point, because your line of credit will dictate everything," Waller says. "And procurement drives a hard bargain. In the bids they state that they want particular bids or services delivered or provided within a specific period of time."

If the vendor has not been paid for a recent delivery, he or she may end up in a serious cash-flow problem, which can affect many other aspects of the vendor's business, such as paying for the firm's own supplies, paying employee salaries, and paying required insurance costs.

CITY IS SLOW PAYER: The city is notoriously slow about paying its bills, notes one minority vendor. That is why

the role of the banking community, and its willingness or to extend a line of credit is so critical.

Many minority business owners (black as well as Asian) have noted a certain "reluctance" on the part of some financial institutions to do business with minority business enterprises. And according to several knowledgeable sources, this is yet another area where the city government could have a much stronger influence if it chose to do so.

According to Rotan Lee, part of the affirmative action effort at the federal level has been not only to provide defined contractual procurement opportunities for minorities through the federal government system, but also for the federal government to act as an example of what state and local governments can do in their own arenas.

This includes influencing those areas of the private sector that may not necessarily deal with the government in terms of the delivery of goods and services. Of course, the federal government is restricted to some extent because it cannot superimpose by law the affirmative action interest on any part of the private sector with which it does not do business. State and city governments are similarly restricted.

However, it's also true that the city and state governments' monies are deposited in commercial banks. And commercial banks are, in fact, lenders to the private sector.

Therefore, if a bank is a beneficiary of governmental funds, the government has an interest in advancing the economic development of minorities, says Lee.

REDLINING: There is another issue which becomes important in the debate of city government's influence on banks and other financial institutions. That issue is "redlining."

Though "redlining" is prohibited legislatively, the record of how many conventional loans actually were made to individuals in certain areas of the city suggests that clients in West Philadelphia and North Philadelphia will have unusual difficulty obtaining loan approvals.

Ira J. Goldstein, head of Temple University's Social Science Data Library, notes that the lack of adequate housing capital in a neighborhood often leads to housing abandonment. Concomitantly, a high rate of home ownership is an important positive indicator of local economic health. According to Dr. Goldstein's statistics, there is evidence that banks and other financial lenders in the Philadelphia region have been reluctant to make home mortgage loans available to individuals who live in certain areas of the city—particularly

black and Hispanic neighborhoods. At the same time, many black and Hispanic home-owners have found it difficult, if not impossible, to obtain appropriate insurance on homes in these areas. For mortgage companies, the formula is simple: no insurance, no mortgage.

Goldstein, who has worked with a number of neighborhood groups on such issues, feels there is basic lack of awareness at key levels of city government as to just how critical the policies of the financial institutions and insurance companies have been to neighborhood development.

"It is not hard to glean that somewhere along the line, the bank that is the prospective receptacle of governmental dollars might be asked to enhance the government's philosophy as it relates to its own banking transactions, and perhaps with its customers," says Lee.

DISAPPOINTING: That's just one way city government can have a positive influence on the development of minority businesses in the private sector. Has that been done in Philadelphia? To some extent—but to a far lesser extent than it ought to have been, Lee says.

"Again, I am not willing to state categorically that that is a failing of the administration," he adds. "I think that the Goode administration has attempted to impact upon the private sector by superimposing its own philosophy upon that sector."

But the results realized by those attempts are disappointing, says Lee, who sees an overall lack of definitive responsiveness on the part of the private sector.

"I think the influence of the government, in terms of its own drive and determination to facilitate economic opportunities has been less in the City of Philadelphia on the private sector than it could have been and perhaps should have been," he says.

"If you were to ask the mayor, he probably would say to you—and he probably would be able to statistically support it—that on any activity where city funds were utilized, the philosophy of economic affirmative action is carried out," Lee explains. "But as it relates to private development—and there is some interaction with the private sector that does not do business with the city per se in doing affirmative action—it is far less than it ought to be."

NO BLACK BANK: The creation of a black bank could be a positive step in enhancing the chances of success for many minority businesses, suggests B. Joseph Nelson, chief financial officer

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"I don't think he has much to do with the economic resurgence in the service industries in Philadelphia."

at the Urban Education Foundation. The reason is that it would help improve the recirculation of the dollar within the black community, and helping to facilitate reinvestment in that community. And according to Nelson, history has proved that factor to be very important for the development of community businesses.

At the same time, however, Nelson notes that any bank, minority or majority-owned, must be bound by the principles of sound financial lending and investment policies. Therefore, even if a bank is minority-owned, it will be limited in what it can do to promote the development of businesses in the black community if those businesses are not guided by sound business plans and appropriate training and expertise.

Furthermore, the influence that the administration could have in the creation of a minority-owned bank also may be limited due to the same fundamental economic principles.

SUPPORT GOODE: One group that says it recognizes the limitations of the Goode administration in providing active leadership in many such areas is the United Black Business Association (UBBA), the association of nearly 300 regional black businesses which was formed at the end of 1986 to promote greater self-reliance and stronger links between community and business interests within the black community.

At a recent meeting of the UBBA's board members, the group was nearly unanimous of its support for the mayor's re-election.

Though the group recognized that "some grumbling" did exist, the overriding consensus was that Mayor Goode does provide the black community with something that it has been lacking for too long—an ear that is sensitive to its problems and needs.

"We're at least in the house, now," explains one board member. Now that that objective has been achieved, concerned community and business organizations such as UBBA can more effectively communicate their needs to the highest levels of city government, and to those institutions in the political system that are charged with formulating plans that impact the black community, he adds.

Another board member noted that she and her husband, both Philadelphia natives, actually had moved out of Philadelphia in 1976 because of the atmosphere of racial tension that pervaded the city during the Rizzo

administration. She and her husband returned to the city in 1985 to open a discount dental business which is now thriving thanks to the new environment of "hope" and "responsiveness" that she says has been evident during the Goode years.

According to yet another UBBA board member, members of the UBBA have recognized that, as Philadelphia's first black mayor, Wilson Goode has been under unusual pressures, many perhaps self-imposed, to be mayor "of all the people" and not just of black Philadelphians. That may account for some of the impatience which currently is being felt in some sectors of the black community, he says.

During the spring primary, the UBBA refused to endorse candidates in either the Democratic or the Republican primary. But that doesn't mean the group was abdicating any of its responsibility to support Mayor Goode, says the board member. In fact, UBBA members worked diligently on voter registration efforts throughout the spring to help make sure that the forthcoming election "would not undo" the accomplishments that the black community achieved in 1983.

The overall assessment is that the mayor has worked hard to do all that he could not just for blacks, but for all Philadelphians, the board member says.

"Our desire has been to make sure we do not undo what it took so many years to accomplish. But at the same time, I think we will be expecting a lot more from the mayor in his second term," he says.

FEWER BLACK IN THE "MAINSTREAM": There are, in fact, several direct ways that the city's chief executive can influence the development of the black community—and in the view of one black businessman with close, longtime ties to city government, fewer blacks have been "mainstreamed" than might be expected with a black mayor.

"I look around Philadelphia and I see that we still don't have a black bank. We still don't have a black insurance company. And I don't know that in the major development projects that are taking place in Philadelphia that there are any major black consortiums being put together that will then become part of the mainstream of building Philadelphia's future," he says.

The businessman goes on to say that he is certain there are black contractors and builders who are doing

business that they were not doing before.

"But when you talk about climate and access, you don't always measure it based on what they are doing in terms of government contracts," he says.

The chief executive of a city has the ability to indicate to the private sector that there are specific changes that ought to take place—especially via the right appointments to boards, commissions, and therein giving the people an opportunity to interact. By virtue of that interaction, the mayor has the means of putting more people into the mainstream.

"I know that hasn't been done to my satisfaction," the businessman says. "And I dare say that it probably is not to the satisfaction of most blacks in this town."

At the same time, he does note that there has been some positive progress. However, the question is whether or not the changes have the depth that will ensure that they will last beyond the mayor's own four or eight-year term.

NO SEAT AT THE TABLE: It's that "institutionalization of power" that appears lacking, he points out—the effort to put things in place systematically so that blacks will have their seat at the table of power long after Mayor Goode leaves office.

"You have to take a look at whether younger blacks are being put in positions a tier below the top spots—so they serve an apprenticeship in a systemic kind of way so that inheriting the mantle of leadership becomes a natural part of the process," he says. "And whether Wilson is taking leadership in seeing that that happens, I would dare say it probably is not the case."

The need, as he sees it, is for a conscious effort to put younger people in places where they will be learning skills that can be transferred either into the private sector, or into a position within the government sector.

"The thing is, many of the people who control government in this town have been there through two, three and four administrations," he says. "See, government doesn't stop the day someone is elected. Someone makes decisions. Someone sets policy. And policies are carried over from administration to administration. And usually it is the same people who are, in fact, setting those policies."

Certainly, past administrations have not been especially sensitive to the concerns and aspirations of blacks and other minorities, he adds. But the problem is, blacks and other minorities still tend not to be among the ranks of the policy decisionmakers even now.

"I would suggest that with a four or an eight-year term, if it is ever to happen, it has to happen now," says the businessman. "And it has to be some type of plan to indicate that there will be a measured change. I think that has to happen in order for Philadelphia to move into the future to the 1980s and beyond. And I think the feeling of unrest that many of my associates are intimating is based on the fact that they don't feel that activity is going on, or they don't feel they are a part of it, or they don't get a sense that it is moving in a deliberate manner."

LIMITATIONS: Again, however, we come to the question of how realistic these stated expectations really are. As Dr. Carolyn T. Adams, Department of Public Policy, Temple University, notes, the limitations Mayor Goode has faced in trying to deal with conditions in the black community are largely limitations and constraints that are built into the system.

"I tend to be more tolerant about his term in office than his most vigorous critics, because I tend to focus on the built-in infrastructure limitations," says Dr. Adams. "In general I would say that previous mayors, maybe with the exception of Mayor Green, have had the ability to deal more with neighborhoods and to distribute some benefits to neighborhoods, including the black and Hispanic neighborhoods, while at the same time tending to the preferences of the downtown business community."

Many of the problems that Wilson Goode has faced have to do with the fact that he doesn't have money flowing from state and federal governments in the same way that previous mayors did, which would allow him to distribute such "goodies" to neighborhoods, she says.

Similarly, she says that disappointments in terms of his administration's hiring policies (giving city jobs to supporters from neighborhoods) is unfair because there has been a hiring freeze in effect in the city for most of his mayoralty. In addition, in most of the years that Goode has been mayor, there has been a hiring freeze in most of the city departments—with the exception of high level positions—while entry level positions have been frozen. That was the mayor's hiring freeze, Dr. Adams says. But it wasn't directed against any particular constituency, it was simply a matter of his seeking to balance the budget.

PROBLEMS FAR BIGGER: "I think the problems Philadelphia has are far bigger than an individual mayor," says

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W. WILSON GOODE & THE BLACK COMMUNITY *(cont'd)*

Dr. Adams. "And I think that the MOVE crisis—which really called some attention to some weak communications, and weak management structures in the Goode administration—has fueled this criticism that the city is poorly managed."

But overall, she tends to support the theme that the problems the city is facing are far bigger than the Goode administration, and, relatively speaking, the Goode administration is not noticeably worse than recent administrations the city has had.

"I think he's not doing such a terrible job, but I think that the disappointment, particularly in community and neighborhood constituents, is in direct relationship to the expectations they had going in," she adds. "And those expectations were probably unrealistic."

But while it might be unfair to blame the mayor for many of the problems currently facing the city, it is just as unfair to try to chalk up the city's real successes to Wilson Goode, either, she adds.

"I don't think he has much to do, frankly, with the economic resurgence in the service industries in Philadelphia, business services and so forth—I think that's too universal across the country," Dr. Adams says. "Cities that have the diversified economic base that Philadelphia has are having the same kind of economic resurgence. So I don't think that's so much to Wilson Goode's credit."

MIDDLE CONSTITUENCY DISAPPEARING:

What Goode is faced with is the challenge of trying to gain and distribute some of the benefits of that "so-called economic boom" to those neighborhoods which so strongly supported him in 1983, she says. And that won't be easy both because of the kinds of jobs that are created, and because of the income structure that is associated with the city's new service economy.

"He is dealing in a sense with an electorate that is divided," Dr. Adams says. "On the one hand you have the low income, community people who are not mobile, and they tend to be becoming worse and worse off. On the other hand there is the downtown business and commercial community whose benefits continue to rise. We are seeing an increasing division between the haves and the have nots."

"Wilson Goode was elected largely on the strength of the middle ground constituency, and that constituency is gradually disappearing." □

—Thomas Derr