

The Reforms We Need Now

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In light of the corruption scandals in Philadelphia, reform is in the air. But people mean very different things by reform. As I see it, there are two kinds of reform we need in Philadelphia politics today. For want of better terms, I will call them progressive or good government reforms, on the one hand, and liberal or social justice reforms, on the other. I think we should pursue both kinds of reform for, as I argue at the end of this essay, I don't think we are going to get most of what we want of one without getting most of what we want of the other. But, before I get to that point, let me describe each set of reforms.

Progressive / Good Government Reforms

The first thing everyone means by reform today is ending pay to play, the practice of rewarding campaign contributors with government contracts, whether for legal services or printing or other goods and services. Over the last year, we have learned how this middle level of corrupt practices wastes our money and burden our businesses with the financial and moral cost of making payoffs to get city business.

But that is not the whole story of corruption today. There is also the lower level of corruption that takes place in our ward politics. In many parts of the city, ward leaders make unilateral decisions about who their organization of committee people will support; this support is given in exchange for substantial sums of money; and committee people reluctant to go along with their ward leader are threatened with the loss of their street money and / or the city jobs held by them or their relatives. In this way, the formally democratic ward structure, in which committee people are elected by their neighbors, is transformed into a top-down system that raises the costs of campaigns and contributes to the election of candidates who are unresponsive to the voters who elect them or who are unqualified for the positions they seek.

And then there is the top level of corruption, the benefits that major developers and corporations receive from the city or state in exchange for large campaign contributions. Here is a prime example: Comcast, which made \$1.9 billion after expenses and taxes last year—in part because of government approved cable rates that are unnecessarily high—is receiving a \$30 million subsidy from the state to put up its new gold-plated office building. And there are many other examples of developers who have made large campaign contributions in order to be chosen to take on one or another multi-million dollar real estate project and who, after doing so, have run rough-shod over the objections of local community groups.

These three levels of corruption do great damage to our city. Even when contractors or developers do a good job, the money they pay to grease the politicians is added to the bills they submit to the city treasury. These unnecessary payments leave less money available for transit, community development, schools, libraries, and parks. And they make it more difficult to reduce the tax burden that leaves our city less attractive to residents and businesses. In addition, the necessity of paying before you can play undoubtedly discourages many businesses from doing business with or in the city and thus undermines our economic growth.

The indirect costs of corruption are also severe. Our corrupt political culture is bad not just because it sets a terrible moral tone for the whole city or because it undermines economic growth but, also, because it makes real progress impossible in so many other areas.

Progress is impossible, in part, because our corrupt political culture dissuades people from taking part in our political system. Energetic and experienced people who want to do good are reluctant to get involved in politics. As a result, too many of our political officials do little to help their constituents or the city. They show some energy only when their patronage and perks are in question. But, given the advantages incumbents have under the current political system, one would have to be incredibly idealistic, determined, or naïve to run against one of the many office holders who do little to improve life for their constituents or our city and state as a whole. (I plead guilty on the first and second count, and no lo contendre on the third one.)

The combination of weak leadership and the graft tax makes it difficult to enact the kinds of public policies that would do wonders for economic and job growth. Let me give you one example, our woeful transportation system. We have a transit infrastructure—our rail, subway, and remaining trolley lines—that other cities envy and that, with a large but reasonable amount of public investment, could provide fast, frequent, and efficient service. Instead we have slow, infrequent, and costly service. As a result, we have less economic growth than we should have. Our work force suffers from long commutes and high travel costs both in financial terms and in terms of time lost to commuting. And we have a sprawling pattern of residential development in the region that gobbles up open land, makes us overly dependent upon polluting automobiles, and further undermines economic growth by making it more difficult for businesses and their suppliers to interact with one another. In addition, many of the less skilled workers in the city who are sorely wanted to fill jobs in the suburbs have no reasonable way to get to those jobs.

Groups of private individuals have been meeting to devise steps towards a much better public transit system. No public officials are among us. And the stumbling block we keep running into is how to secure broad support for the kinds of taxes and financing proposals that would be needed to create a first class public transit system. There do not seem to be any politicians in the city ready to point the way. And, what is worse, because of our corrupt political culture there is so little trust in our politicians that it would be very hard to convince people of the virtue of the kinds of dramatic and, at least in the short term, costly transit solution that would really transform our city. The problem is not just that residents of the city do not trust out politicians. A long term transit solution requires a regional approach. And only Philadelphia is large enough to lead us toward such an approach. Yet, given the well deserved reputation of politics in the city, it is hard to imagine politicians from Philadelphia getting any serious hearing from their counterparts or residents in the suburbs. (That is not to say that politics in the suburbs is much better than politics in the city. It is not.) The problem, here, is partly political and historical. Our Republican friends in the counties are always wary of Democratic politicians from Philadelphia seeking to tax them to help the city they fled. These kinds of tensions are hard to overcome. But they could be overcome by a reformed city administration that, because it had put its own political house in order, had the credibility and will to put forward reasonable public policies that serve both city and counties. In one area after another—transit, taxation, housing and land use—there are such policies. But, until politics is reformed it will be very hard for anyone to lead the region toward them.

The connection between economic growth and political reform is an old one. The early twentieth century progressives recognized that the corrupt city politicians of their time wasted so much money and were so ill equipped to deal with the public problems of the day that they had to be replaced if economic growth were to continue unimpeded. Similarly, the progressive reformers of mid-fifties Philadelphia, Clark and Dilworth, saw that honest and effective city government was necessary to the continued prosperity of their city.

So one part of any reform effort has to be to clean up our politics and create the public policies that will revive the economy of city. We have to reduce the graft tax that undermines our economy. And we have to make politics more attractive to those who have the energy and ideas to make Philadelphia a better place. This effort will, I hope, have very broad support from the citizens and businesses who pay more, and receive less, from the city than they should. But that is not the only reform effort we need today. We also need what I will call liberal or social justice reforms. That is, we need populist policies that make Philadelphia a fairer place, a place in which members of the working class and the poor have more opportunity to improve their lives.

Liberal / Social Justice Reforms

There are limits to what one city and state can do in improving the lot of those with little, especially when the federal government is rapidly withdrawing support for any program that aims at social justice. Moreover, Philadelphia operates in a regional and national market. Even those of us who are skeptical of supply side arguments recognize that there are limits to the tax burden we can impose on ourselves. (The argument that there are such limits, particularly in cities, was by the way a staple of left-wing economic thought in the seventies and eighties.) Yet, despite these limits, there are many steps we could take to make life better for working class and poor Philadelphians.

Some of those steps would lead us to revive traditional liberal public policies. We can, for example, raise the minimum wage, which is worth less in real terms than it was in 1968. We can devote more money to our state wide health care programs. Right now there is a waiting list of 80,000 Pennsylvanians who are eligible for the adultBasic health insurance program but who are denied benefits due to a lack of funds. Even if it requires some new taxes, perhaps on tobacco products, to make up for drastic federal cutbacks, we should preserve as much of Medicaid as we can.

While these programs are absolutely critical, we won't accomplish what needs to be done for the worst off in Philadelphia just by spending more money on traditional liberal programs. Instead, we have to adopt innovative solutions to our difficulties, solutions that have been used in other cities with great success. Some of them can be found in Philadelphia as well but mostly as isolated projects in one neighborhood or another. Here are a few:

- We need vigorous community based efforts to address our horrible crime problem. Seth William's idea of community based prosecution is one element of such an approach. Another is a vastly expanded effort to bring the police department together with community groups and churches to arrest and prosecute repeat offenders and to intervene in the lives of young people who lives are heading in the wrong direction. Rev. Eugene Rivers' Ten Point Coalition has done very effective work of this sort in Boston. And, in

Philadelphia, we have an effective Youth Violence Reduction Partnership that, unfortunately, is found in only three of our police districts.

- We need new, community based efforts to create racially and economically integrated communities in the city. We can do this, in part, by taking advantage of the middle class people who are coming back to the city and locating in working class or poor neighborhoods. Gentrification can be a terrible problem for people who have lived through difficult times in their neighborhoods. However, with the right public policies in place, we can insure that those people are not forced to leave their neighborhoods in good times. Among those policies would be reforms that cap property tax increases for people with low-incomes and allows them to put off paying a large portion of their tax bill to the day they sell their house. We also need new affordable housing projects financed by an expanded housing trust fund and supported by inclusive zoning laws. (These laws require that developers who receive city subsidies or who benefit from zoning variances create affordable housing in a significant proportion of the units they build.) We also need much more money for housing rehabilitation. And we need to support community organizing to improve our neighborhoods. Philadelphia still has an incredible stock of row houses and twins that have the kind of workmanship we will never see again. And most of that housing stock is in working class neighborhoods that are basically strong and that, in many cases, are beginning to draw new residents into the city. Yet, on one block after another in these neighborhoods you can find three houses that make life miserable for their neighbors. One has almost completely fallen down and is trash strewn. (On a too small percentage of lucky blocks, this house has been demolished by the NTI.) Another house has been subdivided and has troubled residents who create difficulties for the folks on the block. And a third has been taken over by drug dealers. And, on top of that, many of the other houses now or will soon need some cosmetic or minor structural improvements to avoid becoming a nuisance. If city funds were made available for repairs while, at the same time, city agencies such as L&I and the police supported block leaders in dealing with the nuisances on their block, the quality of life for many Philadelphians would be dramatically improved. More people would stay or move back to strong city neighborhoods.
- We need targeted, community based efforts to create new businesses in our neighborhoods. In the last fifteen years, politicians and planners have recognized that, even in poor neighborhoods, there is enough buying power to support new local businesses that can replace those that fled years ago because of racism or because crime rates soared. Effective Community Development Corporations (CDCs) have turned around commercial districts in parts of Philadelphia such as West Oak Lane and Mt. Airy. But funds are drying up for CDCs long before the job is done. And the city itself puts one road block after another in the way of CDCs who rely on city contracts to provide services or on support from the RDA to do commercial or housing development. Thus too many working class neighborhoods still lack supermarkets and other critical businesses. As a result, working people and the poor pay far more for food and other basics than do people who live in the more prosperous areas of the city. And the money spent by people in these neighborhoods does not remain in the community where it could create jobs and fill empty store fronts.

- We need much more investment in the young people of our city. Recently our public schools seem to have been making some progress. But they remain far from where they should be. While continuing investment and improvements in existing public schools are part of the solution, we also need community based charter schools to provide the more innovative, individualized, and spirited instruction that is hard to create within the public school bureaucracy.

Why We Need Both Good Government and Social Justice

As I see it, the key role for **Neighborhood Networks** is to champion both sets of reforms and to show why they mutually support one another. (Please note that I am speaking for myself here. NN has not endorsed the ideas contained in this essay.) Historically speaking, those who fought for what I have called progressive / good government reforms have not supported social justice reforms. In the progressive era, the middle class defenders of good government sought to undermine political machines in order to reduce government waste and to improve the business climate. Those middle class reformers were the chief beneficiaries of good government reforms that reduced both the real estate and graft taxes. And, at the same time, by reducing the power of political machines that, to some extent did represent the working class, these reformers undermined the political pressure for social justice reforms that might have been costly to them.

On the other side, the populists or social justice reformers of the New Deal era were reluctant to directly challenge the political machines whose votes they badly needed to gain office. They looked the other way at graft so as to create the majorities needed to enact the liberal public policies that dramatically improved the well being of the working class. Governor Franklin Roosevelt's cautious handling of the Jimmy Walker scandals in New York is just one example of this liberal compromise with corrupt politics. John F. Kennedy's reliance on the Daley machine is another.

Now, however, things are different. If we see things clearly, progressives and liberals will recognize that the aims of good government and social justice reformers cannot be met unless the two sides come together.

Consider, first, why broad economic growth is impossible without the social justice policies I outlined. At the turn of the twentieth century progressive reformers could hope that economic growth would be spurred by a reduction in taxes and corruption along with some selective investment in water and sewage systems and improved roads and transit. In the Dilworth-Clark era, reformers could hope that cleaning up center city and providing land for new office buildings would sustain our economy.

Today, however, the economies of cities have drastically changed. We will not see a new growth of high wage, moderately skilled manufacturing jobs in the city. New, good jobs will only come if high technology businesses come to Philadelphia, if we can expand the education and health care sectors of the economy, and if we can restore our commercial districts so that Philadelphians do their shopping in the city rather than the suburbs. The first two kinds of economic revitalization won't happen without a much better educated work force. We can't provide that work force if an incredibly high percentage of our students don't graduate from high school. We can't improve our schools without changing the social dynamics that make young people despair

for their future. And we can't do that if we don't improve our residential areas and business districts while devoting more resources to at-risk kids.

Of course, we need to improve our communities for another reason as well. We have to encourage our educated workers to remain in the region and live in the city. If we want professionals and managers as well as workers in new and expanding businesses to live in the city—as many of them would prefer to do—we have to provide them with safe neighborhoods and good schools. And these people cannot all live in a few section of the city such as Center City, Mt. Airy, Chestnut Hill, Wynnefield, Overbrook or West Oak Lane. People do not leave our city or decide not to live here primarily because of high taxes. They leave because of crime, poor schools and dilapidated commercial districts. And, given what is happening to housing prices in the neighborhoods I just mentioned, soon they will have another reason to avoid the city. There are, however, many other neighborhoods that would become attractive to young professionals and workers, provided that we reinvigorate their housing stock; revive their commercial districts; reduce their crime rates, and improve their schools. If we want the population of Philadelphia to revive, we have to create more racially and economically integrated neighborhoods like Mt. Airy. (And make no mistake, Mt. Airy did not just happen. It was created by community based social planning.)

Social justice reforms have another potentially beneficial outcome. They have the potential to undermine the corrupt political organizations that dominate our local politics. These organizations survive by providing jobs, often in social service agencies or contractors, to committee people, campaign workers and their relatives. The best way to undermine these machines is to provide people in poor neighborhoods with alternate, legitimate employment opportunities. Just as the social welfare programs of the New Deal had a powerful role in undermining political machines in most cities and towns, new social justice policies can have the same effect in Philadelphia.

Consider, second, why improvements in the quality of life for the working class and the poor will not take place without good government reforms.

One difficulty is that we can no longer count on the transfer of large sums of money from the federal government for social welfare programs. Nor can we count on the Republican controlled state legislature for much help. We are going to have to find the resources we need from within our own community. We will not find these funds unless we reduce the graft tax and reform our official taxes in a more progressive direction that, at the same time, minimizes the negative effect of taxation on economic development. (I recognize that there is a lot to be said in unpacking that last sentence. But taxation is a subject for another essay.) It is always hard to raise the revenues we need for social justice reforms. It is impossible if people believe, rightly, that the city wastes a significant amount of money.

A second reason that we need good government to get social justice is that we won't get the political leadership we need to push through new liberal policies until we reform our politics. The days in which urban political bosses are tribunes of the working class is long gone. There are exceptions. The leader of the Democratic Party in Philadelphia, Congressman Bob Brady is one of the most liberal members of the House of Representatives. But the factionalized party he leads only unites to support gubernatorial or presidential candidates. The rest of the time many ward

leaders focus entirely on their struggle with other ward leaders for a little bigger slice of the pie. And they often stand behind tired, uninspired office holders who do all too little to improve the lot of their constituents. There are exceptions. From crime to transit to economic development, State Representative Dwight Evans has taken the lead on some of the social justice policies I have described here. Sometimes I have disagreed with him. More often I think he is right on target. The real question, however, is why is it that, of all the state legislators and council people in this city, he is the one of the very few to consistently put forward innovative ideas for making life better in Philadelphia? With all our state representatives, state senators, and council people, we have a lot of potential leaders in this city. Suppose that each one of them came up with one really good idea a year to improve our city? The good consequences would be astounding.

A third, and even greater, problem is that the innovative social justice programs I mentioned above are all community based. They will only work if we have strong, independent community organizations. We do have strong, independent community organizations in Philadelphia now. Indeed, given the state of our government, it is the civic associations and the CDCs that keep our city alive. However, these organizations are under threat from two directions. First, they are constantly fighting to protect their communities from both well-connected developers who want to do inappropriate developments and, also, from the indifference and incompetence of the city agencies that are supposed to regulate existing businesses and homes. These problems are directly tied to the corruption in our city. Developers who give major campaign contributions are difficult for all but the most effective community organizations to stop. And ask any community activist what is the biggest problem in his or her community and more than half will point to the inability of the Department of Licenses and Inspections to regulate nuisances. That failure is not an accident. Part of what keeps the ward system going is the dependence of businesses on the ward leaders who help them escape from regulation as well as the dependence of community activists on the same ward leaders to get regulations enforced. What communities really need, however, is a revised zoning that protects our neighborhoods and fair, transparent, and consistent regulation that is not subject to favoritism and inside dealing, let alone graft. We simply won't get that kind of government if we don't dramatically reform campaign finance and provide public financing of our political campaigns.

An additional problem is likely to afflict any program that funds community groups to reduce crime, improve the quality of life, and raise educational standards. Our politicians may not be terribly enterprising when it comes to improving our lives, but they do know a potential slush fund when they see one. And they will treat community based resources as another source of patronage jobs and money if we don't institute the right kinds of financial controls. It is hard to imagine these controls being put in place in an unreformed city. One of the reasons that CDCs and community groups in New York City became effective in revitalizing previously devastated neighborhoods, such as those in the South Bronx, is that Mayors Koch and Giuliani stopped party hacks and others from skimming money from these organizations. And then, once they were free of corruption, the city provided the funds these groups needed to build housing and revive commercial areas. We have to do the same thing here in Philadelphia.

Conclusion

There is more to be said on all these issues. But perhaps I have said enough to show why I hope Neighborhood Networks will embrace a broad reform agenda, one that encompasses both good government and social justice.

Like most everyone else in this city, I am tired of hearing people talk about the potential of Philadelphia. The potential is there. But if we stay on our current path, we will never realize it. There is another, better way: to embrace both progressive and liberal reforms and begin to make Philadelphia an example of what good, democratic government can accomplish when it aims at social justice.