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People, Places and Policy: A Politically-Relevant Framework For Efforts to Reduce Concentrated Poverty and Joblessness

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Abstract

This paper identifies the persistence of spatially-concentrated poverty, reviews the implementation of various antipoverty public policies, proposes a theoretical classification for understanding them and discusses how the classification can be the basis for a more refined understanding of how and when politics drive the antipoverty agenda. Proponents of either people-based or place-based policies have dominated the urban poverty debate. This tension has led to a fragmented and piecemeal approach to spatially-concentrated poverty that focuses on either people or places, and does not best serve the poor. The author specifies both the policy targets and the policy mechanisms for the major federal and state programs, examining the degree to which each focuses on people or places, and the degree to which each relies on supply and demand side assumptions. This reclassification suggests that the assumptions inherent in public policy can provide insight into how antipoverty coalitions can and should respond to political cycles and major socio-political events.

The problem of concentrated poverty has been explored well in the scholarly literature. Since the late 1960s the spatial mismatch hypothesis has focused on long-term ghetto unemployment and the suburbanizing job market (e.g. Kain 1968, 1992; Ihlanfeldt and Sjoquist 1998; Holzer 1991; Spencer 2000). Subsequently, 1980s and early 1990s studies of the "underclass" suggested that long-term unemployment in poor neighborhoods can have effects well beyond the labor market and can be socially and psychologically debilitating (e.g. Wilson 1987, 1997; Jencks and Peterson 1991; Kelso 1999; Ricketts and Sawhill 1988). Housing studies suggest that residential patterns have played an important role in the creation of the underclass because urban populations have been and continue to be segregated along a race-class axis, increasingly creating smaller minority populations of more isolated poverty and unemployment (Jargowsky 1997a; Massey and Denton 1993). Findings from these three related literatures suggest that concentrated unemployment and poverty is an important and persistent policy problem.

This wealth of scholarly research and analysis has influenced and defined much of the federal and state response to urban poverty. However, well-intentioned policies based on this research and focusing on particular aspects of ghetto and barrio labor market conditions have, at best, resulted in minor neighborhood improvements or opportunities for select individuals. At worst, they have solidified the intergenerational nature of the underclass by subsidizing barriers to economic opportunities, diminishing the expectations of the poor, or gentrifying poor neighborhoods. With the exception of the most egregiously negative policies such as the creation of public housing projects (Davidoff 1965; Jacobs 1961; Gans 1959; Anderson 1964), however, their effect seems to have been marginal. This overall antipoverty policy impotence suggests that a step back from problem analysis and single-policy evaluations to examine the history and range of policy approaches used for addressing the inner city may be helpful in developing new and more effective approaches.

Few have examined and theoretically categorized the range of policy responses related to these three literatures. The following summary and categorization of the major US antipoverty programs shows how a scholarly dichotomy of people *versus* places has become cemented in the policy imagination. This dichotomy, I suggest, has enabled visions of antipoverty policy that encourage partisan paralysis and guides politicians and policy makers to treat the poor living in large urban ghettoes as a set of antipoverty program recipients rather than a fundamental social dilemma requiring multiple and widespread institutional responses.

There is currently little debate that spatially concentrated poverty has negative effects on individual residents. The more important question facing policy makers is how best to operationalize the understanding that both human capital assets and neighborhood environment affect an individual's economic opportunity (Goldsmith and Blakely 1992; Spencer 2000). In general, although most antipoverty policies attempt to improve the lives of residents of poor neighborhoods, they select discrete policy targets: through portable assets to individuals or through improved infrastructure and institutions in geographically-fixed places. There is little coordination between these efforts and some have even claimed that they work at cross-purposes to undermine one another (Jargowsky 1997b).

This study sheds some light on how policy makers might think about *both* people and places by developing the theoretical foundations and assumptions that underlie these alternative approaches. It makes explicit the empirically bifurcated and mutually exclusive use people- and place-targeted policies, and in doing so suggests how a better understanding of the politics of policymaking might improve the effectiveness of antipoverty efforts.

The people versus place distinction is accepted in general policy discussions, amongst practitioners and in some of the policy literature. For example, writing in the journal of the Department of Housing and Urban Development (HUD) *Cityscape*, Gyourko (1998) makes a strong case for increasing federal expenditures on place-based approaches that match the level of people-based ones. His description of the distinction between people- and place-based policies theoretically examines the question of which approach is the most efficient expenditure of scarce resources, and correctly questions whether the current relative proportions serve the public good. However, empirically he quickly skirts over the issue of which policy approach is more effective at reducing spatially concentrated poverty in favor of the issue of which policies provide tax revenues for cities. While an important administrative issue, this perspective loses sight of the degree to which policy serves the poor.

Others, such as Lang and Hornburg (1998)[1] have also made the case that people- and place-based policies need to be more tightly integrated. However, like Gyourko, they do not specify what makes for a people-based policy and what is place-based. Without such a conceptual distinction it is difficult to know what policies should be integrated and why, let alone what their integration can be expected to achieve. For example, their analysis correctly focuses on the importance of social capital in creating job opportunities for the spatially concentrated poor. However, without specifying which policies fit their definition of place-based one cannot know what to usefully integrate. As I will discuss, for example, Enterprise Zones are place-based policies that have no intended positive impact on social capital, and may serve to undermine it. In sum, the policy literature uses the people-place dichotomy as a shared assumption even though an examination of the policies themselves does not easily fit into the simple dichotomy.

However, the scholarly literature has never adequately defined the distinction, let alone addressed its significance. In the following sections I define an empirically-driven "people-place" policy framework applied to both supply-side and demand-side interventions. I then describe the major antipoverty programs implemented since the 1960s and place them within this theoretical framework. Using these programs I show that antipoverty policy has tended to focus on supply-side interventions, that few policies deal simultaneously with supply and demand issues, and none deal simultaneously with both people and places. Finally, I use these findings to discuss how such a theoretical people-place framework applied to demand- and supply-side principles can help analysts to examine the relationship between policy and politics in a way that is useful for policy makers. In the absence of such an analytic tool, I suggest, the people-place debate diverts attention away from the development of approaches that simultaneously improve both people and places in favor of falsely binary people-place policy decisions. Such a diversion has negative impacts on the poor themselves because it enables a political paralysis during which all assistance programs for the poor are in danger of being eliminated.

People Versus Place Policies: A Theoretical Framework

The defining characteristic of each approach is the target of policy investment. People-based programs target individuals or households, while place-based ones target particular poor areas and neighborhoods. Thus, for example, transportation vouchers, housing vouchers, and other sorts of direct transfers of valued assets to individuals are people-based strategies, while business tax credits for specific areas, investments in improved fixed-place public transportation, and improved infrastructure are examples of place-based strategies.

Gramlich and Heflin (1998) are two of the few authors who explicitly describe the policy frameworks of people and places. They accept that the spatial concentration of poverty creates an additional barrier to inner city residents' employment prospects, and then describe policy approaches to reduce spatial mismatch. They point to four factors that confuse researchers' attempts to develop effective policy: endogeneity, dynamics, heterogeneity, and policy complexity. Their initial discussion of these issues deserves further elaboration.

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[1] Lang and Hornburg's article is a summary review of several articles that appeared in the Vol.9(1) issue of *Housing Policy Debate*.

Endogeneity

Does residence determine employment or vice versa? Traditional studies of the spatial mismatch hypothesis estimate whether a low-skilled worker living far from low-skilled work opportunities has less likelihood of becoming employed than a worker living close to jobs (Kain 1968; Hughes and Madden 1991). Findings from this extensive literature do suggest a significant correlation between location and employment, all other factors equal (Kain 1992; Ihlanfeldt and Sjoquist 1998; Holzer 1991). However, few studies examine the temporal aspect of residence and the labor market. In controlling for education, work experience and other human capital factors, studies do identify alternative explanations for unemployment, but take for granted fixed residences. They cannot answer the causal question of which came first: unemployability or location of residence. In the absence of data on these individual choices, most studies have taken for granted long-term fixed residences. Thus, if an unemployable worker decided to live in an area with other unemployable workers, then one would not argue, as spatial mismatch advocates do, that distance from jobs is a barrier to finding a job. Nonetheless, policies developed to overcome this distance barrier have tended to assume that residential choice affects unemployment more than unemployment status determines residential choice.

Dynamics

How should we interpret the greater mobility of jobs and the longer-term residential shifts this has on low-skill workers? Analyses of neighborhood effects on a worker's employability and the effect of distance on job prospects can be interpreted as unfortunate but unavoidable consequences of industrial change. Lehmann (1991), for example, describes the Great Migration of American Blacks from the rural South to take stable, low-skilled manufacturing jobs in the industrializing North in the post-war period. Most of the less motivated, more extremely disadvantaged and less employable remained in place as sharecroppers, while industrialization and Fordist manufacturing systems drew the most employable workers North. Although the comparison is unexamined explicitly in the literature, a similar dynamic may underlie the concentrated poverty and the suburban job market. With the decline of manufacturing in the late 1970s and 80s, low-skilled jobs became increasingly located in suburban areas. The migration of more motivated and employable workers out of ghettos to take better jobs can be seen as similar to the Great Migration. As Wilson (1997) describes, it has often been the case that those seeking jobs traveled out from the inner city once redlining practices were outlawed to live in areas where there were economic opportunities in the 1980s. This migration suggests, therefore, that current residents of the inner cities have, historically, been left behind by industrial changes and the increased mobility of the most skilled residents. This perspective incorporates a “skills mismatch” argument (Kasarda 1989) with research arguing that the low-skilled job market has changed significantly in response to technological change and outsourcing to developing countries (Berman, Bound and Machin 1997; Freeman 1995; Card and DiNardo 2001). Such arguments suggest that inner city African Americans suffer employment problems because of changes in the national and regional economies. Therefore they suggest that industrial policy is more relevant for concentrated poverty and unemployment than is antipoverty policy.

Heterogeneity

How comparable are different cases since cities differ and the residence-employment dynamics change over time? Gramlich and Heflin point out that the regional norms of distance between residence and work vary widely across the United States, as do the norms for transportation. Low-skilled workers in New York City, for example, have very different expectations for their modes of transportation, commute distance and commute times than do their counterparts in Los Angeles. Taylor and Ong (1995), for example, have found that in Los Angeles *all* workers experience a spatial mismatch between work and home, with most residents covering vast areas as well as lengthy commute times. The difference between the poor and the middle class, they argue, is a “transportation mismatch,” or an inability to overcome space rather than the distance itself.

Moreover, the degree of residential segregation also varies widely. Such differences make it difficult for state and federal policy makers to develop a one-size-fits-all program to address concentrated poverty. Thus, while the spatial concentration of poverty and unemployment are common throughout the 50 states, variation in severity and the nature of the residence-work relationship make it difficult to develop a single policy.

Policy Complexity

How can and should narrow and selective programs integrate complex interactions? Concentrated poverty and unemployment is a complex socio-spatial phenomenon. Its existence is due to individual labor market behaviors and capacities, business needs and residential patterns. Moreover, it is how these three factors *interact* in specific locations at the same moment that creates extreme disadvantages for urban minority communities. Thus, it is a mutli-factored problem. Most policy, on the other hand, attempts to regulate only one class of social actors. For example, the Clean Air Act regulates private sector businesses with polluting emissions; Social Security provides benefits to everyone over the age of 65; and Unemployment Insurance is available to any worker who loses her job. In each of these cases, there are clear selection criteria for who is subject to the policy.

Policy makers interested in concentrated poverty and unemployment, on the other hand, face a more complicated definition of policy beneficiaries. Although the ultimate goal of any antipoverty program is to benefit the poor individual, programs that benefit businesses hiring residents of poor neighborhoods are one subject of public policy, low-skilled minority workers everywhere are another subject, and residents of poor neighborhoods yet another subject of policy. This kind of complexity, Gramlich and Heflin suggest, has been a persistent dilemma for policy that addresses spatially concentrated poverty and unemployment.

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Gramlich and Heflin argue that these ambiguities have led to multiple approaches to the problem of urban poverty that have fundamentally different mechanisms. They identify four types of policies to deal with spatial poverty: those that assist poor workers, those that assist poor places, those that move poor workers to jobs, and those that move jobs to workers. In general, their categories of programs that directly assist low wage workers focuses on transfer payments and training programs, of aid to poor places aggregates payments to fixed-location public services and the residents that use them, assistance for moving workers to jobs emphasizes residential mobility, and moving jobs to workers groups attempts to direct business investment to poor areas.

In setting up these four categories, Gramlich and Heflin identify the key analytic categories without pursuing their relevance. They simply identify what kinds of policies have been implemented in the past, but fail to make use of their own analytic distinctions. The categories describe the policy history, but shed no light on the assumptions, theoretical frameworks or shared mechanisms behind them. Nonetheless, these categories can be the basis for a rich understanding of antipoverty policy and therefore greater possibilities for policy innovation.

Table 1 proposes a theoretical framework for understanding how these four approaches relate to one another by categorizing their theoretical underpinnings. It combines conventional supply and demand labor market approaches with the alternative emphases on people and places.

Table 1.		**Policy Mechanism**	
		Supply Side	*Demand Side*
Policy Target	*People*	"Assist poor workers"	"Move workers into jobs"[2]
	Places	"Assist poor places"	"Move jobs to workers"

[2] This category could also function as a people-based supply side mechanism if it means subsidizing workers to move out of the ghetto, or a demand side mechanism if it means creating firm-level subsidies to attract poor people into work. I place it in the latter category for analytic symmetry.

Supply-side people-based policies, such as housing, transportation and educational vouchers focus on asset transfers to the poor person, while demand-side people-based policies such as low-income worker tax credits for firms attempt to get businesses to hire them. Moreover, supply-side place-based policy, such as improvement of local social services, education, training and public-private partnerships attempt to improve the supply of neighborhood labor. Finally, demand-side place-based policies such as local business development incentives attempt to stimulate the demand for labor in poor neighborhoods.

Figures 1 through 4 show graphically how these alternative mechanisms work. The dark # signs represent low-income workers and the lighter # signs represent businesses that might employ them. The shaded areas represent inner city areas. Figure 1, Policy Assistance to Low Wage Workers, shows how the approach provides benefits to low-income people wherever they live. Figure 2, Direct Assistance to Poor Neighborhood Residents and Local Public Services, shows how the approach channels resources only to residents living within pre-defined poor neighborhoods. Figure 3, Policies that Move Poor Neighborhood Residents to Jobs, shows how the approach provides avenues for residents to leave the ghetto and locate closer to potential jobs. Finally, Figure 4, Policies to Move Businesses to Poor Neighborhoods shows how the approach attempts to move potential employers into inner cities.

This reframing and abstraction of Gramlich and Heflin’s categories focuses attention on the key assumptions associated with antipoverty policy. Specifically, it exposes policy makers’ confidence in the targets of policy and the degree to which policy is a mechanism to stimulate the private sector or simply a government benefit. For example, a conventional supply-side assumption is that changes in the individual entitlements of poor people will enable them to make decisions that improve their access to the labor market. Alternatively, a demand-side assumption is that a firm’s range and location of jobs can be effectively manipulated through policy. The framework also exposes other assumptions about the importance of maintaining neighborhood coherence and notions of community versus providing individual entitlements. An examination of these kinds of assumptions, then, provides some useful coherence to the fragmented and piecemeal history of antipoverty policy and, overall, can provide a starting point for policy makers and others to negotiate political cycles and partisan efforts to eliminate antipoverty policy.

These categories are general and overlap in reality. However, by specifying the key theoretical elements[3] of each policy, the policy maker can then combine them in ways that may be more effective than isolated and one-dimensional strategies. It is precisely this specification and abstraction that allows us to imagine policy that effectively combines people and place rather than see them as mutually exclusive categories. After all, the intent of place-based policies – whether targeted at the labor market, schools, or public infrastructure – is to provide improved quality of life for neighborhood residents. Likewise, the effect of people-based policies can be highly spatial and place-oriented in its benefits, providing neighborhood benefits to non-program participants. I therefore intend for this framework to expand the popular definition of place-based policy to include the spatial benefits of people-based policy and the definition of people-based policy to include those benefits of place-based policy to all individuals wherever they live.

The following section reviews the major antipoverty efforts implemented in the United States over the past forty years. Not all of these policies were *created* because of the ghetto. However, each is now primarily associated with urban concentrations of poor and unemployed people either by intent or by residential patterns. While this *dejure/defacto* distinction is important in understanding the degree to which the following policies change in response to changes in residential patterns, both have important impacts on ghettoes and barrios.

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[3] I liken the process to making a good soup. One must have a good sense of the relative proportions of the various ingredients of any soup if one wants to improve its taste. If one simply wants to know whether it tastes good or bad requires none of this specification. Single policy evaluation is similar to the latter process, while the former is what I attempt to do in this paper.

Place-Based Policies

Ever since the Tennessee Valley Authority (TVA) was created in 1933 to generate electricity and thereby reduce long-term poverty in the valley, regional planning has emphasized place-based approaches to poverty (Selznick 1949). This model of creating local development institutions was replicated in different regions around the country, and over time became adapted to urban ghettoes. Initial urban poverty policies took a similarly strong-handed government approach as the TVA. More recent programs, however, have taken a more market-oriented approach that mix direct government intervention and management with tax incentives for businesses, individuals and non-profit organizations.

Historic Programs

In creating the Office of Economic Opportunity (OEO), the Economic Opportunity Act of 1964 solidified Lyndon Johnson's War on Poverty into a concrete policy aimed at enhancing and promoting inner city economic opportunities and preparing youth (and to a lesser degree adults) to take advantage of these opportunities. The policy was to focus almost exclusively on low-income geographic communities themselves, and primarily through new local institutions called Community Action Agencies (CAA) (Halpern 1995: 107). These CAAs were composed of local officials as well as low-income community residents under the assumption that poor residents know best how to solve their economic problems. Overall, the OEO helped to stimulate improvements in some neighborhoods where the CAAs could achieve small-scale victories such as holding public service agencies accountable for their work, blocking harmful urban renewal programs, and the construction of urban parks. However, tension between the priorities of the OEO and the local CAAs sometimes paralyzed local action and some of the representatives on the CAA boards came to represent personal interests rather than community-level ones. Most importantly, however, they never adequately addressed the fundamental goal of attracting private investment back into inner city neighborhoods (Halpern 1995: 116-7), and many neighborhoods fell further into poverty despite some useful local projects.

Shortly after the OEO began its work the country erupted in a series of urban race riots in the late 1960s. Johnson commissioned a panel of distinguished researchers called the Kerner Commission to investigate the causes of riots and develop appropriate policies in 1967. The recommendations following this research eventually became a program to develop "model cities" in 150 areas, with $300 million in federal funding (Kerner Commission 1968; Halpern 1995: 121). Under this program neighborhoods created City Demonstration Agencies (CDAs), composed of elected officials, representatives of major agencies, labor and business leaders. CDAs planned the implementation of more integrated housing that would provide incentives for middle class blacks and whites to remain connected to inner city areas, as well as a concerted social service delivery system. Much of the funding, however, was co-opted by local development elites and politicians. By 1969 President Nixon had declared the "urban crisis" over, and the Model Cities program was allowed to lapse with few notable achievements to its credit (Halpern 1995: 122-4).

Since none of the Johnson-era programs had made significant progress against urban poverty, and market trends had also not provided economic opportunities to inner cities, the problem remained by the time the next Democratic president came to office. In 1976, the Carter Administration and Congress authorized the Urban Development Action Grant (UDAG) program, allocating $400 million to Northeast and midwest cities hit hardest by deindustrialization. The funds were to be used to promote housing and economic development projects that required major capital investments. While similar to Model Cities and the earlier urban renewal programs, UDAGs differed by requiring up-front commitment from private sources before program implementation could begin. As with Model Cities, however, UDAGs came under criticism for cementing overly-cozy relationships between local corporate elites and local governments, even while they have effectively channeled some resources to poor areas for development. However, as with many of these early place-based programs, the tangible benefits for the urban poor were less clear than the physical projects that were carried out (Bingham 1998).

Each of the historical program discussed above were developed by Democratic administrations under conditions that required strong government action on urban poverty: racial riots, deindustrialization and urban disinvestment. Perhaps as a result of these larger social conditions and the imperatives they put on the federal government, each of these place-based approaches focused on supply-side mechanisms that directly transferred assets into poor neighborhoods. Their results were mixed, and more importantly, neighborhood poverty remained a problem after they each lapsed.

Current Programs

In 1980 Ronald Reagan was elected president, Washington focused on foreign policy and urban policy fell off the federal agenda. The urban problems had not disappeared, but federal assistance had. Thus, it is not surprising that during the early 1980s many state governments in the United States filled this gap through a market-oriented place-based business development program called Enterprise Zones that had been pioneered in 1981 in the United Kingdom. By 1991, thirty-seven states and the District of Columbia had passed enterprise zone legislation for approximately 500 zones across the country. Although each of these programs had slightly different criteria for selection, program benefits and marketing strategies, they all shared the general framework of lower taxes for businesses located in the incentive areas and incentives for workers in those areas.

In the early-mid 1980s a series of early-stage program evaluations for this family of state policies showed mixed results. One study of the Illinois Enterprise Zone Program, for example, found that the area designations in 12 of the state zones had stimulated some business location to depressed areas, even if they were unable to completely stem neighborhood economic decline

(Elder and Cohen 1989). Another study of New Jersey's Enterprise Zone program found that the zones were beneficial to distressed neighborhoods throughout the state, increasing their employment rates relative to other areas of the state. Examples such as these reveal an early optimism with the Enterprise Zone program's effects on attracting businesses and jobs not only through participation in the program benefits, but also through the creation of a general atmosphere of opportunity that designation as an Enterprise Zone brought to distressed neighborhoods (US Department of Housing and Urban Development 1985).

Later studies of the Enterprise Zone programs developed more sophisticated evaluation techniques that accounted more clearly for regional economic growth and cyclical economic change. Dowall (1996), for example, was able to determine that much of the increase in jobs and firms associated with California's EZ program was in fact due to regional growth more than to the policy itself. Taking a broader view, Bondino and Engberg (1999) found that the Enterprise Zone programs in five states[4] combined showed no evidence of increased local employment no matter how great the monetary amount of the incentives.

Concurrent with these state-level efforts was a small tax-incentive policy that the Reagan Administration had allowed to continue because of its relatively minor federal expenditures. The Community Reinvestment Act (CRA) of 1977 mandated federal oversight of financial institutions to assess their record in providing credit to minority applicants. It was a response to the common banking practice of "redlining" that made credit unavailable to residents of poor and minority neighborhoods. According to the legislation, the results of CRA analysis were to be included in bank applications for "deposit facilities," which included mergers and acquisitions. If a bank's credit record proved discriminatory against poor or minority communities, the Federal Deposit Insurance Corporation (FDIC), The Office of the Comptroller of the Currency, or the Office of

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[4] State programs examined were California, Kentucky, New York, Pennsylvania and Virginia.

Thrift Supervision would veto its application. Banks were thus mandated to channel some funds into poor minority neighborhoods.

Rather than manage these loans themselves, most banks subcontracted these portfolios to Community Development Corporations (CDCs). Rusk (1999), Vidal (1995), Foster-Bey (1997), and Halpern (1995) have all described many of the individual programs that make up this diverse category of non-profit institutions called CDCs. In general, these groups see themselves as community-based capitalists making risky investments in the construction of affordable housing, purchasing local businesses in danger of bankruptcy, and financing small retail establishments. In order to survive institutionally, some have spun off private, for-profit subsidiaries that manage local businesses but are subject to the parent-CDC control. As non-profit activist organizations, CDCs were originally civic responses to neighborhood poverty rather than policy responses. Their relative success at renovating housing and neighborhood organizing, however, did make them attractive vehicles for banks to address their CRA commitments.

The most significant impact of the CRA came with subsequent amendments, however. In 1986 the policy was amended to include incentives for the provision of Low Income Housing Tax Credits aimed at stimulating the construction of multi-family housing and small businesses in poor neighborhoods. This amendment provided federal incentives for the direct support of CDCs by private banks, which in effect created a category of community institutions focused on the construction and provision of affordable housing.

CDCs and the CRA were very effective in the infrastructure and business development they did stimulate. Moreover, they seem to have avoided much of the corruption of earlier place-based initiatives, such as Model Cities and UDAGs. As minor reorientations in the way that the federal government operated, the CRA and the use of CDCs as implementing agents brought private sector funds into programs intended to support the urban poor at virtually no cost. For this reason, there has been relatively little debate over the value of these programs, but much debate on their overall impact.

Under Presidents Reagan and Bush from 1980 through 1992, urban policy investment remained minimal. However, with the election of Bill Clinton in 1992 and the eruption of major riots in Los Angeles in that same year, the scale of which had not been seen since the late 1960s, the federal government was ready to initiate major urban antipoverty programs once again. In 1994 the Clinton Administration authorized a national Empowerment Zone program – to complement the existing state-level Enterprise Zones - that allocated US$ 100 million to six cities over a ten-year period. This program was expanded in 1998 to include twenty more inner city and poor rural areas. In addition to direct federal funds, $250 million more was made available through tax credits to business.

The incentive structure of the program is similar to the Enterprise Zone programs, including wage tax credits, tax exempt zone facility bonds for physical property, and an increased deduction on depreciable zone property (physical infrastructure). Although the primary goal of the program is employment of local residents, unlike the state Enterprise Zone programs, the legislation includes an array of ancillary incentives to increase public-private cooperation, community-based partnerships and community planning for neighborhood development (Flint 1999).

However, it is not clear that these incentives and technical support programs have made significantly greater progress than the EZs for at least three basic reasons. First, as a relatively small federal urban policy it cannot be expected to attract significant numbers of jobs and only operates in select areas of the country. Second, as with EZs, it is not clear that businesses move to particular locations because of lower taxes. Technological changes, a skilled and cheap labor force and proven consumer markets are much stronger attractors for primary, secondary and tertiary industries respectively. Finally, even if businesses do move to inner cities, it is not assured that they will hire local residents rather than import workers to fill the jobs (Lehmann 1994). Consistent with these structural critiques, some early evaluations of the implementation of Empowerment Zones have found that their effect has been negligible (for example, see Flint 1999; Fruehling 1998).

Finally, federal policymakers have begun to consider the poverty-related impact of all kinds of fixed-place infrastructure investments. The largest policy sector considered is transportation infrastructure. Transportation policy comprises an approach to poverty that has both people- and place versions. The place-based aspect, fixed transportation infrastructure has gained recognition as an important link to the negative effects of neighborhood poverty and unemployment (Rusk 1999; Orfield 1997). For example, the federal Department of Transportation (DOT) has allocated $600 million in FY 1999 to an Access to Jobs Initiative that will make the public transportation infrastructure serve residents of poor neighborhoods better. These funds will, the DOT hopes, increase the efficiency with which inner city residents can access low-wage suburban job opportunities. While theoretically reasonable as a response to the problem of concentrated poverty and unemployment, it is still too early to assess public transit policy's effectiveness at providing significant labor market opportunities for inner city residents.

These current place-based approaches to spatially concentrated poverty built on the concepts of the earlier programs, but took a more refined approach. In particular, they extended the definition of antipoverty actors to private sector businesses and to non-profit organizations. In this way, the federal government played more of a supporting role for the market to attract economic opportunities. Despite these advances, however, place-based programs have not made significant advances against spatially concentrated poverty.

People-Based Policies

The existence of spatially concentrated poverty does not necessarily imply that spatially-targeted policies are the most effective antipoverty approaches. Programs that provide individual assets to residents of poor neighborhoods are investments in poor people. These recipients either remain in poor neighborhoods or leave, and this choice – by definition - redefines the degree of spatially concentrated poverty. Thus, investments in poor people can increase concentrated poverty if the most skilled residents leave inner cities and reduce it if they remain. Some people-based policies mandate this kind of ghetto dispersal while others simply invest resources in individuals and leave them with the choice of whether to remain in inner cities.

Changing People's Location

To date, the people-based policy intervention to reduce spatially concentrated poverty that has been most systematically evaluated is Chicago's Gautreaux Housing Mobility Experiment, which randomly relocated low-income urban African Americans into either suburban or other urban neighborhoods. The effect of this relocation was an improved likelihood of employment and educational attainment for suburban movers while there was no improvement for urban movers. However, evaluations have also found that other factors, for example the number of children, were equally or more important in determining labor market outcomes (Rosenbaum and Popkin 1991; Rosenbaum 1995).

Similarly, the Department of Housing and Urban Development (HUD)'s Section 8 housing voucher program is a policy with significant implications for neighborhood poverty. Under the program HUD contracts with local public housing agencies to provide vouchers for low-income families hoping to move out of housing projects. These vouchers can be used in the private housing market and serve to subsidize poor people's residential mobility. In his analysis of California data, Ong (1998) found that Section 8 vouchers may offer the poor "greater residential choice and mobility, improving opportunities for employment" (779). He goes on to conclude not only that residential mobility can help low-income minorities gain a greater attachment to the labor market, but that a housing program should go beyond simply the provision of shelter to promote other desirable outcomes such as employment opportunities where possible. This kind of policy integration is the intent of the Moving to Opportunities Demonstration program (MTO), a pilot project within Section 8. Begun in 1993, MTO provides housing mobility vouchers to select residents of poor neighborhoods to enable their move into neighborhoods with lower poverty rates. Thus, program participants are *required* to move out of poor neighborhoods into middle class ones. Program participants receive counseling from social service organizations on finding appropriate rental homes and becoming adjusted to their new neighborhoods, which includes counseling on schools, jobs and other relevant issues. Since the pilot project is new there is little information on its effectiveness. In general, though, both Gautreux and Section 8's MTO program have offered increased opportunity for small numbers of the underclass, but are fundamentally limited in scale.

Moving people out of the ghetto to find homes in middle class neighborhoods is not the only program for increasing residents' mobility, however. Since the fundamental problem is a lack of work opportunities, some policy makers have focused on the movement of people out of inner cities during commutes. Based on findings that transportation barriers are significant for poor neighborhoods, in the late 1990s several philanthropic foundations partnered with the federal government's Department of Housing and Urban Development (HUD) to initiate the "Bridges to Work Demonstration Program." This program was an effort to respond to the spatial mismatch between the urban underclass and low-wage employment opportunities in the growing suburbs. In general, the pilot projects that were begun in the Fall of 1996 in five cities were intended to "bridge" three gaps that the research had identified between poor neighborhoods and jobs: bureaucratic and administrative barriers, long commutes and social fear/exclusion. These pilot projects facilitated urban-suburban and public-private partnerships to increase understanding and stimulate thinking and action to coordinate services on each of these three topics (Palubinsky and Watson 2000). While it is too early to systematically evaluate these projects, there has been enough evidence to support its federal expansion.

HUD’s new Welfare to Work vouchers program in the FY 1999 budget reflected the learnings from the Bridges to Work Program, and allocated US$ 238 million for local public housing agencies to implement local programs for the provision of 50,000 transportation vouchers for residents of public housing projects beginning work in suburban jobs that are difficult to access.

Programs that move people out of concentrated poverty have seen some minimal success, yet are fundamentally limited. First, there are more people who want to move out of poor neighborhoods than there are funds to assist them. This lack of funds is likely due to middle class residents not wanting poor people to move into their neighborhoods, fearing that they will weaken the school systems and increase crime. Second, these kinds of programs are sometimes seen as a mechanism to break up the African American community. Even though many black residents would choose to leave, extensive federal subsidy for programs that can be seen as breaking up African American communities is politically limited.

Individual Entitlements

There are many policies that have had significant intended and unintended effects on inner cities, but that have not been developed specifically to address concentrated poverty. What follows is a sample of only those with the most direct effects on spatial poverty yet that have no explicit spatial target. In many ways these policies are defacto place-based investments. Because many recipients reside in poor neighborhoods these transfers have an impact on spatial poverty that is often overlooked when the policy framework is simply people-based versus place-based.

Very few studies have examined the spatial aspects of entitlements,[5] but the implementation of the following programs are certain to have neighborhood effects. Even though program participants may move in and out of poor neighborhoods, as long as spatially concentrated poverty exists these programs will target poor neighborhoods.

The hallmark policy identified with the urban ghettoes has been the federal program titled Aid to Families With Dependent Children (AFDC). Originally called Aid to Dependent Children, the program began under the Roosevelt Administration during the Great Depression to help families with children through the downturn, and it was intended to wither away once the country's economic stability returned. However the program continued to provide benefits, steadily increasing during the sixties. In 1960 308,000 families received benefits, in 1967 1.3 million, and in 1973 3.2 million (Levy 1998: 171). By 1973 one in fifteen white children and two in five black children received AFDC benefits – a sixfold racial difference. In that year approximately equal numbers of black and white families received AFDC despite much higher spatial concentrations of black recipients (Levy 1998: 172).

Benefit levels were reduced from $203 per month in 1975 to $177 in 1984[6], during a period of general economic decline during the 1970s. Moreover, federal limitations on the number of households receiving AFDC kept the growth in number of cases relatively modest, with an increase from 3.2 million to 3.7 million from 1973 to 1984. However, over this same period the number of female-headed households with small children, many of them poor, increased from 4.6 million to 6.8 million (Levy 1998: 178-80).

[5] Recently the Brookings Institution has begun to examine some of the spatial aspects of individual entitlements. See Berube and Forman (2001a) and Berube and Forman (2001b) for some preliminary evidence of the spatial impact of the Earned Income Tax Credit in select cities.
[6] Figures here are in 1997 dollars.

Criticism of the program hinges on its role in cutting off urban blacks from the larger economy. In the absence of significant policy for the low-wage poor,[7] AFDC and other benefits offered greater income than the labor market, it is sometimes argued. Conservatives claimed that it rewarded poor single women with children for not working, thereby creating “welfare queens.” Partly in response to this political challenge, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 replaced AFDC and its associated disincentives to work with the Temporary Assistance to Needy Families program (TANF) (Ong 1998). It awarded block grants to states to develop their own welfare programs with limits to the number of years an individual could receive benefits.

Although economic expansion and these welfare changes have coincided with greater employment and incomes among former welfare recipients, it is not clear that they are accumulating greater assets, possibly because of childcare, transportation and other costs associated with work (Friedlander and Burtless 1995; Epstein 1997). Moreover, as the economic boom of the late 1990s subsided, former welfare recipients began to lose their jobs, suggesting that cyclical change has undermined the policy’s effectiveness. Many of the problems with AFDC are related to its origins as a temporary safety net and ad-hoc evolution over time. Some other programs began with a clearer intent and focused not on the temporary support of the poor, but attempted to invest in their future prospects.

The Head Start Program was initiated in 1965 and authorized the Head Start Bureau, the Administration on Children, Youth and Families, the Administration for Children and Families, and the Department of Health and Human Services, each of which was to support comprehensive child development programs for children aged 0-5, pregnant woman and their families. The overall objective of Head Start is to increase the school-readiness of young children in low-

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[7] The Earned Income Tax Credit of 1975 was a minor effort to supplement the incomes of working poor mothers. See Liebman (1997).

income families through development of educational, medical, dental and nutritional services as well as through support for parental involvement in a child's education.

The Fiscal Year 1999 budget allocation was significant: US$ 4.7 billion for the nation. These funds were matched by another $ 4.2 billion from the states to provide services for over 800,000 children (Health and Human Services 2000). One evaluation of the Head Start Program's presence in the public school system found that overall the quality of services provided to children enrolled in Head Start was superior to those offered for non-Head Start children (Resnick and Zill 2000).

However, the program is not an unqualified success. Some studies find that gains for Head Start children dissipated within two years of completion of the program, as they become more influenced by other social, family and neighborhood dynamics (Kelso 1999: 54). Some of this loss was certainly due to poor job prospects as Head Start children grew older. During the 1970s and 80s policy makers focused on the link between poor individuals and the labor market by attempting to create jobs for them and help them to find work.

The Comprehensive Employment Training Act (CETA) of 1973 was developed to improve the labor market experience of chronically un- and under-employed workers through the subsidy of local public employment. It made federal funds available to state and local governments to expand the number of public sector jobs. The new jobs were restricted to the long-term unemployed, had a wage ceiling, and were not intended to be permanent, but rather to be stepping stones in countercyclical times. However, CETA's effectiveness decreased significantly over time (Wiseman 1976). Since the public sector is skill-intensive, the program initially "creamed off" the higher-skilled poor, leaving the lesser-skilled essentially ineligible for the remaining public sector jobs even though the federal funds were available. It also simply shifted job funds from the federal sector to local governments, whereby federal jobs became local government jobs with no net increase (Johnson 1978: 136-40).

However, the CETA was a limited government job creation program and made no attempt to link poor people to the private sector labor market. In 1983 the Department of Labor authorized a national program to assist laid-off workers during the deindustrialization of the late 1970s and mid 1980s. Many of these workers were working class African Americans who, without jobs, were apt to fall into poverty. This broad program of retraining was intended to help move all the unemployed into work through the creation of partnerships between the federal government, state and local governments and private industries. The Job Training Partnership Act (JTPA) authorized and encouraged the creation of State Job Training Coordinating Councils to coordinate the needs of the private sector with training initiatives, the establishment of Service Delivery Areas to receive federal retraining funds, and Private Industry Councils to implement the training. The program provided individual assessment of an unemployed person's needs and abilities, classroom training, on-the-job training, job-search assistance, counseling, basic skills training and other support services.

In 1988, the JTPA was strengthened by the Worker Adjustment and Retraining Notification Act which required advance notice from firms of a closing, thereby allowing more time for the dislocated worker to retrain (Department of Labor 2000). Overall, the JTPA has had some positive effects in the labor market experience of the unemployed. These improvements, however, are modest and the results seem to vary widely depending on the region (National Center for Research in Vocational Education 2000).

The JTPA was limited in scope by its focus on training and information dissemination. It guaranteed few tangible assets to participants. The Earned Income Tax Credit (EITC), on the other hand, provided a direct transfer of funds to the working poor. The federal government enacted the EITC in 1975 as a refundable credit within the federal tax code for any adult who worked within the previous year. The EITC functions as a pay bonus, and thus offsets many of the increases in social security taxes and living expenses associated with work such as transportation, clothes and childcare. Since many critics of AFDC have claimed that welfare benefits create disincentives for work, the EITC suppresses this disincentive by crediting working people and raising their incomes beyond the AFDC entitlement level.

The EITC was revised and expanded in 1986, 1990 and 1993 (for which the benefits did not become implemented until 1996) to include an increasing variety of family structures. The current criteria include the following: the recipient must have earned income within the previous year and have income below a specified amount depending on the number of children living within the household as dependents (Brookings 2001).

In the year 2000 beneficiaries received average credits on the order of $US 3,888 for families with two or more children, $ 2,353 for families with one child, and $353 for those without dependent children (Zahradnik and Lav 2000). Since the 1980s the EITC has succeeded in moving some of the welfare-dependent into work. For example, EITC expansions explain over half the increase in single mother employment from 1984-96 (Meyer and Rosenbaum 1998) and over the past 20 years has offset between one-fourth and one-third of the income decline of the poorest quintile of households with children (Liebman 1998). In part because of its proven success at providing some assistance to the underclass, these federal credits have been matched with similar state tax credits from eleven states.[8] However, as with TANF, the evidence that this greater employment will lead to sustainable asset accumulation and career paths in the long term is not as promising.

The federal government has made significant investments in poor people, and theoretically it is clear that individual entitlements have impacts on poor neighborhoods. Moreover, there is no effort to mobilize these individual benefits to have secondary effects in poor neighborhoods. For example, can wage subsidies be tied to local purchasing? Can Head Start be linked to community service?

The spatial impact of individual entitlements has not been empirically explored in the literature, and the possible findings might have significant implications for how federal and state policy makers can get a conceptual grasp of the totality of their antipoverty investments. In the absence of such a comprehensive understanding, policy makers and advocates can debate single programs as inherently effective or ineffective without understanding how they are related tools that can be mobilized to serve the poor under different social, political and economic conditions.

The Logic and Politics of Antipoverty Policy

Both historical and current place-based programs seem insufficient at stemming neighborhood decline; efforts to move people out of poor neighborhoods is limited because of intolerance from the non-poor and from the African American community; and individual entitlements are significant in the amount of resources they channel to the poor, yet no effort is made to maximize neighborhood benefits, in large part because little is known about the spatial concentration of these benefits. Thus, it is clear that policy makers need to know more about how place- and people-based efforts to reduce poverty interact both in space, and over the time as political regimes change.

The previous section describes the major policies that have been associated with inner cities and urban poverty since the late 1960s and is useful as a summary of the multiple approaches that state and federal policy makers have used to address spatially concentrated poverty. The first section of the paper proposed a theoretical framework for understanding antipoverty policy. A combination of the theoretical framework and the historical overview subsequently sheds some light on the cycles of policy legislation and implementation as they have related to political cycles and important social events. It suggests that a better understanding of the political salience of alternative mechanisms and approaches might enable policy makers,

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[8] List the states…

activists and others concerned with ensuring a multiple and widespread policy approach to concentrated poverty to develop coalitions that keep government attention focused on the poor even though program emphases and mechanisms may change in response to political cycles and social events.

The Underlying Logic of Antipoverty Policy

For each of the policies I discuss it is possible to determine the degree to which it specifically targets people or places, and the degree to which it uses demand-side approaches that target firms or supply-side approaches that target an individual's human capital endowments. I assessed the degree to which each of the policies discussed in the previous section incorporated the approach listed for each box in Table 1, and then filled each grid of Table 2 with the policies that incorporated the given box's strategy. In doing so I show the dates of policy initiation and any major reauthorizations.[9]

Table 2.		**Policy Mechanism**	
		Supply Side	*Demand Side*
Policy Target	*People*	(1935, 1996)[10] (1965)[11] (1976)[12] (1983, 1988)[13] (1975, 1986, 1990, 1993)[14] (1993)[15] (1999)[16]	(1973)[17]
	Places	(1964)[18] (1967)[19] (1976)[20] (1980s)[21]	(1976)[25] (1980s)[26] (1977, 1986)[27] (1994)[28]

[9] For convenience's sake I do not show the duration of the program since the creation of programs is more indicative of the political will required to address poverty than is a gradual defunding or elimination of a program.
[10] Aid to Families with Dependent Children
[11] Head Start
[12] Gautreux Housing Experiment
[13] Job Training Partnership Act
[14] Earned Income Tax Credit
[15] Moving to Opportunities Program
[16] Transportation Vouchers
[17] Comprehensive Employment Training Act

(1977, 1986)[22]
(1994)[23]
(1999)[24]

Thus, for example, the CETA was a demand-side program designed to move workers to jobs developed in 1973, while the CRA was both a supply-side and a demand-side approach to simultaneously move jobs to workers and to assist poor places that was developed in 1977 and expanded in 1986.

Not every policy associated with concentrated poverty and unemployment fits neatly into this grid. AFDC, for example, is not specifically a labor market policy intended to reduce poverty let alone spatially concentrated poverty. It is a temporary safety net, and therefore might have been excluded from the analysis. However, as such a widespread entitlement in poor neighborhoods it should not be excluded when considering policy approaches to the inner city. Furthermore, Head Start is not directly a labor market or work program since it targets children. However, it's intent is to provide greater economic opportunities to the poor and it can be seen as an early intervention program disproportionately affecting the spatially concentrated poor. Each one is important for understanding antipoverty policy.

Thus, Table 2 allows the observer to see the approaches in which federal and state policy has invested the most energy. It makes clear the fact that most of the approaches have been from the supply side, that few policies deal simultaneously with supply and demand issues, and finally that none deals simultaneously with people and places. Seven have focused on people as the policy target, the same number as have focused on places. Six people-based programs are

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[18] Office of Economic Opportunity
[19] Model Cities
[20] Urban Development Action Grants
[21] Enterprise Zones
[22] Community Reinvestment Act
[23] Empowerment Zones
[24] Public Transit
[25] Urban Development Action Grants
[26] Enterprise Zones
[27] Community Reinvestment Act

currently active, while only four of the place-based ones are. This disproportionate dropoff in place-based programs may be due to their relative ineffectiveness or to their greater susceptibility to political cycles.

It is also clear from this summary table that place-based policies have made greater attempts to incorporate labor demand than have people-based ones. Of the seven distinct programs, four of the place-based programs matched labor supply and demand mechanisms. From this breakdown it is clear that place-based policies have made clear attempts to simultaneously deal with labor demand and supply while people-based ones have not.

Overall, however, thirteen policies have dealt with labor supply mechanisms while only five have addressed the demand for labor. Of the currently active programs, ten deal with labor supply and four with demand. People-based policies, perhaps because they are not limited in their geography, make no attempt to stimulate demand for labor, let alone attempt to deal simultaneously with labor supply and demand. This distinction between the two approaches suggests an important assumption about policy. Place-based programs have generally attempted to leverage private sector investment in the service of antipoverty objectives. Hence their focus on linking supply and demand factors. While important in the degree to which they recognize that the private sector is an important avenue for many out of poverty, programs that attempt to leverage the private sector are subject to the economic cycles in which they are implemented. In other words, an effort to stimulate job growth depends, in large part, on the health of the economy. During periods of economic expansion they are likely to be much more effective than during periods of recession or stagnation.

People-based policies, on the other hand, are almost exclusively general investments in individuals. Some of the programs, such as AFDC, would be called a social safety net, while others like the EITC are more proactive in their attempts to create opportunities for the poor to

[28] Empowerment Zones

integrate into the economic mainstream. Still others deal only secondarily with labor and employment issues, such as the GHE and MTO. However, like AFDC and EITC, these approaches are not affected by the larger economy.

In fact, only one attempt has been made to stimulate the demand for poor workers, and this has only been a government job creation program (CETA). This gap in the mechanisms of antipoverty policy is related to a finding from the labor market empirical literature: that the most effective antipoverty strategy is economic growth (Galster and Mincy 1993; Freeman and Rodgers 1999). Why has there never been an antipoverty strategy that focuses on the demand for the labor of the poor that goes beyond the creation of government jobs? While some of general job creation and industrial policy might fall under this category, there are no attempts within industrial policy and job creation initiatives that promote the employment of poor people.

Certainly some of the reticence for developing widespread demand for poor people's participation in the labor market is due to the difficulty of retaining low-skilled production jobs in the face of increasing trade and use of labor in developing nations (Freeman 1995). Another component of this gap is surely a basic skill mismatch, or the preparedness of the American working poor to take low-skilled jobs that require basic knowledge of computer systems (Kasarda 1995; Berman, Bound and Machin 1997). However, further exploration of why there have not been efforts to stimulate this demand for poor people's labor that is not limited by geographically specific areas might explain some of the barriers that policy makers face trying to reduce concentrated poverty. To date there is little research on which industries might provide jobs to American low-skilled workers but that are not subject to outsourcing or technological constraints. This failure of policy makers to link economic growth and industrial development research to antipoverty policy may be one of the reasons why a review of the policy literature seems more like efforts to tinker around the edges rather than a core objective of the state.

Finally, the distinction of people- versus place-based policies may serve to undermine the shared objectives of both approaches: the creation of economic opportunities for poor people. In the interests of developing better antipoverty policy, Gyourko (1998) and Lang and Hornburg (1998) call for greater integration of the two approaches. These suggestions are important and useful contributions to the debate. However, I suggest that it is equally important to specify and evaluate what each approach contributes to the alleviation of poverty. Part of this evaluation is the degree to which individual entitlements alleviate spatially concentrated poverty and the degree to which investments in places provide economic opportunities for residents of poor neighborhoods. Until the debate is re-centered around the policy impact on poor neighborhoods and their residents, the antipoverty policy debate will remain mired in a false either-or choice of investment in people or places. This dichotomy has political implications.

Future Directions: the Politics of Antipoverty Policy

My intent in this paper is to explore the fundamental assumptions inherent within the variety of policy approaches to concentrated poverty. However, the framework strongly suggests a need for further research on the politics of these alternative approaches. The dates associated with each of the policies' passage indicate that external political and social events have influenced which approaches survived the legislative process.

Understanding the assumptions behind alternative policy approaches allows the political analyst to make useful the claim that politics drive policy. Table 2 shows that the EITC, a supply-side people-based program was implemented under Nixon in 1975, but had bipartisan appeal. Republicans and Democrats alike supported the approach, with expansions by Reagan in 1986, Bush in 1990 and Clinton in 1993. On the other hand, many of the place-based programs show origins in Democratic administrations that did not have political saliency with Republicans. For example, the OEO and the Model Cities programs implemented under Johnson saw little support from subsequent administrations. On the other hand, the one place-based program that does show political resiliency is the CRA, which was authorized under the Democratic Carter Administration in 1977 and bolstered under the Reagan Administration in 1986. Moreover, the EZ program, which also contains both elements was enacted by many different states, under both Republican and Democratic leadership. One possible explanation for this bipartisan support might be the fact that the programs encompass significant elements of both supply and demand approaches, thereby appealing to core beliefs within either party.

This preliminary analysis suggests that a purely rational paradigm to explain antipoverty policy is insufficient. However, it is precisely the definition of the theoretical rationales for policy implementation that allows the observer to base a political analysis in a policy-relevant context. Political cycles change, yet the problem of concentrated poverty remains. If people-based supply-side programs have bipartisan appeal, then advocacy for these kinds of programs make sense under all political conditions; if place-based programs have bipartisan appeal only if they incorporate both supply- and demand-side provisions then advocacy of these approaches also makes sense under all political conditions. On the other hand, if supply-side place-based programs are only politically viable under strongly Democratic Administrations, then it would make sense to advocate for these kinds of approaches only under clear Democratic rule.

Moreover, bipartisan support may also be due to social forces that create political urgency for policy response. Further examination of the timing of the policies indicates a relationship between urban unrest and policy action. Social unrest, protest and rioting in the late 1960s and early 1990s are likely to have focused political and policy attention on the continued existence of urban ghettoes and the rights of minorities irrespective of partisan politics. Table 2 suggests that the policy responses during these periods tended to be supply-side rather than demand-side. Head Start (1965), the OEO (1964), Model Cities (1967), the Empowerment Zones (1994), for example, each channeled significant funding to areas of unrest and potential unrest, thereby providing direct assistance to the poor and the agencies that served them in their neighborhoods. With the exception of the Empowerment Zones, none of the demand-side approaches seem to be responses to these major events, suggesting that place-based programs that provide significant up-front capital investments may function as short-term salves to crisis rather than as long-term antipoverty strategies.

Such kinds of analyses are sorely needed in the antipoverty policy literature. To date, most policy analysis has focused on single-program micro-analyses that evaluate either place-based or people-based programs, policy irrelevant political analyses insisting on the fact that programs are determined by political winds and social events, or extremist arguments that the welfare state should be dismantled. None of these approaches makes scholarly research relevant to the interests of the poor. Too often analyses of the former two types allow for the latter extremists to gain public exposure. Intense debate over which programs are inherently most effective and excessively critical assessments of well-intentioned programs can be paralyzing for policy makers and politicians who need guidance and constructive criticism on how to improve policy rather than reject it. This paralysis leaves ample space for proponents of dismantling antipoverty policy to gain the upper policy hand.

In this paper I have attempted to construct an antipoverty policy framework that allows the analyst to focus on the provision of antipoverty policy support independent of the paralyzing questions of which approach is inherently superior and whether the aggregate effects of policy have been beneficial. By classifying the assumptions inherent in the variety of approaches that have been implemented, I suggest that the proposed people-place framework applied to supply- and demand-side principles may allow for a more functional understanding of how politics relates to antipoverty policy on the state and federal agenda. Understanding the relationship between policy and politics, I suggest, provides the policymaker with the tools to keep a conscientious antipoverty policy agenda active under a variety of political conditions.

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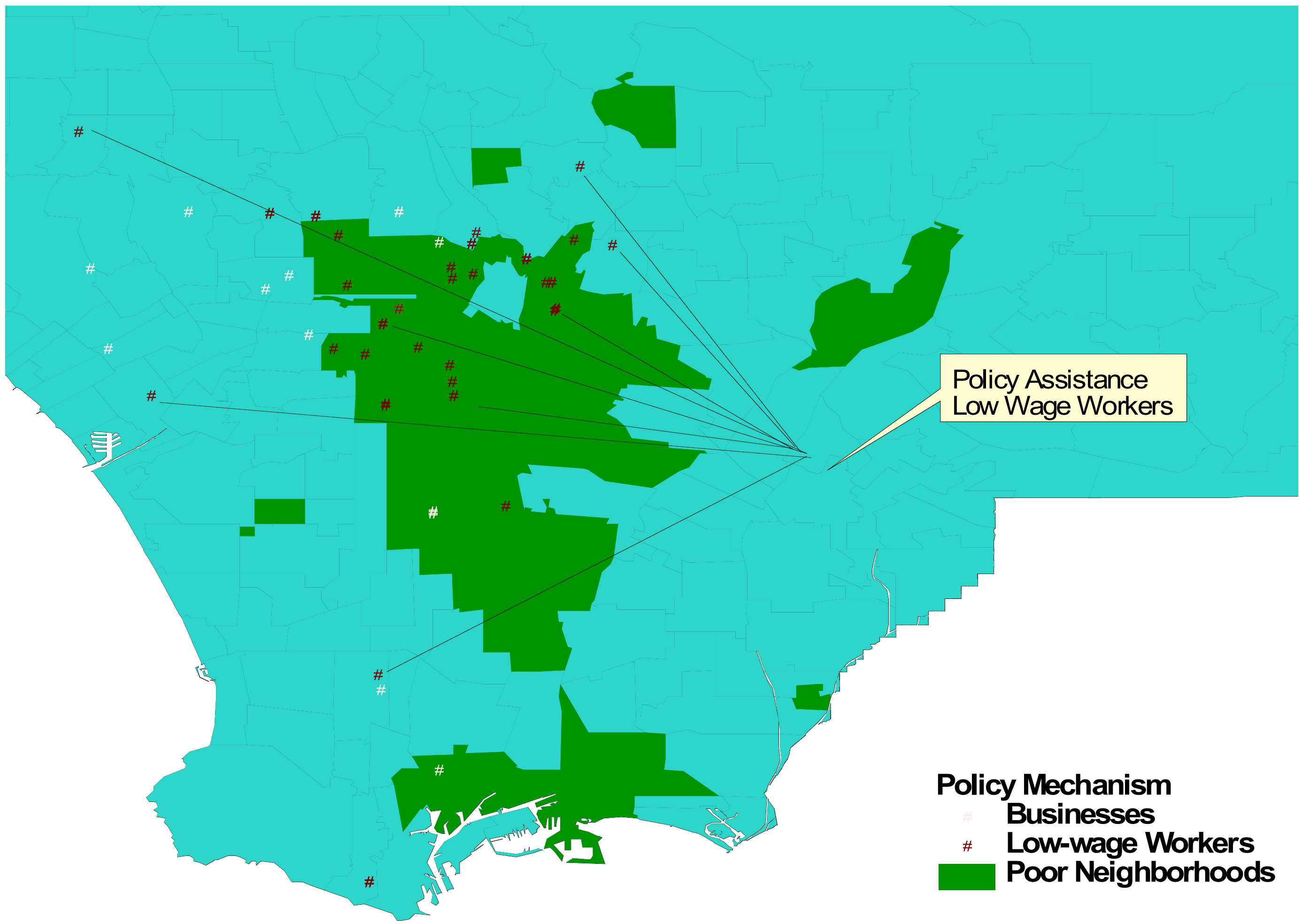
Policy Assistance
Low Wage Workers
Policy Mechanism
Businesses
Low-wage Workers
Poor Neighborhoods

Figure 1:

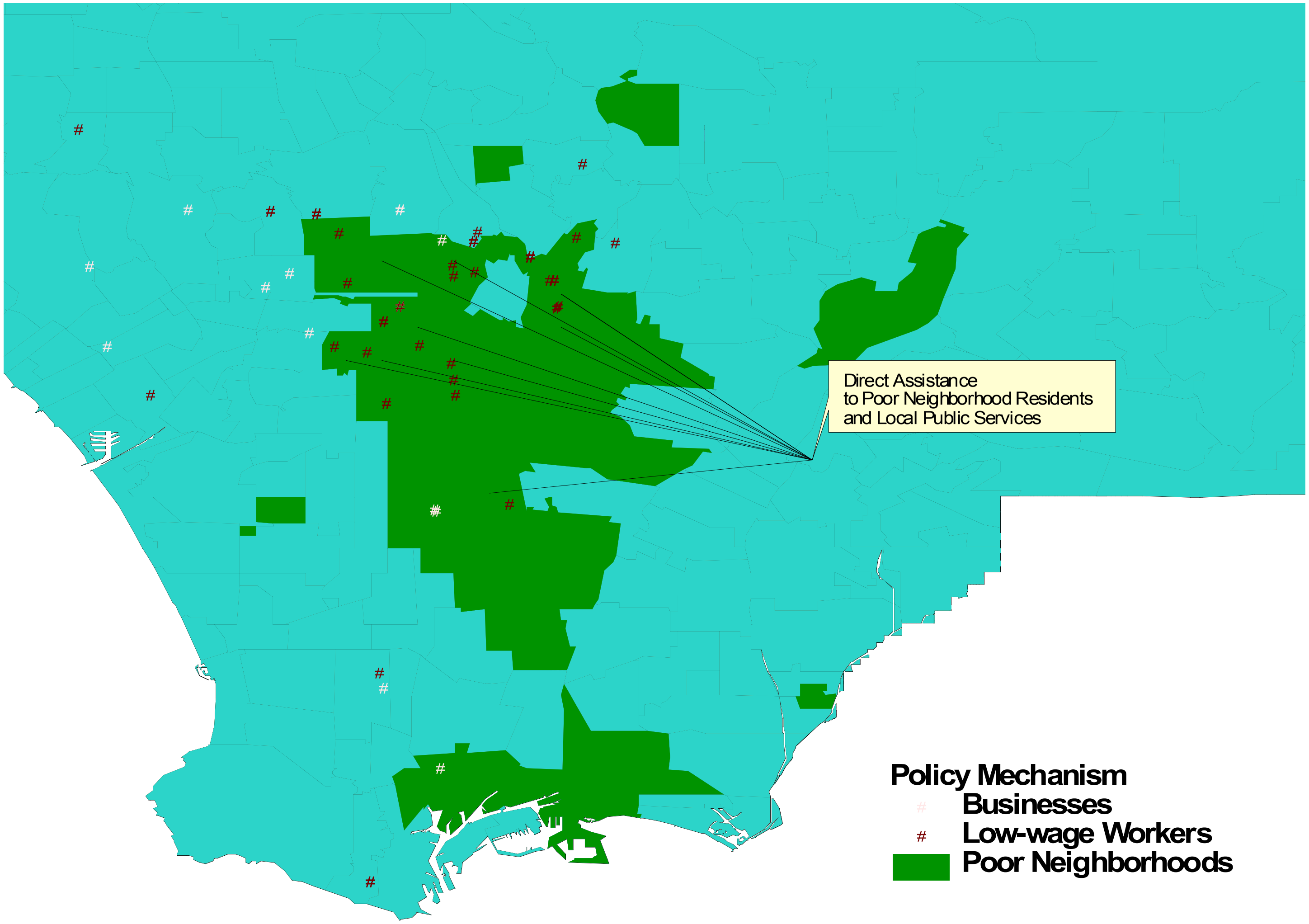
Direct Assistance
to Poor Neighborhood Residents
and Local Public Services
Policy Mechanism
Businesses
Low-wage Workers
Poor Neighborhoods

Figure 2:

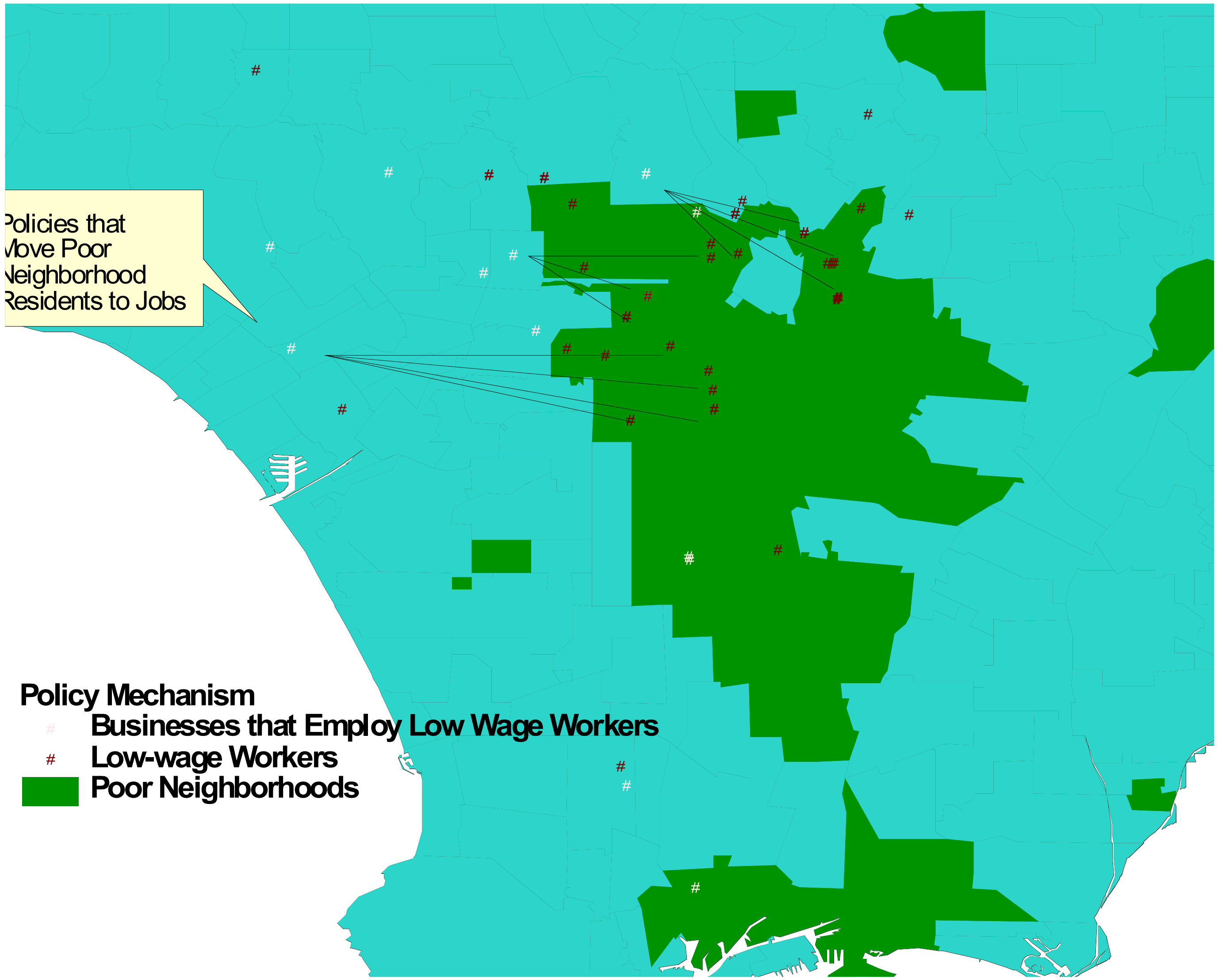
Policies that
Move Poor
Neighborhood
Residents to Jobs
Policy Mechanism
Businesses that Employ Low Wage Workers
Low-wage Workers
Poor Neighborhoods

Figure 3:

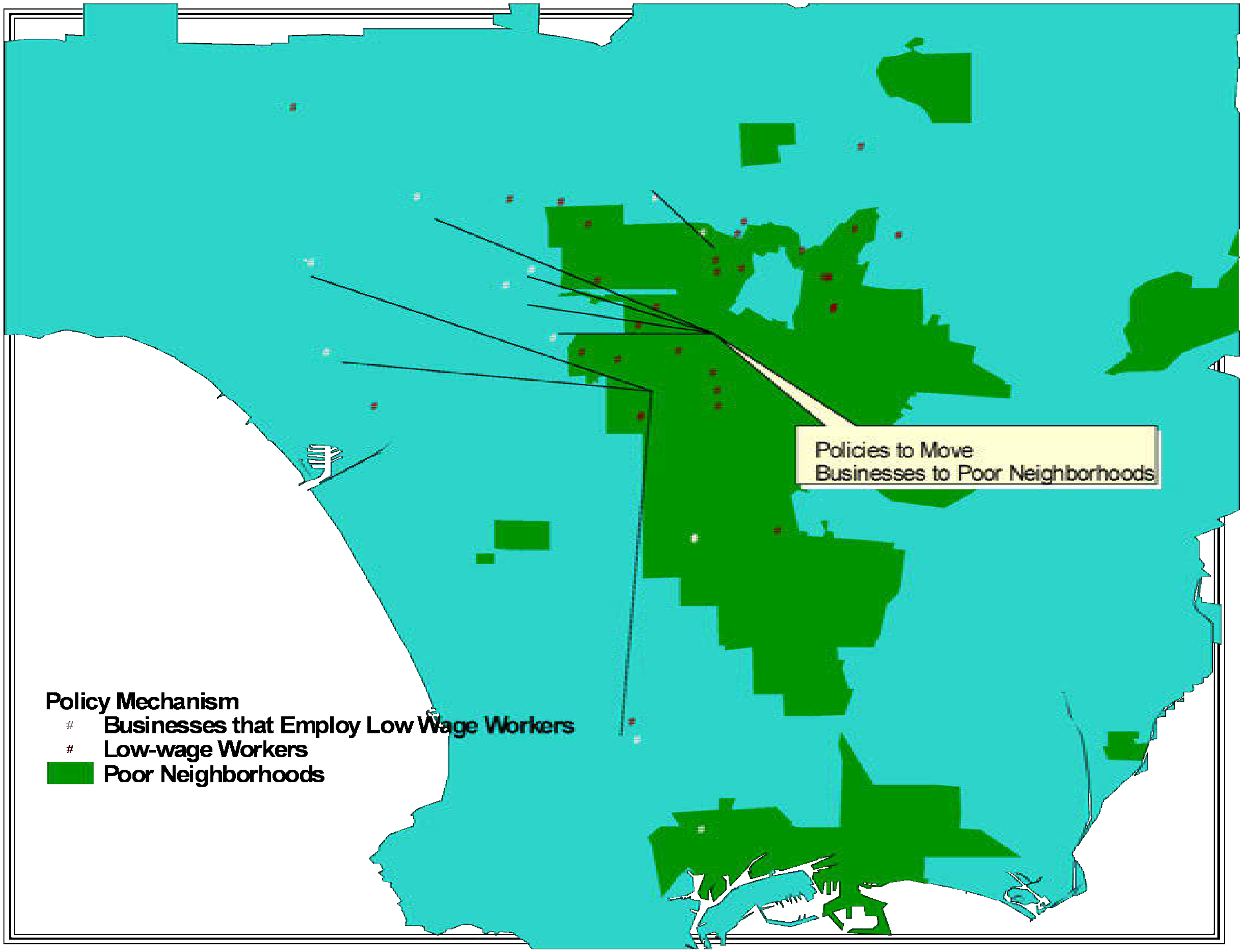
Policies to Move
Businesses to Poor Neighborhoods
Policy Mechanism
Businesses that Employ Low Wage Workers
Low-wage Workers
Poor Neighborhoods

Figure 4: