

**Levin College of Urban Affairs
Cleveland State University
UST 424/524/624
Distressed People/Distressed Places
August 24,2009 (revised 8/30/09)**

Fall semester 2009

Instructor: Edward W. (Ned) Hill

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Credit units: 4

Meeting time: Monday 6-9:40PM

Course Description: Poverty rates remain stubbornly high in places that are located at the margins of society—isolated inner-city neighborhoods, formerly industrial cities that have lost their industrial base, and isolated rural communities. There is a logical connection between economic development, economic transition, and economic distress. When demand drops for skills, peoples' incomes drop, and when economic activity changes so does the demand for land and neighborhoods.

This course explores the spatial dimensions of poverty in the US, making the connection between economic development and economic distress. Students will be challenged to answer the following questions:

- What is the connection between economic development, economic transition, and economic distress?
- Is economic and social distress an inevitable by-product of the advance of an economy?
- Is there a connection between distressed people and distressed places and between distressed places and people?
- What is the role of social capital in revitalizing communities? Are there communitarian development strategies that can be used to allow for efficient use of development resources and the realization of improved social equality?
- What does it mean to be a resilient community?

The class examines the effectiveness of the public policy responses to poverty and spatial distress at the national, state, and local levels.

Notes:

Students with Disabilities

For students with disabilities: Educational access is the provision of classroom accommodations, auxiliary aids and services to ensure equal educational opportunities for all students regardless of their disability. Any student who feels that he or she may need an accommodation based on the impact of a disability should contact the Office of Disability Services at 216-687-2015. The office is located in Main Classroom 147. Accommodations need to be requested in advance and will not be granted retroactively. The office can also be contacted through its general email address: ods@csuohio.edu. The Office of Disabilities Services has an Assisted Technology Lab in Rhodes Tower, Room 103.

Swine Flu

The University is preparing for the possibility of Swine Flu (H1N1) affecting the campus community and we are following the advice of the Centers for Disease Control.

All students are encouraged to take all **three flu inoculations**: two for Swine flu and one seasonal, or normal, flu shot. **The two doses of swine flu vaccine have to be taken at least 21 days apart. Seasonal flu vaccine can be taken at the same time as one of the swine flu shots.** The CDC expects the seasonal vaccine to be available before the H1N1 inoculations.

If a student is running a fever (or the professor for that matter), they are encouraged not to attend class and that ways will be made available to makeup the class assignment. Students will be allowed to tape record classes and recordings can be made available to other students.

This is what the CDC recommends:

- People infected with seasonal and novel H1N1 flu shed virus and may be able to infect others from 1 day before getting sick to 5 to 7 days after.
- Cover your nose and mouth with a tissue when you cough or sneeze. Throw the tissue in the trash after you use it.
- Wash your hands often with soap and water, especially after you cough or sneeze. Alcohol-based hand cleaners are also effective.
- Avoid touching your eyes, nose or mouth. Germs spread this way.
- Try to avoid close contact with sick people.
- If you are sick with flu-like illness, **[CDC recommends that you stay home for at least 24 hours after your fever is gone](#)** except to get medical care or for other necessities. (Your fever should be gone without the use of a fever-reducing medicine.) Keep away from others as much as possible to keep from making others sick.
- Follow public health advice regarding school closures, avoiding crowds and use other social distancing measures.

- Be prepared in case you get sick and need to stay home for a week or so; a **supply of over-the-counter medicines, alcohol-based hand rubs, tissues and other related items might could be useful** and help avoid the need to make trips out in public while you are sick and contagious.
- Have a **thermometer** ready before you get sick.
- To prevent the spread of influenza virus it is important to keep surfaces (especially bedside tables, surfaces in the bathroom, kitchen counters and toys for children) clean by wiping them down with a household disinfectant according to directions on the product label.

Discussion: A dynamic economy is continually involved in the process of “creative destruction,” where new goods and services replace older goods and services. What looks like a smooth process of redeployment of disembodied labor, land, and capital in the textbooks of economics and the strategic plans of business is a messy-business where people, neighborhoods, and plant and equipment that benefited from the old product set become redundant. Distressed people/distressed places is about the people and places that are left behind as the economy of the United States progresses. Far from being a course about a “problem,” this course is an investigation of public policy approaches to people-based and place-based strategies that confront the negative consequences of economic development and transition.

Readings will consist of a mixture of academic, public policy, and popular writing. Students will be exposed to different ways of analyzing and presenting arguments and they will be asked to develop a “playbook” of solutions that can be used to speed the transition of distressed people and places into revitalized assets.

Course learning objectives and outcomes:

Knowledge objectives: (1) Understand the connection between product markets, labor markets (people), and land markets (places). In other words: the connection between economic development and distress. (2) Understand what policies and programs work in countering distress and why they work. (3) Understand how politics, social networks, and economic markets interact.

Skills Objectives: Develop skills in the areas of public policy analysis, evaluation, and public policy formation. Students are expected to be able to write clearly and concisely, and incorporate elementary data and graphical analysis in their presentations and written work.

Prerequisites: Introductory microeconomics

Grading/Course activities and assessments: Distressed people/Distressed places is a joint upper-division undergraduate course (UST 424) and a masters-level graduate course (UST 524) and a doctoral course (UST 624). Students will share the same classroom meetings.

The course is a seminar. **Informed** class participation is valued and class participation counts moving the assigned grade up or down by a third (for example from a B to either a B- or B+)

Mid-term and final examinations for all students.

- Students enrolled in UST 624 will answer supplemental methodological questions on the readings.

All Students will submit their power point presentation on their assigned chapter in Berube’s edited book, *Concentrated Poverty*, along with their analytical

memorandum. **This assignment is the only writing requirement for UST 424 and 524.**

Students enrolled in UST 624 will submit one of three possible term papers

Alternative 1: Students will analyze a development organization that bridges economic and community development. The organization should reflect some communitarian principles in its purpose, organization, strategy or operations. The students work will answer the following questions:

1. What is the organization's purpose or mission and its degree of focus on this purpose?
2. What is the market or government failure the organization is addressing?
3. What are the communitarian roots of the organization (political, social, geographic, or ethical/religious)?
4. What is the organization's theory of action? How is that theory of action translated into structure and transactions?
5. What are the organization's products?
6. How has the organization evolved? Where is the organization on its life-cycle? Has it (or can it) cross the chasm from advocacy to market sustainability?
7. How are the communitarian aspects of the organization linked to social capital? Can the social capital be leveraged into economic capital or to risk mitigation?
8. How is the theory of action related to the organization's budget, staffing and investments?
9. Has the organization taken itself to marketable scale?
10. Is the organization sustainable? Can it become sustainable?
11. If not, what are the barriers it confronts? Can those barriers become opportunities?
12. Does the organization capture the value that it creates? If it captures value how is that value reinvested?

Students may want to use Jim Collins (2005) *Good to Great and the Social Sectors* (www.jimcollins.com). Collins wrote this 35 page pamphlet to accompany his best selling book *Good to Great* (HarperBusiness, 2001) Collins, has a subtitle on the cover of this pamphlet that states "Why business thinking is not the answer." The frameworks he develops are extremely interesting and useful.

Subject organizations may include intermediary and direct service-producing organizations including community development and business development organizations and advocacy groups.

Alternative 2: A student will prepare a substantive term paper on the following: All units of governments have *de facto* anti-poverty and place-based development strategies. These strategies are revealed in how these governments deploy their resources—budgetary, personnel, and political. You are to examine the programs and policies of a significant unit of government, either the city of Cleveland,

Cuyahoga County, or state of Ohio and determine what their strategy is and indicate the effectiveness of that strategy. It is preferable if the student is working for a client. Possible clients can be found for students.

Alternative 3: Doctoral students who are considering writing a dissertation in this area of inquiry can undertake an analytical literature review of a specific portion of the literature or of a hypothesis.

A number of resource documents are on the intranet for your use. These are:

Commonwealth of Virginia (2007) *Urban Policy Report*.

Katz, Bruce (2007) *Restoring Prosperity: The state role in revitalizing Ohio's older industrial cities* (Speech before the City Club of Cleveland)

Ohio Department of Development (2008) *Ohio: Home of Innovation and Opportunity* (aka: the Strategic Plan) and the *Executive Summary*

Vey, Jennifer S. (2008) *Restoring Prosperity*. Brookings Institution, Metropolitan Policy Program

Vey, Jennifer S. (2008), *Restoring Prosperity: The state role in revitalizing Ohio's core communities* (draft)

Wolman, Harold, et al. (2007) *States and their cities: Partnerships for the future* (Fannie Mae Foundation).

Wolman, Harold, et al. (2007) *What explains central city performance?* (George Washington Institute for Public Policy).

Required Books:

Berube, Alan (2008). *The enduring challenge of concentrated poverty in America: Case Studies from Communities Across the U.S.* (Federal Reserve Bank of Richmond and the Brookings Institution, Metropolitan Policy Program)

http://www.frbsf.org/cpreport/docs/cp_fullreport.pdf

Massey, Douglas S. and Nancy A. Denton (1993) *American Apartheid* (Cambridge: Harvard University Press).

Wilson, William, Julius and Richard P. Taub (2006) *There goes the neighborhood*. (New York: Vintage Books).

Recommended for those wishing to specialize in this topic area:

Wolff, Edward N. (2009) *Poverty and income distribution* (2nd edition) (Wiley-Blackwell)

Class Assignments

1. Introduction, Concepts for the paper assignment (August 24)

- Learning at the edge of research
- The connection between economic and community development
- The three types of development
- Theory of action and logic models
- Types of capital
- The organizational life-cycle and the link between advocacy and market sustainability; link to the product life-cycle
- The role of transactional data

Cleveland Federal Reserve Bank, "Understanding the persistence of poverty," Essay from the 2006 Annual report."

www.clevelandfed.org/About_Us/Annual_Report/2006/pdf/Essay.pdf

Power Point: Neighborhoods and Neighborhood development

2. Connection between place and people (August 31)

Teitz, Michael (1989) "Neighborhood economics: Local communities and regional labor markets," *Economic Development Quarterly* 3(2): 111-122.

Nowak, Jeremy "Neighborhood initiative and the regional economy," in *Approaches to Economic Development*, pp.149-156.

Bolton, Roger (1992) "'Place prosperity versus people prosperity' revisited: An old issue with a new angle" *Urban Studies* 29(2): 185-203.

Hill, Edward W. and Thomas Bier "Economic restructuring: Earnings, occupations and housing values in Cleveland," in *Approaches to Economic Development*, pp.130-148.

Fisher, Monica (2007) "Rural residence: Cause or effect of poverty?" *Perspectives on Poverty, Place and Policy* 4(4): 3-4

Power Point: Analyzing arguments in public policy
Cities that forgot their regions

September 7, Labor Day is a University Holiday

3. Considering poverty (September 14)

Teitz, Michael B. and Karen Chapple (1998) The causes of inner-city poverty: Eight hypotheses in search of reality, *Cityscape*, volume 3, number 3:33-70.

Curran, Leah, Kimberly Furdell, Edward Hill, and Harold Wolman, "Poverty, programs, and prices: How adjusting for cost of living would affect federal benefit eligibility," The Brookings Institution, Metropolitan Policy Program, Working Paper,

http://www.brookings.edu/reports/2008/0317_costofliving_hill.aspx

Berube, Alan and Elizabeth Kneebone (December 2006) Two steps back: City and suburban poverty trends, Metropolitan Policy Program, The Brookings Institution.

http://www.brookings.edu/reports/2006/12poverty_berube.aspx

Saez, Emmanuel (August 5, 2009) "Striking it richer: The evolution of top incomes in the United States" <http://elsa.berkeley.edu/~saez/saez-UStopincomes-2007.pdf>

* Curran, Leah, et al. (2006) "Economic wellbeing and where we live," *Urban Studies* (December) 43(13): 2443-2466.

* Wolf, Poverty and Income Distribution, Chapter 4, Poverty: Definitions and limitations

* Ruggles, Patricia, *Drawing the Line* (Washington, D.C.: The Urban Institute, 1990).
Power Point: Recent trends in living standards and causes of rising inequality

No class September 21—use this week to do the readings for October 5

4. Demand for Low-skilled work, race, the underclass, and neighborhood poverty (September 28)

Harry, Holzer (1996) *What employers want* [New York: Russell Sage Foundation]
Chapter 6, Summary and implications

Holzer, Harry (J. April 19, 2006) Statement before the US Equal Employment Opportunity Commission

Holzer, Harry and Michael A Stol (2007) Where workers go, do jobs follow?
Brookings Institution, Metropolitan Policy Program, Metro Economy Series

* Ihlandfeldt, Keith R and David L. Sjoquist (1998) "The spatial mismatch hypothesis: A review of recent studies and their implications for welfare reform," *Housing Policy Debate* 9(4): 849-892.

* Wolff, Chapter 8: The role of education and skills; Chapter 12: Discrimination: Meaning, measurement and theory; Chapter 13: Racial discrimination: Progress and reversal for black Americans

Power point: Policy analysis and neighborhood development—Philadelphia's Neighborhood Transformation Initiative

5. Ghetto formation (October 5)

Leman, Nicholas (1991) *The Promised Land* (New York: Vintage Books) **Required**:
Afterward pp. (pp. 343-353) * The Washington chapter pp.109-222 is recommended.

Massey and Denton, *American Apartheid*

Kusmer, Kenneth L (19xx) "Black Cleveland and the Central-Woodland community 1865-1930 in Keating, Krumholz, and Perry (eds.) *Cleveland: A metropolitan reader* (Kent State University Press)

* Kusmer, Kenneth (1978) *A ghetto takes shape: Black Cleveland, 1870-1930* Kenneth (University of Illinois Press)

Midterm passed out October 5 due October 19

October 12 is a university holiday—Note there is a lot of reading due over the next two weeks

6. Geography and poverty (Oct 19)

- Berube, Alan (February, 2007) The geography of US poverty and its implications, Testimony before the Committee on Ways and Means, Available from the Brookings Institution, Metropolitan Policy Program.
- Berube, Alan (2008) *The enduring challenge*, Concentrated poverty in America: An Overview, pp. 3-20.
- Kneebone, Elizabeth (2008), Reversal of fortune: A new look at concentrated poverty in the 2000's: Brookings Institution
http://www.brookings.edu/papers/2008/08_concentrated_poverty_kneebone.aspx
- Hoynes, H., Page, M. and Stevens, A. (Winter, 2006) "Poverty in America: Trends and explanations." *The Journal of Economic Perspectives* 20(1): 47-68.
- * Smeeding, T. (Winter, 2006) "Poor people in rich nations: The United States in a comparative perspective." *The Journal of Economic Perspectives* 20(1): 69-84
- * Gottschalk, Peter (Spring 1997) "Inequality, income growth, and mobility: The basic facts, *The Journal of Economic Perspectives* 11(2): 21-40.
- * Jargowsky, Paul A. and Rebecca Yang (2005) The "Underclass" Revisited: A Social Problem in Decline. *Brookings Metropolitan Policy Program Working Paper*.
- * George C. Galster, Consequences From the Redistribution of Urban Poverty During the 1990s: A Cautionary Tale, *Economic Development Quarterly* 2005 19: 119-125.
- * Kingsley, G. Thomas and Kathryn L. S. Pettit, Comment on George C. Galster's "Consequences From the Redistribution of Urban Poverty During the 1990s: A Cautionary Tale": 126-132
- * Jargowsky, Paul A., Response to George C. Galster's "Consequences From the Redistribution of Urban Poverty During the 1990s: A Cautionary Tale": 133-135
- * Galster, George C. Rejoinder: 136-137.

7. Neighborhood change (October 26)

- Wilson and Taub (2006) *There goes the neighborhood*.
- Note: As you read this book compare it to Massey and Denton**
- McGovern, Stephen J. (2006) "Philadelphia's Neighborhood Transformation Initiative: A case study of mayoral leadership, bold planning, and conflict," *Housing Policy Debate* 17(3): 529-570.
- Putnam, Robert D. (2007) E Pluribus Unum: Diversity and community in the Twenty-first Century, *Scandinavian Political Studies* 30(2): 137-175.

8. Cities and Poverty (November 2)

- Glaeser, Edward, Mathew Kahn, and Jordan Rappaport (2000) *Why do the Poor Live in Cities?* Harvard Institute of Economics Research, Working Paper 1891
<http://www.economics.harvard.edu/pub/hier/2000/HIER1891.pdf>
- Glaeser, Edward (2007) Can Buffalo ever come back? *City Journal* Autumn 2007
http://www.city-journal.org/html/17_4_buffalo_ny.html
- Nelson, Lisa (2008), "Cleveland, Ohio: the central neighborhood," in Berube (ed.) *Concentrated Poverty in America* pp.35-46.

Utt, Ronald D. (1998) What to do About Cities. Heritage Foundation, backgrounder 1216, <http://www.heritage.org/Research/UrbanIssues/BG1216.cfm>
Power Point: Regional Growth and Poverty Alleviation (December, 2000)

9. Rural America (November 2)

Weber, Bruce and Leif Jensen (2004). Poverty and Place: A critical review of the rural poverty literature. Oregon State University: Rural Poverty Research Center, Working Paper 04-03.

Rural Poverty Research Center (2004) Place matters: addressing rural poverty
<http://www.rprconline.org/synthesis.pdf>

Assigned presentations of the chapters in Berube *Concentrated Poverty*

10. Poverty Alleviation (November 9 and 16)

Berube, Alan, *The enduring challenge*, Lessons from concentrated poverty in America: A synthesis of themes from the case studies, pp. 169-194.

Blank, Rebecca M. (Spring 2002) "Fighting poverty: Lessons from recent U.S. history," *Journal of Economic Perspectives* 14(2): 3-19.

Blank, Rebecca M. (December 2002) "Evaluating welfare reform in the United States," *Journal of Economic Literature* 40(4): 1105-1166

Sawhill, Isabel (April, 2007) Letter Testimony to House Ways and Means Committee, Income security and Family Support Subcommittee.

Holt, Steve (February, 2006) The earned income tax credit at age 30: what we know. Research Brief, Metropolitan Policy Program, The Brookings Institution,

* Blank, Rebecca (2003) "Selecting among anti-poverty policies: can an economist be both critical and caring," *Review of Social Economy* 61(4): 447-471.

* Wolff, Chapter 15: Public policy and poverty alleviation and Chapter 16: The redistributive effects of public policy.

* What's working (And what's not): A summary of research on the economic impacts of employment and training programs (U.S. department of Labor, Office of the Chief Economist, January 1995).

Power Point: Poverty Alleviation—following the numbers

11. Community Development (November 23)

Wiewel, Wim, Michael Teitz and Robert Giloth "The economic development of neighborhoods" in *Theories of Economic Development*: 80-99.

Blair, John P. and Michael C. Carroll (2007) "Inner-city neighborhoods and metropolitan development," *Economic Development Quarterly* 21(3):263-277.

Shaffer, Ron, Steve Deller and Dave Marcouiller (2006) "Rethinking community economic development," *Economic Development Quarterly* 20(1): 59-74.

* Bradshaw, Ted K. (2006), Theories of Poverty and Anti-Poverty Programs in Community Development, Rural Poverty Research Center, December 2006

<http://www.rprconline.org/WorkingPapers/WP06-05.pdf>

* Safford, Sean (2005) Why the garden club couldn't save Youngstown: Civic infrastructure and mobilization in economic crisis

12. State and Federal Economic and Community Development Policy

(November 30)

- Drabenstott, Mark (2005) *A Review of the Federal Role in Economic Development*, Center for the Study of Rural America, Kansas City Federal Reserve Bank.
- Thornberg, David (1998) A path to smarter federal leadership in economic development: Learning, leveraging, linking, *Economic Development Quarterly* 12(4): 291-298.
- Hill, Edward W. (1998) Principles for rethinking the federal role in economic development, *Economic Development Quarterly* 12(4): 299-312.
- Markusen, Ann and Amy Glasmeier (2008) Overhauling and revitalizing federal economic development programs, *Economic Development Quarterly* 22(2): 83-91.
- Drabenstott, Mark (2008) An effective overhaul of federal economic development policy *Economic Development Quarterly* 22(2): 92-98.
- Singerman, Phillip (2008) Repurposed federal economic development programs: A practitioner's perspective, *Economic Development Quarterly* 22(2): 99-106.
- John, DeWitt (2008) Opportunities for economic and community development in energy and climate change, *Economic Development Quarterly* 22(2): 107-111.
- Finkle, Jeffery (2008) A cautious look into reconfiguring federal economic development programs, *Economic Development Quarterly* 22(2): 112-114.
- Markusen, Ann and Amy Glasmeier (2008) Rejoinder: History, leadership, place prosperity, rationales, competitiveness, outcomes, *Economic Development Quarterly* 22(2): 115-118.
- *Haider, D. (1986) Economic development: Changing practices in a changing US economy, *Government and Policy*, Environment and Policy C 4:451-469.
- *Isserman, A. (1994). State economic development policy and practice in the United States: A survey article. *International Regional Science Review*, 16(1&2), 49-100.

Power Point: States and their cities

13. Review and conclusion (December 4)

- Teitz, Michael (1989) "Neighborhood economics: Local communities and regional labor markets," *Economic Development Quarterly* 3(2): 111-122.
- Nowak, Jeremy "Neighborhood initiative and the regional economy," in *Approaches to Economic Development*, pp.149-156.
- Hill, Edward W. and Jeremy Nowak, Policies to uncover the competitive advantages of America's distressed cities. In Iain Begg (ed.) *Urban competitiveness* (Manchester, UK: Public Policy Press, 2002).