

Chasing Down Inequality

Could the Answer be Found at the Bottom?

Philip Gilman
Chancellor's Honors Program Senior Thesis
Advisor: Dr. Jon Shefner
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Table of Contents

I.	Introduction	2
II.	Bringing It Home	5
III.	Paths to Change	17
IV.	Case Study: ACORN	28
V.	And Now What?	35
VI.	Conclusion	39
VII.	Works Cited	44

I. Inequality: An Introduction

As the Western capitalist economy continues to ride the waves of globalization to higher and higher levels of economic output and boosted Gross Domestic Products, another figure expands at an alarming rate; the chasm of inequality continues to leave human beings destitute despite being surrounded by ever-accumulating wealth. In the end, the plight of the poor is often little more than numbers on a page or an occasional headline to those who were born into a situation where they do not have to deal with questions of how to feed their family. Herein lies a dilemma: the general view among the wealthy remains that the problem of poverty is a problem of the poor. In the modern world system, capitalism is king. Poverty is a different world. It is something that has been relegated to the third world where it “belongs.” When the world powers (or those who hold economic, political, or social power) decide to deal with poverty, the focus remains on bringing entire communities or countries out of their poverty. The United Nations, in fact, established its first Millennium Development Goal with the intention of eradicating poverty, starting with halving it by 2015. Specifically, this goal seeks to bring the number of people living on less than \$1.25 each day above this level of destitution.¹ Although such a focus on the poorest of the poor is laudable, it hides a great irony. By the UN’s definition, those living on less than two dollars per day have “made it out” of poverty. Little stretching of the imagination is required to think how these three billion people depending on two dollars every day must live compared to their companions earning less than one dollar per day.² Further, massive inequality will still leave significant percentages of people in nearly every country in the world in a struggle to survive.

¹ United Nations. The Millennium Development Goals Report 2010. New York, 2010. Available at <http://www.un.org/millenniumgoals/pdf/MDG%20Report%202010%20En%20r15%20-low%20res%2020100615%20-.pdf#page=13>: 6.

² Robbins, Richard H. Global Problems and the Culture of Capitalism. Upper Saddle River, NJ: Pearson Prentice Hall, 2011: 156.

Focusing in on this inequality reveals just how far the rabbit hole goes. In the United States, levels of inequality have continually expanded over the last 40 years among men and the last 30 years amongst women. Although the trend of inequality began to differentiate more noticeably in the lower strata of the economy, it has slowly moved up to the point where polarization with a more distinct range occurs amongst the highest strata. This demonstrates the fact that the poor have been left behind. Still, it is true that the government plays an active role in reigning in inequality through redistributive efforts such as taxing and the transference of funding. The U.S. government claims to hold the spread of inequality largely in check through the administration of minimum wage. In actuality, the minimum wage struggles to keep pace with inflation. Thus, the race for growth now occurs largely amongst the rich as their rate of income far outstrips lower income groups, and the movement towards greater inequality continues. Concerning net worth across this spectrum, the Survey of Consumer Finances found that the Gini coefficient within the U.S. rose by .05 in the 25 years since 1983.³ Where wages are concerned, the Gini expanded by .11 for men and .07 for women in the United States over a similar period.⁴ In fact, the overall earnings of the bottom tenth of U.S. households saw absolutely no net growth in the 35 years since 1970⁵. Admittedly, single-earner families comprise many of the families in this group. Education, although not a bad facet of society, has also spearheaded the growth of inequality. The gap in wages between college graduates and high school graduates has more than doubled since 1975, reflecting the shift in U.S. valuation from

³ Heathcote, Jonathan, Fabrizio Perri and Giovanni L. Violante. "Unequal We Stand: An Empirical Analysis of Economic Inequality in the United States, 1967—2006." Federal Reserve Bank of Minneapolis Research Department Staff Report 436. 2009: 2.

⁴ Heathcote 2009: 13

⁵ Heathcote 2009: 21

industrial labor to the service and IT sectors.⁶ With this shift came a weakening of labor unions that represented unskilled workers. A decreasing demand for unskilled workers leads to a decrease in their power to bargain for better wages. Furthermore, industry reduction leads to further competition for fewer jobs, effectively stratifying lower class workers even further by the hours they can find to work instead of merely the compensation they receive for their work⁷. This is the setting in which the question of dealing with inequality takes place.

II. Bringing It Home

⁶ Heathcote 2009: 15

⁷ Heathcote 2009: 18

In the United States, we have created a system whereby those who live in comfort insulate themselves from the need to recognize poverty in their community with relative ease. Growing up in Nashville, poverty was something I rarely witnessed or experienced. When I did, it was through the window of a car or on an occasional trip downtown. Business centers located right next to vast stretches of shopping centers, major roads that avoid poor communities, schools tucked into suburban neighborhoods, and even churches located along the same major roads allow the nation's wealthy to commute to and from work, school, and everyday life without giving much thought to the plight of the poor who often live a few minutes drive away. Even after coming to Knoxville to live on a student's budget in student housing, I was able to continue much of my middle class lifestyle. The demand for such comfort has led to the creation of student housing that continues to block out the fact that the middle class life remains unavailable to many. Pretty soon, however, my bubble began to disintegrate.

Disillusionment started with one group of people often cited as a nuisance to those living near downtown Knoxville: the homeless. Anywhere from West Knoxville through Fort Sanders and downtown and beyond, student interaction with the Knoxville homeless population becomes nearly unavoidable. Although confrontations with a homeless person often prove annoying to the other party involved, I cannot doubt that the middle class lifestyle which students work so hard to maintain announces to those around that this is a privileged and wealthy person who has done very little to deserve such a lot in life. It would follow that, if the student fully grasps this, perhaps that student would be an excellent candidate to extend compassion and support. Unfortunately for many, this logic seems to run diametrically opposed to the instilled values of modern America that stress self-reliance and an overwhelming sense of entitlement. The disillusionment did not stop there.

In an effort to “make a difference,” I began volunteering twice a month with a program called “Food in the Fort” that provides essential grocery needs to low income members of the Fort Sanders community. Although I was doing little more than ensuring that people did not take more than their fair share, I felt that I was at least doing something. After a new class schedule no longer allowed me to participate in this program, I found myself seeking a volunteering outlet. This led me to SOAR Youth Ministries in the Lonsdale community and began opening my eyes to how insulated my life still remained. Lonsdale itself represents a particularly impoverished segment of the city of Knoxville. All but two percent of the people in the entire community find themselves economically disadvantaged, and two-fifths of the people in the Lonsdale community live at or below the poverty line. The facts that a mere fourth of families in Lonsdale actually have both a mother and a father as well as that only one in twenty kids are able to go to college are nothing short of startling. In a community where two parent families struggle to exist, further statistics are alarming.⁸ In Knoxville, it is estimated that sixty-five percent of households in which a woman acts as the head live in poverty. Additionally, nearly half of the families in Knoxville that have unrelated minors living in their house go through life under the poverty line. Despite these grim figures, Lonsdale remains a community full of life, but the possibility for improvement in a sustainable manner remains difficult to attain (if not out of reach completely). Lonsdale’s problems will continue to worsen if dropout rates remain as high as they are now. Additionally, if the unemployment rate for citizens of Knoxville without a high school education remains at eight percent and the income level sits at \$9,227 a year, its citizens will not be able to provide for their families. These concerns have been continually put on the political back burner. I would have to put SOAR on the back burner as well. Having just begun to invest

⁸ This information comes largely from a pamphlet on Lonsdale made by SOAR Youth Ministries.

more time into SOAR, my time in Lonsdale went on hold as I geared up to leave the country for half a year.⁹

As I began my semester abroad in the most unequal country in the world, I realized that the same problems of poverty and inequality become unavoidable in South Africa. 18 million of the 45 million citizens of the new South Africa, by the globally accepted definition, live in poverty.¹⁰ Due to difficulties in surveying such a wide span of impoverished citizens, figures can reach as high as 45 percent in some data sets, leaving the number in poverty in South Africa over 20 million.¹¹ Furthermore, this ship will not be righted as long as the state of South African labor continues in the direction it is taking. Although jobs are being added to the tune of around 1.6 million in a year, this increase represents only a third of the citizens entering the labor force each year. Unemployment rates thus peak as high as forty percent by some accounts.¹² Although shocking, even this figure does not fully tell the story of how far inequality in South Africa goes. This inequality runs so closely to racial lines that it begs the question of whether equal access to opportunity and wealth is even possible without further redressing the problems of the past. In South Africa's Western Cape, luxurious vineyards, replete with their high-end restaurants and helicopter pads, lie within walking distance of the abject poverty of townships such as Kayamandi, Khayelitsha, and Mitchell's Plain. The following juxtaposition of photographs taken during my semester abroad exposes what lays open for anyone to see: the fact that inequality continues to create two distinct versions of South Africa that seek to live within each others'

⁹ "Poverty in Knoxville and Knox County." M.N. Murray, Center for Business and Economic Research, The University of Tennessee, Knoxville. 2006: 6.

¹⁰ Landman, J.P., Dr. Haroon Bhorat, Servass van der Berg and Carl van Aardt. "Breaking the Grip of Poverty and Inequality in South Africa 2004-2014: Current trends, issues and future policy options." EFSA Report on Poverty & Inequality in South Africa. 2003: 1.

¹¹ Landman 2003: 5

¹² Landman 2003: 10

shadow. The first set of pictures displays the difference between the streets of downtown Stellenbosch and the streets of a nearby township called Mfulini, a clear depiction of how development goes where money goes and not necessarily where more people go. The second set of photographs compares the extravagance of the Van Ryn brandy distillery that lies just outside of Stellenbosch to a barracks for workers moving into the Kayamandi Township that also lies just outside of Stellenbosch. Depending on whether or not a visitor to the area is a tourist or a migrant worker, the experience of the visitor would be vastly different. In the third set of pictures, the two shots are nearly across the street from each other. One scene shows a vast and thriving vineyard in the heart of the Stellenbosch wine lands. The other scene depicts a group of squatter families who could not even afford to get a shack in the Kayamandi Township. Both scenes are visible from the road. Finally, the fourth set of photographs focuses on differences in transportation. For those wishing to avoid the long drive from Cape Town to the vineyards outside of Stellenbosch, a helicopter pad is available. This can be especially beneficial because it avoids driving through townships. The scene pictured in the second photograph depicts South Africa's major form of public transportation for those who cannot afford better: the minibus.









How did society manage to become so polarized on such a widespread scale? Is this massive gap in standard of living just? These are the questions that have altered my worldview and shaped my research. Having come face to face with such disturbing statistics, poverty and inequality became realities to me that demand further study. It is important to realize that inequality does not need high poverty levels to exist if there exists a polarization of high wealth. This gap within society pervades even the wealthiest of countries. Inequality is a global, national, and local problem. Thus rises the major question discussed within this paper: from where can change come? Many people, from NGO leaders to politicians, often turn to one area: aid. Although scholars continue to contest the viability and sustainability of actually having a real impact on poverty or inequality through international aid, aid itself cannot be simply brushed aside. Aid possesses the ability to be either helpful or detrimental on a case-to-case basis, and therefore it deserves a bit more attention within this study.

Jeffrey Sachs seems to fall into a category of aid proponents who trust whole-heartedly in its general viability. In his article “Foreign Aid Skeptics Thrive on Pessimism,” Sachs responds to critics of aid with an extra dose of positive thinking. His cry for support is difficult to ignore, as are the lofty goals and intentions of his Millennium Challenge. On the topic of the world’s poorest nations, he exclaims, “We can help them escape from poverty. It’s in our national interest to do so.”¹³ He points to success stories such as India as examples of the possibilities aid can provide. His focus of food, health, and trade seems quite simple, and his confidence in new technologies and innovations to help cure poverty is clear. In his view, developed countries need only to give citizens of the world’s most disadvantaged of countries the chance to make a better life for themselves and their neighbors. This call to make immediate, large-scale practical

¹³ Sachs, Jeffrey. “Foreign Aid Skeptics Thrive on Pessimism.” The Los Angeles Times. 7 May 2006: 1.

improvements in areas by supporting “triple transformation in agriculture, health and infrastructure” is, according to Sachs, within reach. Positive actions can be as simple as purchasing bed nets to stem the spread of malaria. While some research points out that large amounts of aid rarely find success when it comes to national growth, Sachs would argue that this focus ignores the immediate affect that aid can have. Taking Sachs’ side of the issue, it would seem that if a thousand mosquito nets were shipped into a poor nation, sold at a profit by corrupt bureaucrats, and ultimately provided little to no support for the overall development of a nation, that does not make them a waste if they save even a few lives. The immediate relief that aid provides, as described by Sachs, thus appears to be a factor to which critics ought to attribute more importance.¹⁴

On the opposite side of the aid debate stands William Easterly. His article in the Los Angeles Times, “The Handouts that Feed Poverty,” vehemently challenges the common view of aid. He claims that all aid merely amounts to “the appearance of energetic action.” He points out the ineffectiveness of millions of dollars that have been pushed at poverty over recent decades, claiming that the endless throng of red tape and bureaucratic processes renders aid impotent. He explains that the United Nations Millennium Project proposed a 449-step process to finally rid the world of poverty. It seems right to question how effective money can be when it has to jump through so many hoops.¹⁵ Even more regulated aid, as described by Paul Collier, would fall under this scrutiny. Easterly would argue that Collier’s push for large amounts of general aid during periods of shaky post-conflict peace will not only do little practical good but may indeed

¹⁴ Sachs 2006: 1

¹⁵ Easterly, William. “The Handouts That Feed Poverty.” The Los Angeles Times. 30 April 2006: 1.

do harm if the nation becomes dependant on that aid.¹⁶ If foreign aid really is as ineffective as Easterly argues, it would behoove governments to allocate the vast resources given to aid towards solutions that are decidedly more effective. He explains, “The deaths of about half a million children in 1990 would have been averted if Africa’s growth in the 1980s had been 1.5 percentage points higher.”¹⁷ Although he spends much effort critiquing, William Easterly does claim to have a solution for the world’s poorest. He explains, “The end of poverty will come as a result of homegrown political and economic reforms [...]”¹⁸ The search thus begins for some source of reform.

On what scale then can problems of poverty and inequality be solved? Taking the arguments already mentioned into account, perhaps international intervention or aid can solve these issues. It is worth noting here that even good-intentioned policies such as the United Nations goals of bringing all global citizens out of poverty can lead to increased inequality. Neoliberal solutions to poverty ensure that the primary goal will be to lift the entire nation’s economy out of poverty. When leaders make this decision, as was done in China and South Korea, success can be found at the expense of a rapidly polarized citizenry on the economic front¹⁹. The failure of “anti-growth” policies, such as those in the former Soviet Union, further solidified the Western bent on neoliberalism and ushered in an era of rising inequality. Support has thus shifted towards fully accepted free-market capitalism to cut back on poverty by increasing overall wealth. However, modern society on average clearly displays either an

¹⁶ Easterly, William. “To Help the Poor.” The Elusive Quest for Growth: Economists’ Adventures and Misadventures in the Tropics. Cambridge, Mass.: MIT Press, 2001. Rpt. in Essential Readings in Comparative Politics. Ed. Patrick H. O’Neil and Ronald Rogowski. New York: W.W. Norton & Company, 2006. 402-410: 106.

¹⁷ Easterly 2006: 405

¹⁸ Easterly 2006: 2

¹⁹ Landman 2003: 6

inability or unwillingness to truly fight poverty and (especially) inequality. If the fight against inequality cannot be handled on the national or international level, the local level remains.

The local level is one of community involvement. Here, civil society dominates the arena of both specific knowledge and specific change and encouragement. Such small-scale knowledge is difficult to accrue on a governmental level, and it is often left to the people themselves to seek out small-scale improvement. Civil society thus creates new and innovative forms of governance that often provide the voiceless with a voice. Civil society supplies a source of power on the local level with a potential to achieve equality on a larger scope as well.²⁰ On a basic level, if equality means standing eye-to-eye with another human being, there exists no better place for this to occur than within a local community. Thus, the local community stands at ground zero for the battle against inequality. This paper will focus on the successes and shortcomings of the locally based microcredit and community organizing approaches to poverty and inequality reduction in an attempt to glean whether or not grassroots attempts at transformation can truly fix a broken system.

²⁰ Shefner, Jon. "Rethinking Civil Society in the Age of NAFTA: The Case of Mexico." The Annals of the American Academy. 610.1, 182-200. 2007: 6.

IV. Paths to Change

Although microcredit exploded onto the scene in the form of an international phenomenon, this research will take a look at it through the work of its founder, Mohammad Yunus, and his Grameen bank. The movement towards microfinancing began when Yunus took an interest in the local village of Jobra while at Chittagong University in what is now Bangladesh. He sought to combine the grassroots efforts of local craftsmen and farmers with the technical knowledge available in a university setting.²¹ His purpose consisted of eventually providing access to capital available to the educated class. Yunus realized that efficiency and growth could be sustained on a small, local scale in Jobra through irrigation and multi-season crops, ideas that had become rapidly accepted amongst educated elites. Through the Janata Bank, Yunus developed into a middleman between lender and borrower, facilitating small loans to the poor. Little victories such as a successful crop led to more trust in the system, an essential component for success. These successes within the poorest class cleared the way for a small-scale credit-providing system known as the Grameen Bank. As it developed, the Grameen Bank sought to cover manufacturing, trading, and selling as well as agriculture.²²

The Grameen Bank places its trust in the innate human ability to survive. It offers no skills training, but it will offer credit. The bank's founders believe that money (and the doors that it can open) equates to power. Even in America, Yunus references the ingenuity of the poor to make ends meet. The bank employed a system of group accountability, requiring a minimum of five borrowers for any loans to begin. This system of accountability develops a communal responsibility. The responsibility extends even to the point of requiring that there be a group

²¹ Yunus, Mohammad and Alan Jolis. Banker for the Poor: The Autobiography of Mohammad Yunus, Founder of Grameen Bank. Bangladesh: The University Press Limited. 1998: 29.

²² Yunus 1998: 43

insurance investment that members can draw from when in desperate need. Beyond this, those borrowing must prove themselves worthy of the loan. This is not a catchall process. One must seek a loan out and even prove worthy of it. The response to finally getting a loan is often fear. The responsibility is daunting. It is worth noting that the interest rate tagged to the loan totals up to twenty percent.²³ To abate this fear, these smaller groups are combined into an even larger community that seeks to meet and educate with reliability and transparency. Utilization of the bureaucratic structure is vital. The delegation of responsibility disseminates information and provides an outlet for new ideas.²⁴

Mohammad Yunus created the Grameen Bank to help people, but the benefits do not end with the poor. There is an impetus within the Grameen Bank to end poverty that goes far beyond mere numbers. The Bank seeks to establish the poor with adequate housing, nutrition, sanitation, education, and income. There is even a connection between the use of family planning and membership in the Grameen Bank. In his autobiography, Yunus includes several accounts of different women pulling themselves and their family out of abject poverty and near starvation through microloans and into a better living environment.²⁵ This is the primary benefit of the microcredit model. Additionally, the Grameen Bank creates volunteer positions, training, and jobs. The different levels of work in the system provide opportunity for a wide range of people from university graduates to local citizens. These workers and volunteers receive more than just stability or wages -- they get to be a part of something bigger than themselves. The emphasis is on empathy. Workers live within the society, not just alongside it.²⁶ As a volunteer himself, Yunus actually entered into the lives of the poor, a laudable step towards face-to-face growth.

²³ Yunus 1998: 60

²⁴ Yunus 1998: 56

²⁵ Yunus 1998: 68

²⁶ Yunus 1998: 103

The Bank seeks to impart social change as well as bring its member a voice. After developing its system within a nation such as Bangladesh, Grameen would then use its membership and vast resources to influence social or political change, such as voting registration. These politically active, motivated citizens can then actually become involved in politics and begin to attempt transformation of the entire political landscape. The meteoric rise and expansion of Grameen Banks is nearly impossible to ignore, and much of its success can be attributed to these tangible benefits.²⁷

Despite the fact that the Grameen Bank (and certainly Mohammad Yunus) has achieved an unprecedented level of microfinancing success, challenges still plague the system. In his article “Microcredit or Macrowelfare: The Myth of Grameen,” Jeffrey Tucker questions the fundamental ability of the Grameen Bank to actually secure wealth for the poor. He points out that high interest rates rival those of even regular banks, creating a cycle of debt that becomes difficult to grow out of or eliminate.²⁸ Yunus claims that a focus on interest rates is secondary to the collection of the principle because the cycling of the principle still allows development.²⁹ Tucker counters that the repayment structure of the Grameen Bank does not work as well as it claims to work, suggesting even that perhaps Grameen is hiding some level of information. Beyond this, he wonders why, if Grameen is all it is built up to be, such a successful model would not be followed by other private banks. Further, concerning subsidies, if Grameen is supposed to sustain itself within the modern system, it cannot continue to depend on grants or low-interest loans. This culture of spending reflects the fact that the Grameen system seems to ignore the need to set up a savings system for the poor or even extensive insurance. On the social

²⁷ Yunus 1998: 123

²⁸ Tucker, Jeffrey A. “Microcredit of Macrowelfare: The Myth of Grameen.” Ludwig von Mises Institute. 8 November 2006: 1.

²⁹ Yunus 1998: 95

front, Yunus appears to be spreading his own ideology through lending. Much of his autobiography emphasizes his decision to make a difference in the lives of the poor. This is an interesting perspective. It sets a tone that suggests his work specifically is saving the poor of the world. Social issues continue as Yunus posits that religious and cultural skepticism towards the Grameen Bank fails to realize the value and logic of microfinance. This may be true, but it sounds eerily similar to cultural imperialism, backing the spread of capitalism as the only functional system.

Yunus created the Grameen Bank in response to what he viewed as a broken system. He claims that many economists of the past have missed the true origins of poverty. His faith in the market system and its capability for good is reflected in the optimism of the microlending model. More importantly, Yunus views his work as a movement past charity. In his mind, charity solves no problems. Since microlending helps to draw people out of poverty (if the debt can be paid off), Grameen views itself as sustainable and perhaps optimum solution within the system. Thus, by creating a sustainable model, the Grameen Bank can set a new standard for helping the poor. In fact, Yunus' focus deals specifically with the poor, fearing that too broad of a scope would lead to exploitation of the more poor by the less poor. Such a view on human action is quite revelatory. It recognizes the tendency of the capitalist system and perhaps human nature to seek personal gain over community benefit. The Grameen Bank seems built on a foundation that deviates from this winner-take-all mentality while still seeking economic success through interest. This change of focus of using the capitalist system to achieve social and economic justice works to indoctrinate members, workers, volunteers, and observers into a new field of development. It introduces the idea of the "social entrepreneur."³⁰ In effect, Yunus wants to

³⁰ Yunus 1998: 208

champion a new breed of innovators who use their business savvy and skills to attack social problems through the market system. These efforts move beyond just banking into development projects. Here, Yunus attempts to continue to connect the poor into the global market, while avoiding government intervention. While Yunus certainly expresses a desire for less government oversight, he goes a step further. Yunus' main problem with government resides in the fact that, in his experience and research, government proves often incapable of dealing with poverty.³¹ Although Yunus' opinion is clear, perhaps it is not a dead end argument if change could occur within government structures. He wants to privatize development aimed at the poor. He wants to fix a broken system. This last goal stands as one deemed worthy of pursuit by today's development-oriented citizens, but perhaps more than just the private sector could be involved in this transformation. This would call for major transformation of the world system, and not just local transformation within the system.

While Yunus looks to create community in order to give support to his borrowers, organizers head into communities seeking to tap into the human capital therein. These groups of people, though initially only a small portion of their nation and a miniscule portion of the world, possess a unique power: the potential to organize. Community organizing covers a vast array of views and projects, ranging all the way across the political spectrum and even spreading outside the political realm. Some organizers seek to work within the system to perhaps undo decisions they view as unsound. Other organizers seek to instigate radical, systemic change.³² Regardless of their angle, it is imperative that community organizations seek justice within their community and challenge their nation to follow suit. Champions of community organizing trace their roots

³¹ Yunus 1998: 210

³² DeFilippis, James, Robert Fisher and Eric Shragge. Contesting Community: The Limits and Potential of Local Organizing. New Jersey: Rutgers University Press. 2010: 22

back to the civil rights era, the women's rights movement, and the anti-war movement in the 1960s in the United States. Community organizing has established itself, since its inception, as a challenger to the system. The leaders and organizers learned what it takes to change racist and unequal practices during those times, especially when the laws of the land were on their side.³³ These community organizing groups have now grown to cover multiple issues and represent multiple peoples. Thus, these groups call on all members of their nation to take up their responsibility for the others. Although thousands of community organizations have cropped up since the 1960s, ACORN, Citizen's Action, the Industrial Areas Fund, and the National People's Action have reached the highest levels of participation and attention.³⁴ With the housing problems, crime rates, education needs, unemployment issues, lacking health services, environmental rights, development demands, drug problems, traffic control violations, zoning issues, and public transportation needs that exist in nearly every city (to name a few), the logic behind a multi-issue community group becomes more apparent.

Such reform takes place in local communities, but its need and influence reside on the national stage. When big business and politicians have a bug in the ear of the president, arguably the most powerful person in the world, the balance of power (or lack thereof) demands that the poor find a way to get the president to listen as well. Numbers get attention, especially when the media gets involved. This is the tool of the organizer to really drive home an issue. Since national change is, by definition, made up of several local groups seeking the same change, the actions in the local sphere can change the action in the national spheres. In one attempt to publicize local issues, ACORN members were actually able to pressure Republican leaders in

³³ Delgado, Gary. Organizing the Movement: The Roots and Growth of Acorn. Philadelphia: Temple University Press. 1986: 3

³⁴ Delgado 1986: 26

Detroit to take a tour of the impoverished sections of their city, pushing further the goal of face-to-face interaction and understanding across political lines.³⁵ This link between the national and the local works in both directions. A national emphasis must be kept within the vision for change of local efforts. In many cases, such as the Nation Welfare Rights Organization's push for "A Strategy to End Poverty," organizations seek to require the government (through pressure) to hold up its end of the bargain of providing welfare rights to all those to whom the law applies³⁶. Clearly, all responsibility does not fall on the government. At the same time, an organizing group cannot simply demand that communities solve their own problems; it must recognize and focus its efforts on systemic structures that lead to inequality and hold the poor down.³⁷ Sometimes, local power exists in direct connection to the willingness of government to work with community groups. This falls under the description of "empowered participatory governance."³⁸ Yet, due to "market failures" within the capitalist system, community organizations are often called on to stand for something that does not align with the capitalist or majority will. For instance, the imperative to stand for something within the community besides economic profit often sets community groups in direct conflict with big businesses.³⁹

For a better understanding of such conflicts and even the potential need for them, Saul Alinsky's book, Rules for Radicals, stands as a launching board into the world of community organizing. Alinsky realized that those without access to power in the conventional sense must resort to tactics that fit their resources. These often included boasting a big hand, seeking information advantage, tapping into comparative experience advantage, and finding sources of

³⁵ Delgado 1986: 151

³⁶ Delgado 1986: 23

³⁷ DeFilippis 2010: 126

³⁸ DeFilippis 2010: 121

³⁹ DeFilippis 2010: 79

accountability within the system such as oft-ignored rules or regulations. Alinsky focused on an inequality of power as the root problem, so his solution was to take that power back by nearly any means necessary. Numbers and effort provide continual pressure, and this pressure can be employed at specific points or towards specific people in order to create isolation and shift the balance of power. In order to rally around a cause, Alinsky felt that the enemy must have a face. Thus, the representative was often a single person or rule.⁴⁰ Anger may be directed at “social injustice,” but attacks upon general enemies result in grasping at smoke.⁴¹ Alinsky followers thus have a tendency to single out individuals. For example, Mike Miller singles out the president when he claims, “The Reagan revolution made government and the civil service enemies rather than tools for the common good.”⁴² In this case, the Republican rollback of social services contributed to a climate rife with discontented and disadvantaged protestors. The system depended on quick action, worthy and enjoyable causes, and a general ridiculing of the enemy until demands were met. This allowed a range from strikes and boycotts to lobbying and endorsements.⁴³ Once this stage is reached, an important step is to develop and champion a new way of doing things. Here, different leaders bring in their own ideologies on what true change looks like and different groups take form. Alinsky’s movement, for example, grew into one of the largest community organizing groups in the United States: the Industrial Areas Foundation (IAF). It is worth noting here that as a short-strike, high-pressure movement that focused on individual areas where stepladder victories could be achieved, the lifespan of a community

⁴⁰ Alinsky, Saul. Rules for Radicals. Excerpt. Source: www.semcosh.org. 2006.

⁴¹ DeFilippis 2010: 173

⁴² Miller, Mike. “Alinsky for the Left: The Politics of Community Organizing.” Dissent. 57.1, 42-49. 2010: 46.

⁴³ Miller 2010: 43

organization was expected to only push up to five years. However, the successes of IAF and ACORN, among others, have challenged this mindset with their decade-spanning histories.⁴⁴

Community organizing possesses the power to change even the culture of government or communities, an essential step in rewriting the way the wealthy and poor interact in a community. Mike Miller argues that if the American political left followed Alinsky's tactics, their emphasis would shift to "supporting greater social and economic equality, a viable public sector in the economy, significant extension of the social safety net, breakup of concentrated corporate power, worker ownership, cooperatives, credit unions, full civil liberties and open discussion, greater democratic participation, and greater political democracy in the country."⁴⁵ This emphasis seems to run diametrically opposed to the direction the world political and economic system is flowing. In the face of this, the goal of the organizer is social justice; this is the ethical imperative.⁴⁶ However, if humans work to their own best interests, it should be no surprise when government, business members, and everyday citizens work to advance their own interests before those of the poor (especially when the poor contribute little to the economy and the government). The face-to-face emphasis of community organizations provides a forum where people can interact on a relatively level playing field. The power shifts from the economic to "social capital."⁴⁷ In a world dominated by business interests, local chapters of community organization use this "social capital" to bring a more equal voice to the stakeholders of the business and political systems rather than just the stockholders. This holds especially true in the

⁴⁴ Miller 2010: 44

⁴⁵ Miller 2010: 43

⁴⁶ Cherry, Donna J. and Jon Shefner. "Addressing Barriers to University-Community Collaboration: Organizing by Experts or Organizing the Experts?" The Haworth Press, Inc. 2004: 228

⁴⁷ Briggs, Xavier de Souza. "Doing Democracy Up-Close: Culture, Power, and Communication in Community Planning." The Community Development Reader. 2006: 3.

pursuit of a voice for the poor and underprivileged.⁴⁸ Perhaps there are areas where desires are aligned, but within this cooperation there is still a need for equal voice and power. These battle lines further show the need for a voice for the poor. In the end, even victories are not the end of the game. A loss of power will lead the other side to take up their banner to get it back. In fact, even when there are many years without conflict, those years essentially translate into years where the poor are being taken advantage of within a system that holds competition as the basis of the capitalist way of life.

Community organizing does not only function on a group scale. The individual organizers work as a catalyst for change, overcoming their small numbers and resources to instigate large-scale change. Community organizing further allows educated organizers to identify, raise, and train local leaders in a community. This model then empowers that community to speak up where needed. In an age of rising inequality, this voice is needed with consistency. In this way, a very small number of people can impact change on a community-wide scale.⁴⁹ To facilitate this change, Fred Ross developed “the house meeting,” and eventually Cesar Chavez brought these meetings into the realm of unionizing.⁵⁰ However, even within local meetings, longstanding barriers between class and race prove difficult to break down. Continued cooperation is therefore imperative. If conversations from different classes are difficult to “decode,” it does not follow that decoding is not worth the effort.⁵¹ Recognizing that “epistemological differences” constitute vastly different ways of even experiencing the same

⁴⁸ Briggs 2006: 4

⁴⁹ Miller 2010: 45

⁵⁰ Delgado 1986: 22

⁵¹ Briggs 2006: 7

event must occur before cooperation becomes possible.⁵² The natural use of “style switching” exemplifies the possibility of movement towards improved conversation.⁵³

Despite all of the planning and tactics involved, gaps in experience, communication, and privilege threaten to derail community organizing before it even gets going. Organizers cannot ignore the ingrained role of the white man as the oppressor. From history to business to politics, white faces can connote oppression, exploitation, and corruption depending on perspective. Organizers seek to break down these barriers while contesting the areas where people continue to affirm such stigmas. One thing is for certain: these barriers to trust are not broken down by silence and inaction. Action is needed. This process is not always an easy one, especially when those with much seek to make a difference in the lives of those with little. Members of the academic field, those with both know-how and a source of funding, especially have difficulty interacting on a level playing field with those they are seeking to help, even when their intentions are good. This reveals that where there is greater inequality, whether it is economic or intellectual, it impedes cooperation from both ends.⁵⁴ This is not to mention the barriers that arise between languages. Often these cultural, power status, and belief differences are just accepted, but leaving differences alone only works to reinforce them. Karen Umemoto stresses the value of finding how different views and opinions can create a beneficial whole rather than a solution being drawn from amidst different views. Here enters the possibility of a cultural translator to facilitate the empowerment of different voices and opinions into a synthesized “we.”⁵⁵

⁵² Umemoto, Karen. “Walking in Another’s Shoes: Epistemological Challenges in Participatory Planning.” *Journal of Planning Education and Research*. 21, 17-31. 2001: 18.

⁵³ Briggs 2006: 11

⁵⁴ Cherry and Shefner 2004: 221-227

⁵⁵ Umemoto 2001: 20-26

V. Case Study: ACORN

A more focused look at the controversial community-organizing group known as ACORN (Associations of Community Organizations for Reform Now) begins to expose how far a community organizing group can reach as well as how far it can fall. Those who were there at the beginning talk of how George Wiley of the National Welfare Rights Organization (NWRO) gave Wade Rathke the go-ahead in 1970 to start what would develop into the nationally recognized ACORN in Arkansas. Although Little Rock was not exactly a hotbed for liberal transformation, community groups such as the Southern Tenant Farmers' Union had seen success.⁵⁶ Their goal was to organize as many people as possible across racial, gender, and ethnic spectrums to obtain as much power for minorities and disadvantaged citizens as possible. The focus centered on opportunities for increased liberty and economic justice.⁵⁷ Gradually, ACORN broke with NWRO, built itself into a statewide organization, expanded outside Arkansas' borders, began to challenge national groups such as the Democratic Party, and finally established itself as a national organization.⁵⁸ Delgado describes ACORN as being "guided by three basic principles: expansion, penetration, and consolidation (immediately followed, of course, by more expansion)."⁵⁹ The ability to create a specific model based on organizations that already garnered success proved pivotal for new organizers charting new waters.⁶⁰

Structurally, Rathke followed the Alinsky model of using professional organizers to develop a democratic organization set on seeking victory in winnable, ratcheting levels of

⁵⁶ Delgado 1986: 44

⁵⁷ Delgado 1986: 202

⁵⁸ Delgado 1986: 50

⁵⁹ Delgado 1986: 39

⁶⁰ Atlas, John. *Seeds of Change: The Story of ACORN, America's Most Controversial Antipoverty Community Organizing Group*. Nashville: Vanderbilt University Press. 2010: 33.

confrontation.⁶¹ Rathke's ideas found traction in his emphasis on more than just issue-by-issue, minority-focused movements. ACORN really viewed itself as an organization for the poor. He sought achievable victories across the field within communities, seeking to bring more supporters from different backgrounds into the same fold. Once a part of the organization, these members could then become more involved in the community and possibly even politics. Thus, ACORN could cover both immigration and civil rights as well as fight corporate excess and support public employment development.⁶² Eventually, ACORN would grow to a position where it was able to set itself as a challenge to other local community organizations where the focus was slipping away from the victims of inequality and benefiting those who already had the resources to take advantage of developmental efforts. This is the goal of the organizer within ACORN. With the view that the capitalist system values economic development over social development, economic capital over social capital, and commoditization over community support, this restructuring becomes pivotal. Therefore, ACORN leadership begins with the organizer, but the rapid delegation of power and responsibility to local leaders who feel the direct effect of the issues at hand remains essential to successful movements. ACORN stood out as a civil-society driven community organization that focused on going from one house to another within minority-filled neighborhoods in an attempt to develop a base from which to seek change. With over 400,000 members following local leadership instead of a centralized charismatic figurehead, ACORN set a precedent for power distribution.⁶³ With such numbers, the amplifying power of the media then allows power to aggregate where people and action aggregate, such as a public rally or march.

⁶¹ Atlas 2010: 20

⁶² Miller 2010: 48

⁶³ Atlas 2010: 5

ACORN's actions went much further than just public gatherings. In the 1980s, ACORN worked against government mandates and supported squatters in New York in an attempt to push the rights of low-income workers in a city of rapidly expanding rent costs. This movement led to 58 buildings transferring out of government hands and into the hands of the ACORN-organized Mutual Housing Association of New York accompanied by \$2.7 million in architecture and renovation grants.⁶⁴ Later, as leader of ACORN in New York, Bertha Lewis' compromise with millionaire Bruce Ratner on his Atlantic Yards development led to a dramatic increase in the amount of affordable housing within the new building plans. She viewed cooperation within the community and between a business mogul and a leftist rights group as an opportunity to set a precedent for considering the poor in urban development planning. Although the Bronx development continues to make slow progress, it broke records for planned amounts of affordable housing.⁶⁵ The work of ACORN did not extend solely into the housing sector. ACORN was even willing to challenge the corporate Wal-Mart giant through the Wal-Mart Alliance for Reform Now (WARN). Although they managed to pass a living wage bill in Florida, the motion was still defeated by a government veto.⁶⁶ Nonetheless, such losses often garnered the further attention needed for success. ACORN's push for a Community Reinvestment Act (CRA) that would require that banks could not exclude low-income groups from borrowing if those same groups were also investing in the bank and needed such support. ACORN sought to cooperate with the government to use legislation to keep the private banks honest.⁶⁷ ACORN's record continued to show a willingness to work across battle lines to seek genuine community improvement. Unfortunately, cooperation is not always a viable option.

⁶⁴ Atlas 2010: 96

⁶⁵ Atlas 2010: 145

⁶⁶ Atlas 2010: 114

⁶⁷ Atlas 2010: 60

Within a capitalist system, sometimes it pays to swindle. Predatory sub-prime mortgaging exemplifies this fact. ACORN's resistance to such measures displayed the basic protection that organizing can offer to those holding the short end of the power and information stick. Through protest and the subsequent bad press it inflicted, ACORN forced the Household Finance Corporation to reach a point where their stock value actually began to fall in response to their lending practices. Eventually, they were forced to change their ways. This is power. This is where community can challenge corporate power.⁶⁸ Finally, the disaster in New Orleans showed the power of a national grassroots organization to provide quick and reliable support to its members in need. Its delegated leadership allowed ACORN to make quick changes even when a group such as FEMA was unable to achieve success.

The publicity and success of ACORN did not come easily. Having existed since the fledgling years of community organizing, ACORN had to run the gambit of trial-and-error projects and structures. Practically speaking, this means that ACORN did not survive over thirty years without some problems. An important member of ACORN himself, Gary Delgado claims, "ACORN reflects the shortcomings of an organization that is controlled by white middle-class male progressives."⁶⁹ Even within ACORN, struggles for equality between minorities and majority members across racial and gender lines continued to impede progress. The recruitment of such organizers proved to be a narrow process. Often organizers came from a highly educated, middle class background. In many ways, the very high intellectual and interpersonal demands as well as the very low pay scale of an organizer create the narrow scope of available candidates.⁷⁰ This attempt to lead by organizers, viewed as outside of the organization members' class and

⁶⁸ Atlas 2010: 129

⁶⁹ Delgado 1986: 191

⁷⁰ Atlas 2010: 35

background, created a whole new slate of communication and cooperation problems. When ACORN's strength was one that began and ended with its population base, this was not a simple problem. Its model depended on the interaction with and mobilization of members of the community. Other problems stemmed from the financial base of ACORN. The organization worked to be self-sustaining. Although this did mean collecting dues from the very people that the organization was seeking to support, the paying of dues created ownership and encouraged participation. Much of this changed when ACORN began to expand its scope and citizenry. ACORN also organized fundraisers, sought money from non-ACORN members of the community, and had even more recently received large-scale government or private funding. In an attempt to get on board with the positive receptions of ACORN's housing efforts, groups such as J.P. Morgan and Company and Chase Financial donated hundreds of thousands of dollars to ACORN's housing development efforts.⁷¹ Such actions paid tribute to the power of the threat of informational damage. Eventually, however, ACORN struggled to find financial support from national organizations because of ACORN's own confrontational, "in-your-face actions."⁷² This presented severe challenges to ACORN's sustainability by putting its fundraising needs on the shoulders of its members or surrounding communities. Here, trouble began to pile up for ACORN. Furthermore, as ACORN's power grew, its leaders soon learned that the power of the media could quickly change from ally to enemy.

Although ACORN attempted to create conflict, it worked to create it on its own terms. ACORN viewed the expanding influence of big business and right wing thinkers in direct correlation to the weakening voice of the poor.⁷³ Consistent accusations and attacks from the

⁷¹ Atlas 2010: 69

⁷² Atlas 2010: 34

⁷³ Atlas 2010: 81

political right marked the beginning of the end for ACORN. Regardless of their level of truth, accusations create bad press. Bad press hurts membership, which in turn can destroy a grassroots organization. These accusations intensified as ACORN worked to register three million voters for the 2008 presidential election. When cooked-up stories of ACORN inventing voters or being behind the financial crises were combined with the true story of Wade Rathke's brother embezzling nearly \$1 million from ACORN, the fallout was devastating.⁷⁴ These real and perceived problems often fell in the lap of the leadership, and in ACORN's case it created a rift between Rathke and his own organization. Additionally, conveniently edited videos of ACORN employees giving illicit advice furthered the downward spiral. "The pressure and cost of defending ourselves in multiple investigations as a result of the falsified videos has eroded our organization," Ms. Lewis said in a press statement. ACORN was forced to file for bankruptcy in November of 2010 with a debt of \$4 million. Its leaders realized that they could not compete in a lobbying or mud-slinging war. They could not even keep up with the different lawsuits and negative press releases. Although these attacks eventually led to the demise of ACORN as a whole, the leadership and base continue to work through smaller organizations with different names. The fight is not over; it has simply been transferred.⁷⁵

Despite its meteoric fall, the successes of ACORN provide precedents that cannot be ignored. Furthermore, community organizers must also learn from ACORN's failures and shortcomings. First and foremost, ACORN's achievements show the power that exists in numbers. The adaptability of ACORN's model allowed it to be rapidly applied, a process that can certainly be improved upon in a society driven largely by social networks. ACORN shows

⁷⁴ Atlas 2010: 223

⁷⁵ Massey, Daniel. "Acorn Files for Bankruptcy." Crain's New York Business. 3 November 2010: 1.

that using local leaders to remain connected to these disparate groups is also essential. The success of ACORN in helping rebuild in New Orleans was founded on their ability to reach multiple local chapters quickly and effectively. Delegation also became much simpler. At the same time, ACORN displayed the fault of too much centralized power at times when problems with the Rathke family cropped up. Such problems provided a figurehead whose actions and mistakes could be used to define the entire organization. This becomes especially problematic as a single figurehead can serve to further racial or cultural divisions due to the singularity of a leaders race or culture. While a group like ACORN that receives much heat should make sure that its image does not depend on one leader, it must also carefully screen members and provide open accountability. The need for a moral high ground is essential. Breakdowns are difficult to recover from. Community organizing groups thus display the force for substantial change, but it is certainly not an easy road. They must be ready to deal with other side in both senses of the word, defending themselves on all fronts and cooperating where necessary.

VI. And Now What?

Having surveyed both the microfinance and community organizing approaches to inequality, there seems to exist a clear level of success according to each side's standards. Perhaps, both sides are on to something. Both grassroots approaches have ballooned in numbers and support. Yet, neither has seemed to live up to their full potential. Although his project earned a Nobel Prize and has been touted as idea to save the third world, the Grameen Bank has failed to truly challenge or change a system that continues to create both poverty and inequality. In its attempts to fight economic polarization, community organizing has been used to also emphasize social and political battle lines. Even among the leftist community organizing groups, further divisions occur from religious to secular and confrontational to corroborative. Thus, there is a clash of intentions, and it all comes at the price of curtailed progress. With such lines drawn, community organizations must guard themselves and ensure they do not lose or destroy their moral ground, or their support will quickly disappear. The question remains whether these groups are doomed to keep holding their lines or if any change can occur. Jeffrey Sachs references the abolition of slavery, the fall of colonialism, and the civil rights and anti-apartheid movements in the United States and South Africa, respectively, as examples of people in a position of political and economic power working to their own political and economic detriment to improve the lives of those stuck in bondage or poverty.⁷⁶ He posits that if humans can achieve such transformative change once, they can surely do it again.

Once again, Sachs appears to view the world through a level of optimism not often achieved by other theorists. In reality, the current capitalist system does foster an environment where poverty and inequality are fairly constant byproducts. Seemingly similar to the idea of the

⁷⁶ Sachs, Jeffrey D. The End of Poverty: How We Can Make It Happen in Our Lifetime. New York: Penguin, 2005: 364.

banality of evil, the capitalist system conditions certain global citizens to live lives of excess dependent on the overwork, poverty, and starvation of other, less fortunate members of society. There exists a veil behind which rampant poverty and inequality grow for the economic benefit of a few seemingly without their knowledge. Although microfinancing seeks to pull people out of their poverty through individual effort and collective support, its opportunity to work towards a system where such poverty is not created in the first place is passed over. DeFilippis explains, “[...] unless organizations are outward-looking, insofar as their efforts have a focus that includes and goes beyond the local, they are often just providing modest relief that legitimizes the larger system.”⁷⁷ Granted, the Grameen Bank, when successful, creates a new class of civically involved citizens, the exact type that can actually have an affect on their government (where power is fairly distributed). Unfortunately, power is not fairly distributed. There is a level of support for the global eradication of poverty, but when it begins to threaten established economic, political, or social powers, the well often runs dry. Those who monopolize power fight to retain it. Another relevant concern arises as the capitalist system moves through a financial crisis. The power of recession to exacerbate inequality has forced itself upon the scene in recent years as one of the major factors that polarize nations.⁷⁸ How can microfinancing work when there is little to no money to lend? What happens when entire industries dry up and no longer prove profitable? These problems cause the loss of millions to businesses and individuals across the globe, and they certainly must acutely affect those borrowers who have mere hundreds to work with. Simply starting over is not an option. Here again the question stands: Can anything work to truly create systemic change?

⁷⁷ DeFilippis 2010: 170

⁷⁸ Heathcote 2009: 3

Since community organizing often faces debilitating opposition from parties on the other side of the power struggle and the microfinancing scheme fails to challenge the capitalist system and lies at risk of major capital swings, there comes the question of whether either movement can exact lasting change on its own. Perhaps there is some way for development economics-driven and social justice-driven groups to work together. This line of thinking moves towards the pluralist stance. John Gaventa points out that true economic change will not be possible until the system changes; alterations within the system often prove too difficult or short-lived.⁷⁹ Although government often serves as a proponent of the system, this does not mean that government cannot participate in change or improvement. In fact, this change cannot happen unless both the government and citizenry are on board. They are the cutters of the red tape.⁸⁰ Here, civil society must establish a trend of cooperative efforts that will provide a precedent for other groups and future interaction. Unfortunately, due to power imbalances, the influence of established business, and the countering power of oppositional groups, pluralism struggles to find traction.⁸¹ However, Martin Smith argues that reformed pluralists can recognize the power imbalances in the system and work to seek areas where there is still competition for voice and action. Herein also exists further opportunities to challenge established sectors with power imbalances in order to create renewed competition on policies and practices.⁸²

Systemic change with governmental cooperation will not come unless there is an active push for change by the people. Some people are willing to pioneer, some must see success in

⁷⁹ Gaventa, John and Rosemary McGee. "Introduction: Making Change Happen – Citizen Action and National Policy Reform." Citizen Action and National Policy Reform. London: Zed Books. 2010: 1.

⁸⁰ Gaventa 2010: 5

⁸¹ Smith, Martin. "Pluralism, Reformed Pluralism and Neo-Pluralism: The Role of Pressure Groups in Policy Making." Political Studies. 38.2, 302-322. 1990: 302.

⁸² Smith 1990: 313

order to seek involvement, and some merely take the free ride. Still, action begets action.⁸³ The work of civil society, especially through NGOs, becomes easier to ignore when it works within the system and does not challenge it. Community development and organization bear little relevance when both are ignored. At the same time, the challenge posed by civil society does not preclude cooperation -- in fact it creates the opportunity to interact, share resources, and create better solutions. It remains imperative in this system for citizens to actually remain involved in their community. Perhaps then a system could be reached where power can be found at the marginalized ends of society, and those who choose to seek a voice can also find the power to impact change. This is only possible when governments are willing to listen to and work with their people and when pressure is applied in the right areas with an understanding of power and influential imbalances. In the newly democratic nation of South Africa, change towards a more just society for the disadvantaged has not been an easy road. The Treatment Action Campaign's (TAC) attempts in South Africa to combat HIV and AIDS and seek a society that recognizes the needs and rights of its citizens suffering from these ailments brought them into direct conflict with both multinational pharmaceuticals that would not lower ARV prices and a government that would not include HIV treatment as a civil right. When five million people in a country of 50 million are HIV positive, the TAC retained the moral imperative to pressure for change.⁸⁴ Here is an example of a community-organizing group seeking redistributive justice towards the poor, working class, and minorities (often the losers in the capitalist system).⁸⁵ Since redistributive and restorative justice often strongly outweigh the importance of retributive justice within African

⁸³ Gaventa 2010: 15

⁸⁴ Friedman, Steven. "Gaining Comprehensive AIDS Treatment in South Africa: the Extraordinary 'Ordinary.'" Citizen Action and National Policy Reform. London: Zed Books. 2010: 44.

⁸⁵ DeFilippis 2010: 13

cultures, the desire to make social wrongs such as the HIV and AIDS epidemic right runs strongly within the people of South Africa. Here was the TAC's opening to impact policy and procedural change. By organizing civil disobedience movements and political pressure on its government, the TAC managed to instigate the provision of generic ARVs and eventually jump-start the action of the national government to uphold its own constitutional right to health and life. This did not bring everyone to the same team. They did manage to create a moral impetus for community members to work within the system where possible and without where necessary to improve the system. The action of citizens gave them a voice, and this collective voice provided political relevance. What followed was systemic change and governmental cooperation. Thus there is an imperative to create a more active citizenry if there will ever be sustainable change within the system.⁸⁶

Perhaps then there is a possibility that government and civil society can work together, but this road is not often traveled easily. Yet, it remains an important road. J.P. Landman and his colleagues, in their survey of South African inequality, found that a blend of government and private sector spending and effort would lead to a more sustainable and efficient economy in South Africa. Thus, advocates must be willing to enter the political realm or at least find ways to challenge it directly to move it into action. Working towards this end, different types of community groups hold different angles of power or influence. Cooperation within the civil sector between development and organizing groups could thus further the potency of each group's influence. In this manner of combining different angles of influence, an organizing approach creates an opportunity for any group, from unionists to feminists, to seek to tear down bastions of inequality. With positive cooperation, this power shift becomes even more

⁸⁶ Friedman 2010: 63

effective.⁸⁷ Groups such as the Greater Southwest Development Corporation and The Southwest Organizing Project in Chicago have shown that it is possible to pull together different groups for a common cause.⁸⁸ Bringing together the goals of a community, working along the same lines, and providing a united voice, they began to make traction in Chicago. These groups found their power and base in organizing, and then used their victories to establish themselves. These successes ranged from low-income housing developments to commercial shopping centers. They worked against predatory lending and then worked hand-in-hand with major financials like Citibank.⁸⁹ What resulted was a sustaining model that crossed barriers, developed leadership, and shared power and information. Capraro explains, “Community organizers state there are two kinds of power: organized people and organized money. Community organizations have the ability to organize people while CDC’s have the ability to organize money. Together they become a potent force.”⁹⁰ This synthesized work seeks out productivity now as well as change and improvement in the long run.

This synthesis does not escape skepticism. James DeFilippis and associates posit that development and organizing cannot coexist due to a basic lack of understanding of community itself.⁹¹ However, those who seek to combine community organizing and development to impact change as well as pressure the system find that success can lead to more success. Something as simple as crime reduction could bring both community and governmental support. There is certainly funding available for those who produce results. Simply turning to non-government organizations to solve national problems underestimates the effect that government does and

⁸⁷ Gaventa 2010: 19

⁸⁸ Capraro, James F. “Community Organizing + Community Development = Community Transformation.” Journal of Urban Affairs. 26.2. 2004: 151

⁸⁹ Capraro 2004: 154

⁹⁰ Capraro 2004: 159

⁹¹ DeFilippis 2010: 138

could have within communities as well as on a large scale. Grassroots organizing and development can create a more educated, secure, and therefore influential community. Once again, these face-to-face interactions serve to break down preconceived barriers and generalizations.⁹² As people learn to work together within their community with a common voice, there will be areas where equal power can be achieved, government must listen and lend its support, and real systemic change can occur.

⁹² DeFilippis 2010: 11-18

VII. Conclusion

In a world where poverty and inequality run rampant, people seek change on an international, national, and local level. Of these three levels of focus, it is the local level that has the power to impact change where it is most urgently needed and to also work with, challenge, and change the system through organized confrontation and local development. Mohammad Yunus' attempt to provide change for the poor through microlending seeks change within a system that continues to create inequality. Although it has seen much success and has brought positive attention to the economic ability of the poor, it provides a tenuous solution, as the principle must be repaid along with 20 percent interest. The Grameen Bank further calls on its members and communities to buy into the capitalist system as the only path to stability and wealth. Furthermore, success is volatile, as an economic crisis could cause a devastating crash for those who have bought into the microfinancing system. Community organizing, modeled by the exploits of ACORN, offers a different path that seeks a voice for the periphery and the poor. Such a model depends on Alinsky-style tactics of group pressure to bring about systemic change. Here, individual organizers work to bring people together with a common cause, such as ACORN's push to end predatory lending or for the provision of a living wage to Wal-Mart workers. Communication problems grounded on cultural, economical, and political inequalities stand as a challenge to effective community organizing. Furthermore, there remains a pressure on leadership to delegate and represent while not providing grounds for division. While microlending fails to challenge the system or promote debtless growth, community organizations often have to face the attempts to undermine and destroy their work by the powerful people who stand to lose the most if the community organizations succeed. There is another way.

A survey of the facts on inequality leads to this conclusion: if the plight of the poor is worth caring about, then something within the system (or perhaps the system itself) is surely broken. Inequality is something sewn into the fabric of nearly every political system at work in the world. Those who stand in higher economic classes or production leaders work to change the system to their benefit, and they often can. Conflict remains imperative because it creates a forum within which the actors are more clearly defined, arguments are publicly presented, and solutions begin to find their way into public discourse.⁹³ Even in an unequal society, change must often be a give and take. Even if the give is a willingness to recognize weaknesses and seek to break self-destructive tendencies within the activist's own society. It cannot stop at a change of policies. It cannot stop with community activism. Change must seek to transform communities and challenge the system to change as well.⁹⁴ This can be achieved through cooperation between community organizations and community developing groups regarding expertise, information, and human power. Government must listen to organized citizenry, especially when they are achieving tangible successes in their communities. This points to an even higher level of inequality than economics or political systems: power. An inequality of power truly separates those who have from those who have not. It is the impetus behind economic, political, and social advancement. Control of power incorporates control of often all of the above. Any attempt to deal with inequality will demand a response to the inequalities that exist on each level: that of economics, politics, and power. At the basis of all of this work lies the need for this eye-to-eye interaction that is possible on the local level across economic strata. Positive human interaction on equal footing must be the cornerstone of any attempt at cooperation across economic lines.

⁹³ DeFilippis 2010: 171

⁹⁴ Gaventa 2010: 30

VII. Resources

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