
BACK TO SHARED PROSPERITY

*The Growing
Inequality of
Wealth and
Income in
America*

Ray Marshall
editor

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*Justice at the
Gates - E. Corles*

Justice at the Gates of the City: A Model for Shared Prosperity

Ernesto Cortes, Jr.

In ancient Israel, at the gate of every city there was a political institution, the municipal court, that made economic decisions for the city and its inhabitants. The guiding principal behind this institution was “mishpat,” or justice. For the decision-makers of this institution, justice was not an abstraction, but a concrete reality; it meant that no one was denied the wherewithal for a dignified life. Justice in ancient Israel, in other words, meant that prosperity would be shared by all.¹

Equity in the distribution of the costs and benefits of economic change (i.e., shared prosperity) ultimately requires political institutions guided by a sense of justice for all. Consequently, political institutions and the moral vision that guides their development are important issues in the debate on how to restore broadly shared prosperity in America.

America's Growing Prosperity Gap

During the last twenty-five years, the economic security of virtually all families—particularly those whose incomes depend upon work—has been gradually eroded by a combination of forces affecting the labor market and the economy.² Over the same period, these forces have also generated enormous prosperity: corporate

profits have risen and the real wealth and assets of the top 5 percent of the population have increased significantly. Given the recent deterioration of our public life, the institutions that control economic decision-making are now dominated by the interests of an increasingly narrow band of people (i.e., the top 5 percent of wealthholders). As a result, the mechanism that once enabled a reasonably equitable distribution of the costs and benefits of economic change—that is, a vibrant public life connected to strong intermediate institutions—no longer exists. Consequently, those at the bottom of the income distribution have been made to absorb a disproportionate share of the costs of economic change without receiving any of the commensurate benefits. One of the most important causes of declining incomes and rising poverty among working Americans is this inequity in the distribution of the benefits and costs of economic change.

If we are serious about restoring broadly shared prosperity to the United States, we must take action to reverse the deterioration of our public life and its institutions, especially those community-based institutions (i.e., labor unions, schools, churches, and other voluntary associations) that were the foundation of civic culture and historically have buffered working

families from the worst effects of a changing economy. Only through the revitalization of such institutions can working people acquire the power to negotiate with politicians, corporate leaders, and other decision-makers and thereby restore the balance in power that enables prosperity to be shared.

Triumph of the Market Culture

The changes in the economy are reflective of the broader changes in the rest of society—in institutions, families, politics, and public discourse. A society that not very long ago cultivated relationships, conversation, and reasonably vibrant public forums, now cultivates disconnected, self-absorbed, narcissistic individuals. More and more we are yielding to the materialistic, self-centered values of a commercialized and commodified society that has embraced the hegemony of the market imperialists. As a result, more and more of us are living according to individual preferences, needs, and desires without any regard to the common good.

The market is an important institution; it generates wealth, allocates resources, and engenders efficiency and innovation. But the market—despite its important societal roles—has no regard for, and is often inimical to, the common good. In other words, the market is amoral and myopic; it is effective in the short run, but is often incapable of effectively reflecting long-term values, visions, and interests. The market left to itself is incompetent in dealing with issues of equity with respect to the costs and benefits of economic change. As Arthur Okun says, if given the chance (if left unrestricted), “the tyranny of the dollar yardstick” will “sweep away all other values and establish a vending machine society.”³ This dimension of

the market is why he argues that although the market has its place, it must be kept in its place. Unfortunately, the recent decline in incomes for working people and the great prosperity experienced by a favored few are evidence that the tyranny of the market has already taken hold.

In his article “The New Society of Organizations,” Peter Drucker paints a bleak future, devoid of community, in which multinational corporations become the new Leviathan, conducting our public lives for us, standing as the only entities capable of staving off Hobbes’s “war of all against all,” in which life becomes “nasty, brutish, and short.” Drucker finds himself unable to answer his own questions: “Who will take care of the Common Good? Who will define it?”⁴ We must have answers to those questions if we intend to reverse the trends of the last quarter-century—that is, if we intend to prevent the market culture from continuing to grow at the expense of working families.

The Industrial Areas Foundation

Currently, both the state and the market reflect the interests of the dominant culture, which seems intent on squeezing out any space for a vibrant civic culture. The market has rendered human beings into customers, and the state apparatus has reduced us to clients or service recipients. Neither one has allowed any space for the development of an active citizenship. Given the choice between the bureaucratic state apparatus or the market culture, ordinary people are left without any institutional mechanism through which to understand and fight for their interests, and therefore without any way to deal effectively and collaboratively with the new economic forces currently wreaking havoc with their lives.

Founded by Saul Alinsky and currently di-

rected by Ed Chambers, the Industrial Areas Foundation (IAF) is the center of a national network of broad-based, multi-ethnic, interfaith organizations in poor and moderate income communities. These organizations work to renew local democracy by fostering the competence and confidence of ordinary citizens to reorganize the relationships of power and politics and restructure the physical and civic infrastructure of their communities. To that end, the IAF provides leadership training for more than forty organizations representing over 1,000 institutions and one million families, principally in New York, Texas, California, Arizona, New Mexico, Nebraska, Iowa, Louisiana, Maryland, Tennessee, Washington, Oregon, Massachusetts, and Pennsylvania.⁵ The IAF also has a training relationship with the Citizens Organizing Foundation of the United Kingdom.

Local IAF organizations, such as Communities Organized for Public Service (COPS) in San Antonio, are funded by the membership dues of community institutions, mainly churches and schools. In some communities, however, other voluntary associations are dues-paying members, such as the American Federation of State, County, and Municipal Employees (AFSCME) in Baltimore, Maryland. Dues pay for the salaries of senior organizers, and a contract between each local organization and the IAF to train and develop leadership. In addition, funding for special projects, including regional seminars and the Alliance School initiative, is provided by private foundations.

In short, the primary mission of the IAF is to teach people to ask and to answer Drucker's questions about the common good. The IAF organizations function as mini-universities where thousands of people learn how to define their own interests and negotiate them intentionally with the interests of others and thereby develop

a more concrete understanding of the common good. This understanding emerges through ongoing negotiations that lead to collaborative action and thereby generate empathy, trust, reciprocity, and solidarity.

More specifically, the IAF teaches ordinary citizens to build broad-based organizations to fill the vacuum left by the deterioration of the mediating institutions of their communities—families, neighborhoods, congregations, local unions, local political parties, neighborhood schools, and other civic associations. It teaches them to rebuild damaged institutions, fashion new ones, and enter into the public relationships of democratic politics. It teaches them the skills of listening, respecting differences, arguing in good faith, negotiating, compromising, and holding themselves and others accountable for their commitments. In rebuilding civil society, the IAF provides a potential model for stemming the seemingly inexorable expansion of the market culture to ensure that the market culture, despite its benefits, does not continue to grow at the expense of working families and of the civil society that is requisite for a vigorous democratic culture.

One of the most dangerous consequences of current trends in wages and incomes is the deteriorating effect they have had on our social fabric. Due to the decline of the intermediate institutions that historically have embodied this social fabric, there is much misplaced anger, resentment and fear among working people, who are distracted from their real difficulties by such issues as immigration and welfare. (Organizing in communities in the southwest, the IAF has discovered that often these feelings are related to people's sense of powerlessness in the changing economy, as Harvard professor Michael Sandel asserts in *Democracy's Discontent*.)⁶ Further dividing different socioeconomic

and ethnic groups and polarizing the political system, elected officials and candidates for public office exploit these misplaced sentiments by attacking issues in isolation. Ultimately, voters support mean-spirited, divisive initiatives without much forethought (e.g., Proposition 187 in California that denied illegal aliens certain public services). This deterioration in civil society makes it increasingly difficult to develop the unified political constituency necessary to effectively address the current economic challenges facing working families.

Politics, Community, and Organization

The IAF recognizes that problems such as poverty and unemployment are not simply matters of income. They are a crushing burden on the soul, and people who suffer under their weight often view themselves as incapable of participating in the civic culture and political community. The kind of development that enables a civic and political sense of self to emerge requires connecting people to networks, relationships, and institutions that make collective action possible and meaningful. Connecting people in such a manner creates the conditions necessary for the development of politics—politics that is about listening, deliberation, narrative, and engagement, which then leads to the development and transformation of the human spirit.

The development of such politics is going to require institutions that teach people that politics is not about polls, focus groups, and television ads, but about engaging in public discourse and initiating collective action guided by that discourse. In politics, it is not enough to be right or to have a coherent position; one also must be reasonable and willing to make concessions, exercise judgment, and find terms that others can

accept as well. Politics is about relationships that enable people to disagree, argue, interrupt, confront, and negotiate, and, through this process of conversation and debate, to forge a consensus or compromise that makes it possible for them to act. The practical wisdom revealed in politics is the equivalent of good judgment and praxis—action that is both intentional and reflective. In praxis, the most important part of action is the reaction that provides the basis for the evaluation and the sustained reflection. The reflections provide the material for the telling, re-telling, and reinterpretation of the story, which enables the story to endure and provide the grist for continuous learning. As Hannah Arendt has said: “No remembrance remains secure unless it is condensed and distilled into a framework of conceptual notions, within which it can further exercise itself. Experience and even stories which grow out of what men do and endure, of happenings and events, sink back into the futility inherent in the living words and the living deed unless they are talked about over and over again.”⁷

In *The Presence of the Past*, Sheldon Wolin describes our birthright as our political identity.⁸ Echoing Aristotle’s idea that we are political beings—that a part of us emerges only through participation in public life—Wolin emphasizes our capacity to initiate action in collaboration with other human beings. Such action often has an element of public drama. But in the IAF, political action is more than drama. It combines the symbolism of active citizenship with real political efficacy, creating the opportunity to restructure schools, revitalize neighborhoods, create job training programs, increase access to health care, or initiate flood control programs.

In addition to tangible improvements in public services, such politics recreates and reorganizes

the ways in which people, networks of relationships, and institutions operate: It builds real community. But when people lack the organizations that enable them to connect to real political power and participate effectively in public life, these social relationships disintegrate. We learn to act in ways that are not responsive to our community. There is neither time nor energy for collaboration; there is no reciprocity, no trust—in short, no social capital.⁹

To reverse the current dissolution of our community, we need to rebuild our civic culture through investments in those institutions that enable people to learn, to develop leadership, and to build relationships—to become, in Jefferson's phrase, "participators in the affairs of government." The IAF has found that when people learn through politics to work with each other, supporting one another's projects, a trust emerges that goes beyond the barriers of race, ethnicity, income, and geography. We have found that we can rebuild community by reconstructing democracy.

Congregation and University

The IAF organizations are primarily a federation of associations, organizations, and congregations—that is, institutions of faith that are agitated by the Judeo-Christian tradition and the values and vision of a free and open society. In this context, "faith" does not mean a particular system of religious beliefs, but a more profound affirmation that life has meaning that is transcendent.

The root of the word religion is "re-ligare," which means to bind together that which has become disconnected. The best elements in our religious traditions are inclusive—respecting diversity and conveying a plurality of symbols that incorporate the experiences of diverse peoples. Congregations convey traditions that con-

nect people in the present and hold them accountable to past and future generations. These institutions—churches, synagogues, mosques, and temples—are connected to networks of families, neighborhoods, schools, and other voluntary associations. Unfortunately, they are virtually the only institutions in society that are fundamentally concerned with the nature and well-being of families and communities.

Religious faith, history, and tradition are important because they embody the struggles of those who have gone before—their struggles both to understand and to act. Reflecting on these efforts, one learns not to take oneself too seriously and to recognize the limits of what can be accomplished in a lifetime or in a generation. Traditions—to the extent that they are meaningful and useful—provide a framework for dealing with ambiguity, irony, and tragedy.

Fundamentally, IAF organizations are the "mini-universities" of their communities. Like universities, these broad-based organizations provide arenas in which a wide variety of people with multiple agendas and traditions can engage in constrained conflict, opening the historical contradictions within and among our traditions to inquiry and reflection.

Leadership

IAF leaders—ordinary people from all walks of life—begin their development in one-on-one conversations with a skilled organizer. These conversations represent an exchange of views, judgments, and commitments. IAF organizers see themselves as teachers, mentors, and agitators who constantly cultivate leadership for the organization. Their job is to teach people how to form relationships with other leaders and to develop a network—a collective of relationships able to build the power to enable them to

act. Leaders initially learn politics through conversation and negotiation with one another. As they develop a broader vision of their self-interest, they begin to recognize their connections and their responsibilities to each other and to the community.

Organizing people around vision and values allows institutions to address specific concerns more effectively. Beginning with small, winnable issues—fixing a streetlight, putting up a stop sign—they move carefully into larger arenas—making a school a safe and civil place for children to learn. And then to still larger issues—setting an agenda for a municipal capital improvement budget, strategizing with corporate leaders and members of the City Council on economic growth policies, developing new initiatives in job training, health care, and public education. When ordinary people become engaged and shift from political spectators to political agents, when they begin to play large public roles, they develop confidence in their own competence.

Power and the Iron Rule

Most people have an intuitive grasp of Lord Acton's dictum about the tendency of power to corrupt. To avoid appearing corrupted, they shy away from power. But powerlessness also corrupts—perhaps more pervasively than power itself. IAF leaders learn quickly that understanding politics requires understanding power.

A central element of that understanding is that there are two kinds of power. Unilateral power tends to be coercive and domineering. It is the power of one party treating another as an object to be instructed and directed. Relational power is more complicated. Developed subject-to-subject, it is transformative, changing the na-

ture of the situation and of the self. The IAF has spent fifty years teaching people to develop such relational power, mastering the capacity to act, and the reciprocal capacity to allow oneself to be acted upon.

Relational power is both collectively effective and individually transformative. The potential of ordinary people fully emerges only when they are able to translate their self-interests in issues such as family, property, and education into the common good through an intermediary organization. Each of the IAF's victories is the fruit of the personal growth of thousands of leaders—housewives, clergy, bus drivers, secretaries, nurses, teachers—who have learned from the IAF how to participate and negotiate with the business and political leaders and bureaucrats we normally think of as society's decision-makers.

Guided by the Iron Rule, "Never do for others what they can do for themselves," IAF organizations have won their victories not by speaking for ordinary people but by teaching them how to speak, act, and engage in politics for themselves.

At its heart, managing change does not so much depend upon the physical capital of tools and factories, the financial capital of money and assets, or even the human capital of accumulated knowledge and skills, as it does upon the social capital of communities. The capacity to innovate, to readjust, and to maintain common efforts in the face of uncertainty depends upon the trust and mutual commitment among those who do the work of our society—front-line workers, managers, entrepreneurs, researchers, technicians, engineers, owners, shareholders, bondholders, families, employers, teachers, bankers, and many others.

There is no single "method" or "recipe" for dealing with the complexities of our new economic world. That is why intermediary institu-

tions are so vital in devising strategies: Only through the real conversations and relationships—the social capital—on which these institutions are based can the interests of particular communities be translated into real, effective action on behalf of working families. And certainly, the work of rebuilding intermediary institutions through conversation and action is, indeed, replicable.

The IAF Record

In organizing communities around the well-being of families throughout the United States, the leaders of the IAF have reached a number of conclusions about what it will take to reduce inequality.¹⁰ In particular, we believe that redistributing resources to support individuals earlier in their lives is critical to sustaining a civil society in this nation.¹¹ Our organizations have found that resources invested in public education, after-school programs, preventive health care for children, summer work experiences for adolescents, college scholarships, and similar strategies greatly improve the chances of those children when they become adults. Decades of experience have allowed our organizations to see the adults these children have become. They are now leaders in their community and in our organizations.

The cornerstone in our efforts to support individuals earlier in their lives is the Alliance Schools Initiative, which is a relatively recent strategy developed by the leaders of the IAF. As described by Frank Levy and Richard Murnane in *Teaching the New Basic Skills*, this initiative is a strategy for increasing student achievement through the kind of school restructuring that can only be created and sustained through the work of a broad-based collective constituency of parents, teachers, administrators, and community leaders.¹²

Alliance Schools create a core constituency of advocates that is able to build the relationships necessary to change the culture of schools and the communities they serve. In Alliance Schools, parents, teachers, school administrators, and other community leaders learn how to work together to mobilize people and resources to carry out initiatives that improve their schools and neighborhoods, such as after-school programs, in-school health clinics, learning opportunities for adults, and innovative curriculums—to mention only a few. These initiatives support learning directly in a variety of ways, but most importantly, they transform the attitudes and expectations of students, parents, teachers, administrators, and entire communities. In short, leaders (i.e., parents, teachers, administrators, and community members) develop confidence in their ability to act together to bring about positive change, which in turn creates higher expectations for success among all school stakeholders, including students.

Relative to schools of similar socioeconomic status that received equal amounts of supplemental resources, not only has student attendance increased at the Alliance Schools in Austin, but as Levy and Murnane outline in the September 11, 1996, edition of *Education Week*, these schools increased student achievement as well. While it may be too broad, our interpretation of this information is that resource transfers—particularly in terms of education—will improve the health of the nation only to the extent that there is an organized constituency prepared to operate differently with those supplemental resources. To put it bluntly, money matters. Increased resources are necessary; we must have equity and adequacy in public school finance. But in addition we must restructure and reorganize schools to create the community of learners that enables parents,

teachers, school principals, and the other relevant stakeholders to work collaboratively to improve our schools, which is what the Alliance School model of reform creates.

But for all the strategies that we have tested and have found successful, the one strategy upon which the success of all others depends is organizing a broad-based constituency for change. Every successful IAF strategy, including the Alliance Schools Initiative, is a testament to the power of a constituency organized for change. Yet, organizing is the strategy that most progressives talk about the least.

Imagine what would happen if, in seventy-five congressional districts, each candidate attended a meeting with 2,500 to 3,000 organized, registered voters—each committed to turning out at least ten of their neighbors on election day. What if at those public meetings each candidate was asked to make specific commitments to support several elements of a carefully crafted human development agenda, a commitment to extended day enrichment programs for all children, universal health care, a family wage, long-term job training, affordable housing—important elements in any serious effort to reduce inequality and the decline of real wages. Imagine that the agenda had been forged through a year-long process of house meetings, small group meetings in churches and schools—meetings where people's private pain could be transformed into public action. Imagine the new leadership that would be developed through such a process. Imagine the dignity of working people and their families as they collectively forged a powerful role in the governance of their communities and their country. But more importantly, imagine the trust, reciprocity, and solidarity that would emerge—and has emerged—with this type of strategy. Imagine the revitalization of schools, congregations,

and communities as people take responsibility for the vitality of these institutions. Imagine the hope that would be engendered as people began to feel confident about the competence of these institutions to solve their problems. This campaign of conversation would have created a broad-based constituency with ownership of the agenda, a constituency committed to doing the public business and follow-up work necessary to hold the candidates accountable for their commitments.

The IAF has an organizing strategy for making this happen. It is called "Sign Up, Take Charge." Sign Up, Take Charge is a voter education, registration, and turn-out strategy that mobilizes voters around a specific agenda and seeks commitments of candidates in support of that agenda.

The Power of Reinvigorated Social and Political Institutions

The organization of a broad-based constituency for change is possible because the IAF has been doing it on a smaller scale for over fifty years now. The IAF is now the center of a national network of organizations that has produced real results. These results demonstrate the power of reinvigorated social and political institutions and have become the core of a renewed human and community development agenda.

Employment and Work: Long-Term Job Training Strategies

The organizations of the IAF have a proven track record in devising innovative labor market strategies to combat the seemingly intractable forces of the global economy. Much of the organizations' work over the last several years has focused on high-skill/high-wage training

strategies first developed by Communities Organized for Public Service (COPS) and the Metro Alliance in San Antonio. Project Quality Employment through Skills Training (QUEST), in marked contrast with most federal training programs, confirms the evidence that effective skills development for high wages cannot be done in a few weeks (every QUEST graduate completes at least a year of training). Project QUEST has graduated 543 participants, over 80 percent of which are now employed in high-skill/high-wage jobs. Other QUEST graduates—forty-five at last count—are currently pursuing higher education (beyond the associate degree level) full time. Synergy, sponsored by Allied Communities of Tarrant in Fort Worth and modeled after Project QUEST, has graduated and placed fifty participants in career-track jobs that pay a minimum of \$10.50 per hour. Synergy expects another seventy-five participants to graduate in early 1998. In Dallas, WorkPaths has graduated 213 participants and expects another sixty to graduate in early 1998. WorkPaths has begun working directly with companies and training providers to train participants in general skills, certified for particular industries. In the Lower Rio Grande Valley, Valley Initiative for Development and Advancement (VIDA) has graduated over 200 participants, including over a dozen welders that now work at a local shipyard. This particular shipyard worked with the local community college for two years to develop a training program, but could not come to an agreement on either curriculum or cost. VIDA completed negotiations and began training workers within two months of entering the conversation between the college and the shipyard about creating a training initiative.

These initiatives have done much more than train and place hundreds of low-wage, under-

employed and unemployed people who otherwise would not have had an opportunity for high-skill/high-wage careers. More importantly, they have provided tangible justification for public investment of time, money, and energy in an economic development strategy that pays off for ordinary families. They have demonstrated several important, though historically disputed, facts:

- High-wage opportunities exist in even traditionally low-wage urban sectors and regions. Active, publicly supported economic development efforts can find, exploit, and in some cases even create these opportunities for the overall benefit of the community.
- Low-wage, underemployed workers can obtain high-wage, high-skill occupations given the opportunity and support.
- Long-term investments justify their costs. Professor Paul Osterman's evaluation of Project QUEST found that while participants required almost \$11,000 each for eighteen months of training, they increased their earnings by \$4,500 to \$7,000 per year as a result. In other words, Project QUEST returned its investment within two to three years with the increased earnings of San Antonio's citizens.
- The high-skill/high-wage initiatives justify public investment in job training and other labor market interventions at a time when such investment is under attack from ideological conservatives who argue that the labor market will correct itself if "left alone." All the initiatives report that businesses have approached them with training and recruitment needs.
- The initiatives demonstrate the success of collaboration among community and

business leaders who often have been at odds. In San Antonio, COPS and Metro Alliance recruited the leadership of banker Tom Frost, who—two decades ago—had been the target of a major action.¹³ In Dallas, the Dallas Citizens Council, the traditional circle of major corporate power brokers, provided the business leadership for WorkPaths.

- The initiatives serve as models of publicly driven economic development strategies that provide benefits to communities and their families, the taxpayers at large, and employer and business constituencies. As such, they provide important alternatives to public economic development strategies that serve narrower interests, such as tax abatements and public construction of entertainment facilities.

Living-Wage Strategies

The IAF's Baltimore organization, Baltimoreans United in Leadership Development (BUILD), and the American Federation of State, County, and Municipal Employees (AFSCME) organized the Solidarity Sponsoring Committee in October 1994. The new organization developed legislation and helped local officials to understand their interest in higher wages for city workers, explaining to them the numerous social costs of poverty. The City of Baltimore no longer supports a system that keeps Baltimore families in poverty. Because of BUILD's work, Baltimore now requires companies to pay their workers a "living wage" for all work done under city contracts. All workers employed by city contractors will make a minimum of \$6.10 per hour. Over a four-year period, the rate will climb incrementally to \$7.70

per hour, a wage level that will raise a full-time worker's family of four above the poverty line. Inspired by the living-wage bill in Baltimore, IAF organizations have since put together numerous other effective strategies aimed at persuading local governments to rethink their approach to economic development.

San Antonio's COPS and the Metro Alliance, as well as Austin Interfaith, are all fighting for living-wage initiatives in their communities. Thus far, their strategies have been primarily connected to tax abatements. Austin Interfaith recently negotiated a commitment from Samsung, a tax abatement recipient, to pay its entry-level manufacturing workers at least \$7 an hour. The organization is now working with the city and the county to establish a policy that would require tax abatement recipients to pay workers a living wage. Similarly, COPS and the Metro Alliance are pressuring the City of San Antonio to refuse tax abatements to corporations that do not pay a living wage. The current struggle is over tax abatements for hotels along the city's Riverwalk—a prime tourist destination. In the short run, the organizations have convinced the city to contract with an independent economist for a cost-benefit analysis of the hotel proposal. In the future, COPS and the Metro Alliance will work to establish as city policy a commitment to invest only in living-wage jobs. They have already persuaded the San Antonio Independent School District School Board to declare a moratorium on school district tax abatements.

The Alliance Schools

It is a familiar truism that the best antipoverty strategy is an education strategy. It is also a fact that support for public schools has weakened to

previously unimaginable levels. As the leaders of the IAF network of organizations developed their vision of reforming public education (embodied in the 1990 paper "Communities of Learners"), they came to understand the necessity of developing schools as community institutions.¹⁴ If schools were to prepare our children to attain high levels of achievement, all stakeholders—teachers, parents, community leaders, administrators, public officials—would have to be held accountable for effective, directed collaboration. They connected these parties in the Alliance Schools Initiative, which, as described above, is a partnership committed to fundamentally changing the way that schools and communities work together for student achievement.

In 1993, the leaders' broad-based, statewide constituency brought the Texas legislature into the partnership, which then set aside \$2 million for the Investment Capital Fund (ICF) and established an open grants competition to fund schools committed to reform, local control, and local accountability for results. In 1995, the legislature accorded the ICF permanent status in the Texas Education Code, and in 1997, it increased funding for the ICF to \$8 million for the biennium. With a membership of 140 schools—and a plan to grow during the coming biennium—the Alliance Schools Initiative continues to garner national, state, and local acclaim for its success in making its vision of schools as public institutions a reality.

To date, the record of the Alliance Schools Initiative is impressive. From 1993 to 1996, twenty-five of the original twenty-seven Alliance Schools experienced a 20.4 percent increase in the number of students passing every section of the Texas Assessment of Academic Skills test (TAAS). In addition, seventy-one of

the eighty-nine Alliance Schools in Texas (79.8 percent) reached or surpassed the state's attendance average in 1996.

Citizenship

Many of the IAF organizations have begun to implement strategies for engaging legal residents in citizenship; over 15,000 families have been connected to our organizations over the last two years. In Southern California, Texas, and Arizona, IAF leaders are working closely with immigrant communities to guide families not only through the legal process, but also through the development of a more robust concept of what it means to be a citizen in an open democratic society. IAF organizers work closely with the new citizens to connect them to the institutions that will allow them to negotiate the turbulence of the market and the state. Without that connection, their new citizenship would only allow them access to further abuse at the hands of the traditionally powerful. By developing the leadership skills of potential citizens as they go through naturalization, the IAF organizations are working to realize a collective vision of citizenship that extends far beyond the official naturalization ceremony.

Taken together, these concrete accomplishments (and numerous others not listed) represent what is possible for ordinary citizens who have the opportunity to work collaboratively with one another in the political arena. But for this to happen, we have to first go about the business of rebuilding the institutions through which ordinary citizens can practice true politics. Because our political system has failed to address the concerns of working families seriously and effectively, much of our adult population is convinced that politics is largely

irrelevant to their lives. And this alienation has impoverished public discourse itself.

The Promise of a New Democratic Politics

One of the most important causes of American poverty, as stated earlier, is that working people are being asked to absorb a disproportionate share of the costs of contemporary economic change without receiving any of the commensurate benefits. A dynamic economy always imposes such costs, and those who are the least powerful—the least articulate, least connected, least organized—invariably bear an inordinate share of the burden. When civic institutions fail to buffer citizens from the market, the effects show up at the bottom line: Real wages for most workers in the United States have been declining since 1973, with the most serious effects visited on the incomes of the less educated. In summary, then, the distribution of the costs of economic change is a matter of politics, not simply economics.

Although the theory of welfare economics implies that the winners (those who benefit from economic change) are supposed to compensate those who bear the costs of that change so that economic growth may continue, in simple terms, today's winners are not compensating the losers. Historically, the balance between the winners and the losers has been maintained somewhat through the social safety net and, most importantly, the implicit social compact that ensured wage and benefit increases during times of economic prosperity. But recently wages have stagnated or declined despite great prosperity, and what safety net existed has been destroyed. Through their positions of power and influence, the winners have developed the capacity to rationalize and legitimize their greed

in the name of the free market. They now completely control those institutions charged with buffering families from the vagaries of the economy. Consequently, it is imperative that those who claim to be concerned about fairness, equity, and stability begin to operate in such a way as to facilitate genuine power-sharing. And equally important, the least powerful members of society must organize themselves and their allies to develop the power necessary to persuade and negotiate with the winners for their fair share of prosperity.

In order for this kind of power-sharing to occur, we must create a public dialogue about revitalizing and renewing our social and political institutions. Only within the context of such a public conversation can we create the intermediary institutions that can serve as a vehicle for teaching and organizing the less powerful.

The rehabilitation of our political and civic culture requires new politics, with authentically democratic mediating institutions—teaching, mentoring, and building an organized constituency with the power and imagination to initiate change. The work of IAF is to establish a public space in which ordinary people can learn and develop the skills of public life, and to create the institutions of a new democratic politics. With organized citizens and strong mediating institutions, our communities can address structural inequalities of the economy for themselves, restore health and integrity to our political process, mitigate the distortions created by organized concentrations of wealth, and—in the end—reclaim the vision and promise of American life.

We must resist the temptation to simply have all of the best policy ideas, without the willingness to work for the realization of those ideas. Regarding the need for a specific policy initiative, Franklin D. Roosevelt is reported to have

said something like: "Okay, you've convinced me. . . . Now go out there and organize and create a constituency to make me do it." Unfortunately it seems that too many progressives are still caught up in the "convincing," when what we also need now is the constituency. What we need now are people who are willing to think hard about how to create, sustain, and energize that constituency and connect it to institutions that will challenge and consolidate the power of that constituency. Hopefully, in this way we can restore the vision of the Old Testament prophets in their cry for justice at the gates of the city.

Notes

1. Victor Matthews and Don C. Benjamin, *Social World of Ancient Israel 1250-587 BCE* (Peabody, MA: Hendrickson Publishers, 1995), pp. 122-23.
2. An abundance of research has concluded that wage inequality today is higher than at any time since World War II. See, for example, Frank Levy and Richard J. Murnane, "U.S. Earnings Levels and Earnings Inequality: A Review of Recent Trends and Proposed Explanations," *Journal of Economic Literature* 30 (September 1992): 1333-81; and Janet L. Norwood, *Widening Earnings Inequality: Why and Why Now* (Washington, DC: Urban Institute, 1994).
3. Arthur M. Okun, *Equality and Efficiency: The Big Tradeoff* (Washington, DC: Brookings Institution, 1975), p. 119.
4. Peter F. Drucker, "The New Society of Organizations," *Harvard Business Review* (September-October 1992): 95-104.
5. The IAF is involved in developing broad-based institutions in urban and rural, as well as suburban areas in each of these states. In addition, the IAF is experimenting with metropolitan strategies in Phoenix, Dallas, and particularly Chicago, where such strategies could lead to a new direction in broad-based organizing.
6. Michael J. Sandel, *Democracy's Discontent* (Cambridge: Harvard University Press, 1996).
7. Hannah Arendt, *On Revolution* (New York: Viking, 1963), p. 222.
8. Sheldon Wolin, *The Presence of the Past* (Baltimore: Johns Hopkins University Press, 1989).
9. Social capital is the network of relationships not only among people (as described by James Coleman in "Schools and Communities," *Chicago Studies*, November 1989, pp. 235-37), but also among institutions. Social capital is developed when institutions such as congregations, schools, unions, neighborhood associations, and so forth are not only connected to one another but also organized as a powerful network of institutions around the interests of families and communities.
10. See Ernesto Cortes, Jr., "What About Organizing," *Boston Review* (December-January 1996-97).
11. See Ernesto Cortes, Jr., "Organizing Communities and Constituents for Change," in *Reinventing Early Care and Education: A Vision for a Quality System*, ed. Sharon Lynn Kagan and Nancy E. Cohen (San Francisco: Jossey-Bass, 1996).
12. Richard J. Murnane and Frank Levy, *Teaching the New Basic Skills* (New York: Free Press, 1996).
13. COPS leaders pressured several local business owners to support and lobby the mayor and the City of San Antonio for a new budget that included funding for projects in the poor west side of town. This pressure came in the form of public actions. At Frost National Bank, COPS leaders changed hundreds of dollars into pennies and then back into dollars again, virtually shutting down business at the bank and forcing Tom Frost, the bank's owner, to meet with COPS leaders on the budget issue.
14. Texas IAF Network, "The Texas IAF Vision for Public Schools: Communities of Learners," 1990, unpublished.

