

CHAPTER EIGHT

Internal Organizational Capacity

Key to successful Community Economic Development is a community's ability to control its own development. Middle and upper class communities often have the resources to secure the changes they want for their neighborhoods. Low-income communities usually do not. In Chapter Nine, we will show why public and private institutions oriented toward community development often have negligible Asian involvement and, in turn, underserve low-income Asian populations. There is a critical need to develop institutions rooted in low-income Asian communities so that residents can direct development. These institutions must be able to carry out the key CED functions: 1) to deliver services to help people overcome economic obstacles, 2) to conduct direct "community-building" work, and 3) to plan and direct the community's overall development. In all these activities, institutions must be accountable to and insure the participation of residents.

This chapter evaluates the capacity of institutions within Asian communities to undertake Community Economic Development. A viable foundation requires three elements. First, there must be institutions that can carry out the various aspects of CED. Second, there must be adequate financial resources to sustain these institutions. Third, there must be an adequate supply of people with the necessary skills and training. Our analysis shows that considerably more work is needed in all three areas. Further, as CED is undertaken by organizations, there must be institutionalized means through which accountability to the community and involvement of residents are insured.

Institutions in Asian Communities

While there are some pan-Asian organizations, most institutions in Asian American communities are built along ethnic lines -- i.e.,

Chinese, Korean, Vietnamese, etc. These latter institutions arise from the extremely diverse histories, cultures and languages of the various Asian groups. To carry out CED activities, organizations will initially need to be similarly ethnically oriented. Since most low-income Asians are recent immigrants with limited English skills, providing services in native ethnic languages becomes a practical necessity. Further, the sense of a common ethnic identity, particularly among recent immigrants, is an important foundation for effective organization.

This single ethnic-orientation, however, creates difficulties given the ethnic diversity of most geographic areas with a high concentration of Asian Americans. As documented in Chapter Two, Asian populations tend to concentrate in specific geographic areas, such as in Koreatown, but these neighborhoods also contain a significant number of other ethnic and racial groups. Ethnically-based organizations operating in geographic communities must address this complexity through linkages with other ethnic organizations (see Chapter Nine).

What is the existing institutional capacity in Asian American communities to carry out CED work among low-income populations? While numerous Asian organizations exist, relatively few institutions are oriented towards low-income populations and based in the communities. Most are geared towards the interests of the business and professional classes in Asian American communities. Generally, each Asian American community has at least one chamber of commerce or business association. Some of these groups are loosely organized networks, while others are fully staffed, well-funded and quite sophisticated. There are also networks of professionals, such as the ethnic bar associations. In addition, broader advocacy or civil rights organizations such as the Japanese American Citizens League (JACL) and Chinese American Citizens Alliance, have historically drawn active members from the ranks of businesspersons and professionals.

Business and professional classes in Asian American communities are able to build a strong institutional "infrastructure" because they have greater resources at their disposal. They raise funds among themselves, and have access to other funding sources. By virtue of their professions, they typically have greater organizational skills and time flexibility. Because of all the same factors, low-income people, particularly recent immigrants, face many obstacles in building institutions that can serve their needs.

Asian communities are also rich in religious organizations. Churches are probably the largest community institution with a base among low-income Asians. They serve crucial spiritual, social and

cultural needs, but historically have not been active in economic or political activities. Moreover, their primary mission can bias a CED strategy because they tend to exclude non-church members. While it is beneficial for community organizations to work with church groups, we do not see church-related groups as the primary vehicle for CED.

The other main community institution oriented toward low-income Asian populations is the health and human service sector. Generally, social service agencies are fairly developed. Many have relatively long histories and established reputations, offer a sophisticated range of programs, and operate with substantial funding from public and private sources. Because of their community orientation, reinforced by funding requirements, most of their services are geared toward low-income people.

Among such agencies, Community Economic Development is a relatively new endeavor. There are few organizations that are dedicated to CED work. There are, however, a number of institutions that carry out specific aspects of CED work geared towards low-income Asian communities – advocacy, services, physical development and community development planning.

Many of the advocacy organizations are not CBOs, although few focus on the economic concerns of low-income people. The groups with a broad agenda include the Japanese American Citizens League, Asian Pacific Americans for a New L.A., the National Coalition for Redress and Reparations, Korean American Coalition, and the Asian Pacific American Legal Center. The human service sector does advocacy work that affects low-income Asians because they are their service population. Individual agencies take up limited advocacy work, usually around specific programs and policies affecting them. In Los Angeles County, many agencies coordinate such efforts through the Asian Pacific Planning Council (APPCON), a coalition of health and human service agencies (Ching, 1993).

The area of CED work most commonly addressed by Asian organizations is job training. Within APPCON, these agencies include Chinatown Service Center, Korean Youth and Community Center, United Cambodian Community, and Pacific Asian Consortium in Employment. However, other needs such as workers' rights education and tenant rights advocacy receive less attention.

Business development work is a relatively new activity for Asian American organizations. Typically, this aspect of CED is carried out by Community Development Corporations, or CDCs. CDCs carry out direct "community-building" through 1) business development including financing, investment and assistance, and 2) physical, "bricks

and mortar" development of industrial and commercial facilities, affordable housing and community facilities. Asian community organizations that provide business development assistance include the Pacific Asian Consortium in Employment (PACE), United Cambodian Community, and Asian American Economic Development Enterprises (AAEDE). There are only a handful of organizations that are building low-income housing or community facilities. Little Tokyo Service Center is the only ongoing Asian American CDC that has actually completed a housing project. KYCC is also in the process of building low-income housing along with a community center. Meanwhile, other organizations have expressed interest in getting into community development.

A final area of CED activity is community development planning. Institutions are needed to strategically plan and direct the overall development of the community in a way that strengthens its economic health and improves the quality of life of residents. Such direction includes economic development planning, which in large part takes place through linkages with governmental agencies in charge of such policies (see Chapter Nine). In addition, community planning also includes overseeing the building and maintenance of infrastructure (roads, sewers, energy), the impact of transportation (public transit routes and stations), land use planning (zoning and ordinances), and public facilities (schools, parks, health facilities).

Governmental planning bodies in many poor and minority communities are usually devoid of participation from low-income people. CDCs and other community groups have often attempted to fill this gap and take up the task of community development planning. The problem is that such efforts require certain kinds of expertise and a lot of resources, particularly if one is serious about actually involving low-income residents in the planning process. Currently no Asian community organization engages in this type of planning work as an ongoing function.

Community Groups and Financial Resources

CED is geared towards low-income communities, but these communities cannot generate the funds needed to carry out this work. External resources must be found to sustain CED institutions. Most community organizations do independent fundraising including soliciting individual contributions, and holding fundraising dinners. Unfortunately, such efforts generate only a fraction of the funds

organizations need. Most organizations must therefore rely on a combination of government and private foundation monies.

Most funding sources provide funds for specific programs rather than for general operations. Because organizational survival is at stake, it is very easy for community-based groups to become "funding-driven" – to shape their agenda to activities for which funding is available. This creates the potential for tension between what the community needs and wants, and what programs private foundations and government agencies are willing to fund. For instance, there are state and federal funds for job training and business development training and assistance. For other aspects of CED, such as workers' and tenants' services, advocacy work, community organizing, and community-based planning, there are few available funding sources (Ching, 1993). Not surprisingly, these CED activities are rarely found in community organizations. For instance, advocacy must usually be done on top of the work and time funded for service delivery, usually by overburdened executive directors.

Since the demand for services usually outstrips the capacity of agencies, "extra" time for advocacy work is extremely limited. This is also the case for coalitions like APPCON. Since APPCON itself receives little operating funds; much of its advocacy work must be carried out by the same agency executive directors. In addition, many agencies feel constrained by their relationship with government departments, who often become the target for advocacy work, but are also the funding sources for the agency's programs (Ching, 1993).

Funds for housing and community development have been drastically cutback at the federal level (see Chapter Seven), but there still exist various sources of funds that can be used for "community-building." Funds are frequently restricted to the design and construction of the project, leaving little for staff and organizational operating costs (Sugino, 1993). "Developer fees" from completed projects or from rent from commercial property can be a source of funds for operational expenses. The problem is that such funds all follow from the successful completion of projects. Asian CDCs, therefore, face tremendous difficulties getting off the ground. Further, developer fees are often not enough to fully sustain the operation of CDCs, even with successful projects. The lack of funds creates a "chicken and egg" barrier for Asian community organizations. Without initial funds, there can be no CED activity, but without CED activity, there can be no regular source of income.

A further problem is that most governmental and private development financing sources exclusively target housing. There is

very little for construction of community centers, youth facilities, childcare centers, recreational or cultural facilities, etc., which are all just as vital to improving the quality of life for residents. Such projects generally rely heavily on private fundraising and contributions. Needless to say, low-income Asian communities themselves are unlikely to generate the monies needed.

Unlike development financing, funding for job training and other social services is, by its nature, primarily to pay staff to carry out these activities. This, in itself, helps to sustain the organization in a way that development financing does not. Service funding contracts include amounts for administration of these programs, which helps to insure that such programs contribute to sustaining the organization because they pay for administrative and management staff as well as operating costs. Still, organizations are left with little flexibility to do much else beyond specific programs that receive funding.

A final problem is that government and private foundation support has often excluded Asians. The needs of low-income Asian communities rarely figure prominently in the economic development plans and programs on federal, state or local government levels. For example, the Los Angeles Community Redevelopment Agency recently initiated a new program to give selected nonprofit housing developers \$150,000 over three years for operating expenses. The recipients included a Skid Row housing developer, an organization developing AIDS housing, nonprofit developers based in the African American and Latino communities, but no Asian American organizations despite the relatively large number of Asian applicants.

Since government funding is usually for specific projects, community organizations often turn to private foundations for operating expenses. While some foundations, such as the Irvine Foundation locally, have a record of sensitivity to Asian community needs, most private funders do not. A study conducted of private foundation grantmaking nationally concluded that between 1983 and 1990, less than one-fifth of one percent (.18 percent) of foundation dollars went to Asian American organizations. Of this, about 22 percent went to employment or housing services or activities (AAPIP, 1992, pp. 7-8). In another example, in the first round of "capacity-building" grants to CDCs by the private foundation-funded Collaborative Training for Community Development, Asian communities were excluded -- only CDCs in South Central and East Los Angeles were eligible. No doubt these funding patterns have to do with the widespread perception that Asian communities have few economic problems.

As more Asian organizations move into Community Economic Development work, they will face the additional problem of competing against each other for limited funding. Because Asian organizations doing CED work will likely be ethnic-specific, there could be nearly as many organizations as there are Asian ethnicities (the 1990 Census identifies 19 separate Asian ethnicities). Government agencies and private foundation are only now beginning to include Asian organizations in community development funding programs. Even if Asian community clout with these funders increases and there is greater recognition of low-income Asian needs, there will always be only a few organizations (or more often, just one) that can expect to be selected for funding. It will be critical that strong relationships be built among Asian organizations doing CED work to avoid destructive competition.

To extricate themselves from government or private foundation funding reliance, some community organizations generate revenues through for-profit ventures, such as rent from commercial property. The County's Economic Development Corporation, for instance, relies on rent from an industrial park it owns. The Asian American Economic Development Enterprises, Inc. also relies on rent from commercial real estate. In other cases, organizations generate income through business ventures.

The for-profit option is usually taken up by CDCs that are already in the business of real estate development or economic development work. Needless to say, while the prospect of being financially independent is certainly attractive, these efforts are fraught with risks. Such ventures require large amounts of capital, which is difficult for nonprofit organizations to raise. Also, like any business venture, there is no guarantee of success. Particularly during economic downturns, organizations may find it difficult to find commercial tenants who can pay required rents. Still, as more Asian American community organizations get involved with community economic development, some may turn to commercial efforts for revenues.

Human Resources: The Need for CED Training

Since CED functions are so varied, the expertise needed to carry them out is diverse. Community-based organizations must find the people with the necessary training. This is not easy. Community organizations have not been swamped by large numbers of CED job-seekers. For many, the inherent job insecurity of relying on public or

private funding sources (usually temporary) is unattractive. Pay and benefit levels are generally below comparable private sector jobs and often even below civil service employment. As a result, most community-based organizations tend to take on younger people recently out of college, often without the skills specific to the job. In some instances, organizations are staffed by local residents or previous "clients" of services the organization provides.

The higher education system generally does not meet the training needs for CED work in Asian American communities. Few departments on college campuses have links with community organizations. Asian American Studies programs are an exception. These academic programs make students aware of community organizations and career opportunities with them. Unfortunately, there has been relatively little research, even in Asian American Studies, to the economic concerns facing low-income Asian populations. This tends to limit the number of students attracted to Community Economic Development, or to organizations carrying out such work.

A few university departments offer coursework and training for carrying out CED work. Staff in the social service organizations today tend to have backgrounds in social welfare, public administration and social sciences. These fields are consistent with the predominant social service orientation. The skill and training needs for CED work, however, are different from those provided by these departments. CED requires a practical understanding of economics, government policy and programs, training in business and planning skills, as well as a social and political understanding of Asian American communities and their relationship with other communities. Business schools, public policy and administration programs, and law schools all offer students some courses related to particular aspects of CED work.

Urban planning programs offer the most comprehensive training experience suited to CED work. In particular, UCLA's Urban Planning program has the potential to provide the policy framework and practical skills for CED work. While it is possible for a highly motivated student to pull together a plan of study that will provide relevant training, the bottom line is that there is no single university program that can provide comprehensive training for undertaking CED work in low-income Asian American communities. In fact, there are considerable barriers to acquiring the needed skills.

As a result of these shortcomings in university training, new hires usually come to community organizations with little background for their job. Moreover, there is not a large pool of experienced job applicants. Because CED work is a relatively new activity in Asian

communities, there are not many Asians available with training and experience in economic advocacy, physical development work, or community planning. The organization must therefore bear much of the burden of training. Training must be "on the job," and skill development usually comes through experience.

Training and expertise is particularly a problem in carrying out physical development work and some aspects of planning, because these activities are incredibly complicated and technical. Such work involves a variety of skills, including real estate knowledge, familiarity with design and architecture, experience in dealing with local city bureaucracies and permit processes, and understanding complex government financing programs. There is usually little government funding available for such training. These costs must therefore be assumed by the CDC (Sugino, 1993).

There are some low-cost and free sources of development training that a few Asian CDCs have used. The California Community Economic Development Association (CCEDA), in conjunction with the Los Angeles City Community Development Department, held a collaborative training program on Community Economic Development that included funding for projects. Other nonprofit institutions such as the Legal Aid Foundation, the Center for Nonprofit Management, and the Center for Community Change offer workshops occasionally.

One weakness of such training is that it tends to be adhoc and piecemeal -- it is not easy for a fledgling community organization to acquire a comprehensive set of skills to do CED work. The only ongoing local program that provides relatively comprehensive training is the Los Angeles Collaborative Training for Community Development, which is funded by private foundations such as ARCO, Irvine, Hewlett and others. The Collaborative provides four weeks of intensive training over the course of one year, oriented toward CDCs working on actual projects. The program also offers operating support grants and low-cost pre-development loans to participants. But because participants are selected through a highly competitive application process, only a handful of Asian American organizations can expect to go through this program.

Community Accountability: The Need to Involve Residents

Our vision of Community Economic Development is one where improving economic conditions is not simply done for or to low-income people, but by them. They must gain greater control over economic resources and thereby, their lives, in order for change to be qualitative and sustained. In order for this to happen, there must be institutions through which low-income people can get organized, articulate their needs, and translate their concerns into action.

Vehicles for the participation and involvement of low-income people are very undeveloped in Asian communities. There are few avenues through which poor and working-class people can organize and empower themselves. In CED work, meaningful participation should, at a minimum, include participation in setting priorities and community planning.

Unfortunately, decision-making over development has generally excluded residents. For instance, a number of low-income Asian communities are affected by redevelopment. Chinatown and Little Tokyo are in City of Los Angeles redevelopment project areas. The Hollywood project also includes areas of significant low-income Asian populations. Koreatown is under study by the CRA to become a new project area. The Cambodian community in Long Beach is part of a projected project. Redevelopment project areas are required by law to establish Project Area Committees (PACs) to insure community involvement. But while experiences vary, these PACs tend to have major limitations. First, they are structurally weak in that they are generally only advisory. Actual planning functions rest with the redevelopment agency staff, and decision-making power with the redevelopment agency board and the City Council.

Second, the PACs tend to lack representation from residents, low-income people and their advocates. The members of the Little Tokyo Community Development Advisory Committee (the Little Tokyo Redevelopment project area PAC) include 36 percent local businesspersons, 14 percent representatives of major Japan-based corporations or banks, 20 percent developers or other businesses, only 10 percent representatives from churches or the community groups, and the remaining 20 percent miscellaneous individuals (LTCDAC roster, 1991). This body includes no low-income residents. The local community service organization and CDC, Little Tokyo Service Center, has only this year been added to the body.

The Chinatown PAC had originally been constituted by at-large elections in the community. But when community activists attempted

to elect a more grass-roots and less business-dominated slate, the local Councilperson (Gilbert Lindsay) unilaterally dissolved the PAC, renamed it the Chinatown Community Advisory Committee (CCAC) and mandated that all members be appointed. Nevertheless, community members of CCAC feel that despite these weaknesses, CCAC has been able to have some positive influence on the CRA's priorities -- including the building of senior citizen housing and the expansion of Alpine Recreation Center (Toy, 1993). Despite some positive outcomes, it is still clear that the involvement of low-income residents in redevelopment planning processes is generally lacking.

Because of these weaknesses in governmental bodies, it often falls upon community-based organizations to organize and insure the involvement of residents. Methods can vary. For example, seats on the organizational Board of Directors can be set aside for residents, memberships can be extended to local residents, and community meetings can be organized to plan specific campaigns or projects. Participation of residents in strategic planning of the community's economic development is crucial. As discussed previously, the problems facing low-income people is rooted in the economic and physical conditions of the area in which they live. Resident involvement in community development planning should include identifying and prioritizing CED needs, planning for services, directing the overall economic development of the community, identifying specific development projects to support or initiate, and planning an advocacy and broader linkage strategy.

CBOs face numerous obstacles in attempting to build participation. First and foremost is the resource problem. Because of their situation, working people often find it difficult to go to many meetings. Working and raising a family leaves little leftover time and energy. In order for involvement to be meaningful, there is a need for training and education of residents. It is not enough to simply bring residents to a community planning meeting. An effort must be made to familiarize them with the planning process, the way development generally takes place, the possibilities and constraints for development, and the political and institutional players involved. Institutions that want to generate meaningful participation must be able to work with residents over time to lay the foundation for such participation. On top of this, organizing meetings, printing flyers, and putting on activities all take time and money.

Given the constraints on people's lives, it is not realistic to expect that such involvement can be on a volunteer-driven basis. Funds to pay for staffing and organizers are necessary. It is not realistic to

expect such funds to be generated from low-income residents -- funds must come from outside the community. There are, however, few funding sources that provide support for organizing work.

There are also structural problems in trying to organize and involve local residents. Many human service agencies have fairly extensive and deep ties with their local communities. Their insights and experiences with these populations can be invaluable in organizing efforts; however, their client-social worker relationship with low-income people, based on the general social welfare approach, makes it difficult to carry out general organizing. As a result, while the agencies provide crucial support services and serve as general advocates for low-income people, they are not well-suited to organize and involve them (Ching interview, 1993).

In other communities, CDCs often attempt to do organizing among low-income residents in the neighborhoods in which they work. Some CDCs have been created through mass movements that spontaneously emerged around a particular economic development issue. People in these mass movements created CDCs as an institutionalized way to maintain community control over economic issues in their neighborhoods. Once such organizations begin to take on development work, it is very easy for them to become subsumed by such work, and for organizing to fall by the wayside. In some instances, organizations that started off with a broad vision of social change for their community have evolved into exclusively project-oriented groups. Over time, organizations increasingly find their "hands tied" as they get into development work. Like human service agencies which feel constrained in targeting their government funders for advocacy efforts, CDCs often feel constrained from confronting banks, real estate developers, and government officials who they must now work with in order to advance their projects (CCC, 1985, pp. 21-25).

These are a few of the challenges faced by community institutions attempting to involve low-income residents. Many well-intentioned organizations have stumbled attempting to overcome these hurdles. At the same time, there are positive examples. Korean Immigrant Workers Advocates, as mentioned before, is one of a few organizations that attempts such organizing work locally. Their goal is to build a membership made up of workers, and they recently decided that workers will have majority representation on their Board of Directors. The Chinatown Resource Center in San Francisco carries out ongoing tenant organizing activities and strives to involve low-income residents in their community planning work. While the hurdles are difficult and resources scarce, the starting point for institutions in low-income Asian

communities must ultimately be the recognition of community accountability and involvement, and a commitment to these challenges.

Conclusion: The Need to Create CED Institutions

Much needs to be done to build and strengthen institutions and organizations for CED. Existing service agencies, with countless dedicated staff and volunteers, serving low-income communities, can be a strong foundation. Except for employment training services, Community Economic Development work is relatively new to Asian communities. There is a clear need for aggressive institution-building to strengthen our communities' ability to take on CED work. Whether this means expanding the existing human service organizations or building new institutions will depend on the particular conditions of a community.

Where are the gaps? There is a need for institutions to step up advocacy work around economic issues facing low-income Asian communities; for services geared toward workers' rights and housing problems; for the building of community development corporations with the capability to carry out physical development work, including community facilities and affordable housing; for institutions to carry out community development planning for low-income communities. In particular, there is a need for institutions taking up CED work to creatively meet the challenges of organizing and involving low-income Asians in all of this work.

The issues of funding and human resources for such work are intertwined with building such institutions in Asian communities. Greater funding, training and skills development for the various aspects of CED are needed to help initiate and sustain this work. On the other hand, unless Asian activists and leaders build institutions to carry out this work, funding is unlikely to be found. Further, to avoid competition between communities for scarce resources, strong working relationships between Asian community organizations engaged in CED must be built. Ultimately, the institutions doing CED work will develop to the extent that the economic concerns of low-income Asians will gain greater visibility.

Policy Recommendations and Strategies for Community Organizations:

1. CDCs should be created to do community-building work in low-income Asian communities, and should integrate advocacy, planning and physical development work.
2. Asian American academics must place more emphasis on research and policy work on the economic needs of low-income Asians.
3. People in Asian communities must make a more concerted effort to gain recognition of the economic needs of low-income Asians among policy-makers and funders.
4. Asian community organizations taking up CED work should build working relationships, partnerships and coordination to avoid destructive competition for limited funding sources.