

EXECUTIVE SUMMARY

This book is the culmination of a year-long study on Community Economic Development (CED) in low-income Asian communities in Los Angeles conducted by a research group at the UCLA Urban Planning Program and sponsored by Leadership Education for Asian Pacifics (LEAP), the Asian Pacific American Public Policy Institute (APA•PPI) and the Asian Pacific Policy and Planning Council (A3PCON). The findings are based on an examination of census and other data sources, a Survey of Asian Low-Income Communities (SALIC) and a review of current federal, state and local economic development policies and programs.

Community Economic Development for Asian Americans

CED can effectively address the economic needs of low-income Asian communities if it is adapted to their ethnic-specific characteristics. These communities have a large number of newer immigrants and refugees, extensive enclave economies, and a low-income population that is a part of the working poor. While traditional CED strategies focus on small business development, an Asian American community strategy should incorporate efforts to improve employment, housing, internal capacity building and external political linkages as well.

CED addresses the problems facing over 124,000 Asian Americans living in poverty in Los Angeles County, representing 13 percent of the Asian population. Almost 18,000, including many Cambodians and other Southeast Asians, are on welfare and face poverty rates as high as 45 percent. Many other Asians live above poverty, but cannot make a living wage.

A significant portion of low-income Asian Americans are at risk of being trapped in poverty. They will face poverty because they lack job skills and English language proficiency; their jobs offer few opportunities for advancement, and economic restructuring will continue to reduce the number of better-paying jobs in the labor market.

Entrepreneurship and Enclave Economy

The concentration of Asians and other immigrants in ethnic enclaves such as Chinatown/Lincoln Heights, Koreatown, Filipinotown and Long Beach intensifies competition for low-wage jobs and affordable housing. But these geographic concentrations also offer opportunities to organize ethnic communities and develop a common agenda to improve living conditions.

The ethnic enclaves are home to hundreds of Asian-owned small businesses. The enclave economy is based on labor-intensive industries and concentrated in highly competitive sectors, where profits are marginal, wages low, workers' benefits usually non-existent, working conditions deplorable, and employment highly unstable. The enclave economy serves as a crucial source of employment for immigrant workers who would be locked out of mainstream employment opportunities. But it is also a source of harsh and exploitative working conditions.

Rethinking Policies and Programs

Improving the lives of poor Asian Americans will depend on a multifaceted strategy. The first element is ensuring that employment programs serve the most needy individuals. Current programs encourage "creaming," or the targeting of services to the most marketable applicants. Funding for job training and incentives to hire the disadvantaged must be increased. Welfare policies should not penalize the poor, but provide more support and incentives to help them obtain employment. This should include larger refunds through the Earned Income Tax Credit to support the working poor. The institutional framework to protect workers must be rebuilt. Government can support the right of workers to organize, and regulate the work environment to eliminate sweatshop conditions and other exploitative employer practices.

The second element of this strategy is to formulate an appropriate business development approach. Establishing small businesses and access to start-up capital are less significant for Asians as compared to other low-income minority communities, because entrepreneurship in Asian communities has been historically high. Instead, business development policies/strategies should address the large number of small enterprises that operate on the margins of profitability. Technical assistance is needed to help diversify these businesses. Additionally, the welfare of workers needs to be improved through health-insurance purchasing groups. Asian business owners should receive training on

social responsibility to respond with cultural sensitivity to their employees and the communities in which they operate.

Even with greater job training and an improved business environment, poor Asians will still encounter financial difficulty. Housing is a fundamental need essential to individual and community well-being. An affordable housing crisis exists in Los Angeles and affects a large number of poor Asians. An overwhelming majority of low-income households pay more than 30 percent of their income on rent, exceeding federal affordability guidelines. The goal for Asian communities should be to increase the availability of quality and affordable housing through advocacy on various national and local housing policies. Additionally, Asians need to improve their ability to build affordable housing and other community facilities by establishing Community Development Corporations (CDCs).

Institution Building

While the challenges are clear, many Asian communities currently lack the organizational capacity to carry out CED work. Few resources are available to train staff and help Asian community-based organizations move into this field. Further, the training and funding that exist often exclude Asians because of mainstream perceptions that Asian communities have no economic problems.

Capacity building and establishing Community Development Corporations should be the first priority in Asian communities. This can be carried out by expanding the role of existing community-based organizations (CBOs) or creating new institutions. In this process, low-income residents must have a meaningful role in shaping economic development, identifying needs and developing strategies. Governmental advisory bodies such as redevelopment project area committees (PACs) have generally excluded low-income residents, and Asian CBOs have few mechanisms to ensure their participation in policy/planning.

Political Linkages

CED alone cannot solve the problems facing Asian communities. Community-based efforts must be complemented by advocacy and external political linkages. These linkages will enable Asian communities to influence policy-makers, government agencies, private foundations and other institutions.

Asian Americans have much to contribute to inner-city economic development and should be partners in any urban revitalization strategy through coalitions with other racial/ethnic communities.