



## Reducing Poverty: The Joseph Principle

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One of the fundamental moral underpinnings of America is Biblical--that is, "Inasmuch as ye have done it unto one of the least of these my brethren, ye have done unto me" (Mathew 25: 40 KJV). An echo of this sentiment is enshrined on our nation's Statue of Liberty, which says "Give me your wretched, your poor, your huddled masses yearning to breathe free..."

Until the 1930s the care of the least among us was in the hands of our ethnic and religious groups and the local institutions they controlled. Government did not intervene in the dynamics of families or the networks that supported them. But the stock market crash and resulting economic failure of the Great Depression exhausted neighborhood support systems across the nation, and for the first time the government intervened in the economy on a large scale. Within time, the programs of Franklin Delano Roosevelt that started as ambulance services morphed into transportation systems. However, even in all that initial period of change, the moral traditions of American culture remained intact until the storms of the 1960s.

In America, the principle of helping has been noble one. But the means by which it has been applied has often injured with the helping hand. For instance, in the 1960s we assumed that the problem was social injustice--racial discrimination. We passed civil rights laws and the voting rights act. We assumed that lack of economic resources was the problem, and we spent \$9 trillion over the past 40 years in poverty programs. We assumed that the problem was lack of political participation. Now people of color run major cities throughout the nation. What are the consequences of these major policy approaches? Sadly, conditions facing many low-income people are worse than they were 40 years ago.

Violence in urban centers, particularly among youth, has increased. Out of wedlock births have dramatically increased, particularly in the black community. The black community often functions as the barometer of the nation's moral and social health. In 1962, 85% of all black families had a man and woman raising a family. Today, only about 47% of homes have a married man and woman raising children. There have been major declines among some of the country's weakest members.

### **The War on Poverty:**

In the 1960s the welfare state was enlarged into the "War on Poverty." President Lyndon Baines Johnson dramatically increased the amount of money spent addressing poverty. In the '30s federal money went to the individual. In the '60s the money went to "services." This was a major paradigm shift. From it arose the poverty-industrial complex—an entire industry revolving around pathology. A huge provider industry evolved—psychologists,

social workers, and counselors--for every problem there was a different Master's degree to solve that problem.

Unfortunately, providers tend to ask not which problems are solvable but which ones are fundable. Priorities were driven by government grant possibilities, which meant that providers were rewarded not for solving problems but for the proliferation of problems, because the larger the problem, the larger the grant and salaries, and the more extensive the staff.

This is not to argue that everything that was done was harmful. When Bobby Kennedy made his trip to Appalachia, he found starving children. In Florida, elderly people died with no food in their stomachs. Child nutrition programs and elder care has eliminated the more pernicious forms of poverty.

Nor has there been malicious intent on the part of the providers. Those who go into the field of psychology or sociology certainly don't go into it for the money. But this was a situation where there was no willful intent to injure, but it was a misguided intent and it resulted in programs and policies that were misguided and inadvertently injured with the helping hand. As Dietrich Boenhoffer wrote in his *Letters From Prison*, the most difficult behavior to confront is folly. It is not malice. It is very difficult to confront the folly if someone is doing something with the intent to help, but without realizing that they are injuring with the helping hand.

The welfare laws that grew from these poison roots offered perverse incentives. With resources going to services instead of individuals, people became government clients, sapping them of independence, dignity and initiative. A married couple could not live in public housing. This destabilized marriage. If an unmarried woman receiving public assistance married a man who was gainfully employed her benefits would be ended. This pulled another plank from the incentive to marry and establish a household. It also provided a disincentive to seek steady employment. Rent was fixed at thirty percent of income for people receiving public assistance. This clause had the effect of making people reluctant to take certain jobs or promotions for fear of pricing themselves out of affordable housing. Misguided restitution programs made criminality an entrée into employment. Pregnancy programs rewarded illegitimacy by giving the mother more money with each additional child. Welfare policies undermined healthy communities and created poverty with a helping hand.

### **Social Injustice:**

The second major policy fallacy was that social injustice—racism—was a primary cause of the problems of poverty. In order to challenge the faulty assumptions of the 1960s we need to look at black America before that decade. From 1940 to 1970 the poverty rate had dropped from 87 to 30 percent--a reduction of two-thirds. In contrast, the poverty rate has only declined from 30 to 24 percent in the past 35 years despite the presence of armies of social workers and mountains of money.

The core of the black community in the hundred years between the end of the Civil War and the War on Poverty was the family, a belief in God and business formation. Up until 1965, the marriage rate for blacks was over 80%. In fact, during the Depression, the black marriage rate was higher than that of whites.

In the first fifty years after the Emancipation Proclamation, black Americans had accumulated a personal wealth of \$700 million. They owned over forty thousand business, forty thousand churches and 937,000 farms. The literacy rate had climbed from five to seventy percent. Black commercial enclaves in Durham, North Carolina and the Greenwood Avenue section of Tulsa, Oklahoma were together known as the Negro Wall Street. Blacks in both districts turned harsh Jim Crow laws to their advantage by using their entrepreneurial

skills to serve a segregated community. Black Durham survived as a thriving economic center until federal and state urban renewal programs wiped out most of Durham's black business district. More black businesses and more black residential properties were destroyed in two years of urban renewal than were destroyed by violent acts of the Ku Klux Klan.

The fundamental flaw in the approach toward poverty in the black community was the insistence that anything all black was automatically bad. Sixties radicals interpreted separate to be inherently unequal rather than strategically unequal. They renounced the values of family, faith and self-reliance in favor of revenge and the redistribution of wealth and the embrace of a political spoils system. Before a new medicine is introduced to the public it undergoes rigorous testing over years and sometimes decades to determine if there are any possible side effects or unintended consequences. The architects of the War on Poverty did not do this. The assumption was that noble intentions always produce noble outcomes.

These assumptions were taking root at just the time the civil rights movement was reaching its apex and becoming a race grievance industry. The movement wanted to make the case that segregation was harmful. It needed the federal government to intervene in the states. For this to happen successful black entrepreneurship had to be abandoned or ignored. Historically black universities and colleges severed the technical assistance it provided black businesses and ceased publication of journals that described their triumphs. The leaders of the civil rights movement had to portray blacks as hapless victims of an omnipotent system. The good that came from the civil rights movement was the replacement of Jim Crow laws with more equitable statutes. The bad news that resulted from the civil rights movement was that blacks were cut off from their heritage of success and the stereotype of blacks as a perpetual victim class was institutionalized.

When the first era of blacks took office they did not change the nature of the programs they inherited. They sought to just manage them and in time they became the black faces of white paternalism. The War on Poverty broke down the moral immune system of low-income black neighborhoods and made them breeding grounds of dysfunction. The resulting social chaos has been predictable.

As the racial and sexual revolutions merged with the rising welfare state, they formed a perfect storm that continues to demolish family structures. All of the resulting pathologies were laid at the feet of allegedly outmoded American social values. This tactical debasing of American culture has been enormously successful, to the point where those of us who hold onto traditional American ethics and Judeo-Christian values are now the counter-culture. To paraphrase what Gertrude Himmelfarb wrote in her seminal book, *One Nation, Two Cultures*, for many blacks the benefits of the civil rights movement were partially negated by the culture revolution that denigrated precisely those virtues that are conducive to economic improvement and social mobility. The Great Society, which intended to open the doors to opportunity, all too often drew minorities into the closed society of chronic dependency.

Racial prejudice continues to be a problem in the United States. However, it is not the most important problem facing even the black community. Continuing to focus on race and supporting those who profit from maintaining a grievance industry is keeping this nation from addressing some threatening fundamental problems. If racial reconciliation were immediately possible, it still would not answer the high rates of black on black homicide and out of wedlock pregnancy. But investment in those grassroots institutions that bring about moral and spiritual healing can address those problems, and at the same time, racial reconciliation will be a natural byproduct.

## Joseph and Pharaoh

If the public and private sectors are to refocus their efforts so that their contribution will have a positive impact, several crucial questions must be answered: Who are the true experts of social revitalization? What principles should guide funding decisions? What qualities are common to all effective programs? Unfortunately, as a nation, we are prone to place our trust in irrelevant authority. Just as commercials lead consumers to believe that sports stars are experts on nutrition or footwear, there are those who would have us believe that the MBAs and sociologists in distant universities can provide expert advice in salvaging our inner-city neighborhoods. But the solutions to the problems of our nations' Harlems will never be found in the Harvards of this nation.

The good news is that solutions do exist. Today, among the ruins of inner-city neighborhoods, there are embers of health and restoration. I was looking for a way to describe these grassroots leaders and how they relate to those outside. And I found it in the book of Genesis in the Bible. Joseph, as you know was one of 13 children born to his father. And Joseph was blessed with being able to interpret dreams. But his brothers were angry at him when Joseph said that he dreamed he saw them bowing down to him and as a consequence they faked his death and sold him into slavery. And Joseph languished for many years as a slave, but in every situation as a slave Joseph became the best slave. When he was falsely imprisoned, he became the best prisoner. In the depths of the dungeon, Joseph accepted his fate and served faithfully. He was, even in prison, raised to a position of leadership and was placed in charge of the other prisoners. Two of Pharaoh's servants, who were also imprisoned at that time on charges of theft, learned of Joseph's ability to interpret dreams. They beseeched him to explain their dreams and promised that in return they would help him after they were released.

The one servant who was released soon forgot his promise. It was only years later, when the Pharaoh himself was troubled by ominous dreams which none of his counselors or astrologers could interpret that the servant told him of the Hebrew boy and his ability to decipher dreams. Joseph was cleaned up and summoned to the Pharaoh's court.

When the Pharaoh described his dreams, Joseph replied that they were portents that seven years of bountiful harvest would be followed by seven years of famine. He advised that during the prosperous years one-fifth of all that was produced should be stored in preparation for the famine and that an administrator should be appointed to oversee this effort.

The Pharaoh was not deterred by the fact that Joseph was not of the same ethnicity, that he came from a "dysfunctional Hebrew family" or that he was a prisoner. He trusted and followed Joseph's advice, and even appointed him to administer his harvest, awarding him power of office second only to himself. When the famine came, Pharaoh's was the only land that was prepared. The Bible recounts that Egypt not only survived the famine but prospered for four hundred years until "there arose a Pharaoh who knew not Joseph."

Pharaoh did not have a religious conversion. But he was impressed by the secular outcome of Joseph's work.

Today, in communities throughout the nation, hundreds of modern day Josephs are at work restoring spiritual health in their neighborhoods, guiding others to lives of value and fulfillment. Although Joseph was betrayed and treated unjustly, he held firmly to the belief that God could work through any situation and, even in the worst circumstances, he continued to serve without resentment. He never yielded to bitterness and his attitude determined his availability to God. Likewise, our modern day Josephs have faced adversity and injustice without bitterness or resentment.

The answers to many of the most pressing problems that America now faces can be found in the men and women who have come out of prison, who live in drug infested, crime ridden neighborhoods, some of them whom, themselves, have fallen but have been able to recover through their faith in God. There are countless examples of these Josephs who have been called to responsibility from jails, from drugs, from crime, from prostitution. Their authority is attested to, not by their position and prestige in society, but by the thousands of lives they have been able to reach and change.

These neighborhood Josephs go unrecognized, unappreciated and underutilized. They are working with individuals that all the other conventional service deliverers have given up on. They take only the worst cases and they work with meager resources, yet their effectiveness eclipses that of conventional professional remedies.

What the Center for Neighborhood Enterprise does is build on this natural, indigenous resource. We act like a Geiger counter and go all around the country and look into these neighborhoods for these two types of Josephs—the natural antibodies in their communities. And once we find them, we bring them together so they begin to form an immune system in their communities. We assist them the way the human immune system is assisted by importing into them the kind of resources to them that strengthens them. We provide training, technical assistance, and access to material resources so that this immune system can grow and begin to transform from within the neighborhood and make dramatic improvements in the life of the people living there. We have proven over the past 23 years that this approach can bring about dramatic changes in the conditions of people living in low-income neighborhoods.

Why haven't we heard more about these leaders? Why isn't their success common knowledge? Elitism has caused us to dismiss the possibility of remedies emerging from low-income neighborhoods. With silent prejudice, faith-based strategies are dismissed out of hand in spite of their consistent track records of effectiveness.

In addition to many overtly faith-based programs there are many grassroots leaders whose outreach is motivated by a heartfelt spirit of service but is not affiliated with any particular religion or faith. And although many of the most effective grassroots healing agents are those who have, personally, experienced the lives of depredation and corruption that they urge others to escape, there are also among our modern day Josephs those who have never even ridden on a stolen bicycle. There are as many different types of Josephs as there are different types of needs. However, while there is a broad variety in the source of inspiration and the life experiences that motivate today's Josephs, there are a number of defining characteristics they all hold in common:

1. Their programs are open to all comers. The grassroots leaders do not target their services exclusively to individuals of any particular race or background. Help is offered, instead, on the basis of the need a person has and his or her desire to change.
2. Neighborhood healers have the same zip code as the people they serve. They have firsthand knowledge of the problems they live with and they have a personal stake in the success of their solutions.
3. Their approach is flexible. They know that every person cannot be reached in exactly the same way. Even where there may be a pervasive theology or philosophy in a program, every person is not expected to embrace it or be affected by it in the same way.
4. Effective grassroots programs contain an essential element of reciprocity. They do not practice blind charity but require something in return from the individuals they

serve. They recognize that treating them only as “clients” would result in their becoming poor citizens.

5. Clear behavioral guidelines and discipline are an important part of their programs.
6. Grassroots healers fulfill the role of a parent, providing not only authority and structure, but also the love that is necessary for an individual to undergo healing, growth and development. Like a parent, their love is unconditional and resilient. They never withdraw their support, in spite of backsliding and even in the face of betrayal.
7. Grassroots leaders are committed for the long haul. Most of them began their outreach with their own meager resources. They are committed for a lifetime, not for the duration of a grant that funds a program.
8. They are on-call virtually 24 hours a day. In contrast to a therapist who comes once a week for a 45-minute session, or staff who come from a 9 to 5 and then return to their distant homes. The homes of grassroots leaders are always open to the people they serve.
9. The healing they offer involves an immersion in an environment of care and mutual support with community of individuals who are trying to accomplish the same changes in their lives.
10. These Josephs are united in a brotherhood of service. They are eager to share ideas and strategies. They offer earnest support to each other in times of struggle and sincerely celebrate one another's victories.

Although today's Josephs deserve to be heeded by modern day Pharaohs (political leaders and leaders of the business and philanthropic community), their effectiveness is not dependent on such recognition. Long before support or acknowledgement came from the others, our nation's neighborhood healers committed themselves to lives of service and they engendered miraculous changes in the lives they touched. Though these grassroots leaders accomplished extraordinary feats with little support, an alliance between today's Josephs and Pharaohs could provide the support that is needed to allow their transforming efforts to expand and further develop to benefit the entire society.

This type of partnership requires a major overhaul in how we view the poor. Many policymakers on both the Left and the Right see the poor as hopelessly lost in a sea of pathology few personal redeeming qualities. They assume that their only hope is rescue coming from the professionals and the intellectual elite and they cannot recognize the capacities that exist within America's low-income communities. As former Education Secretary Bill Bennett once so aptly stated, “The Left sees the poor only as victims, while the Right sees them as aliens.”

In an era of spiritual hunger and moral disarray, today's Josephs are a source of both spiritual and economic renewal that will have an impact beyond the boundaries of inner-city neighborhoods. Grassroots leaders who have proven that they can engender substantial and lasting transformations--sometimes at only a tenth of the cost of less effective but “credentialed” programs--have much to bring to the table.

If America's grassroots leaders can heal the heart of a hard-core drug addict who has been to prison and who once refused to yield to any and all figures of authority, if they can heal a person who has been so severely damaged and hardened, imagine what they can do for those who have gone astray but have the buffers of income, and power and influence. Healing them should be a comparatively easy task. Today, among the most devastated

economic and social conditions, the embers of spiritual renewal are still alive in the work of thousands of grassroots leaders. If these embers can be nourished by those who have wealth and influence in society—today's Pharaohs--the flames of revitalization can become a brushfire that will seep across the nation, bringing life and hope where there is now only cynicism, confusion and despair.

### **Applying Market Principles to the Social Economy:**

One of the lessons of the 1960s is that elitism is more devastating to the interests of poor people than racism. In the social economy certification equals qualification. If we sincerely desire to help the poor we need to apply the principles found in our market economy to our social economy. The marketplace is results oriented and it expects a return. In the social economy certification equals qualification. A person with genius and drive like Bill Gates would be discounted because he lacked the proper academic qualifications.

Our nation's moral and spiritual crisis is taking secular expression in violence and despair. We are experiencing a crisis of meaning and self-esteem, a vacuum of content and purpose in life. We must be willing to look to new sources of insight and wisdom among people who are experienced at addressing the crisis at its own level. We must look for non-conventional solutions in non-traditional places. We do not hesitate to do that in our business economy. In the marketplace, workable solutions are embraced wherever they exist. If a teenaged computer hacker develops software that has capacities beyond those of well-trained computer specialists, he is rewarded. We look for cures in the roots and herbs of the rainforests of Brazil and New Guinea. Some of our most important discoveries have come about because someone did not focus on the source of the discovery, but looked at the content of what was produced. Regardless of their certifications, education, or "legitimacy" of social service providers, if their "solutions" have not had a measurably positive impact on a problem that neighborhood-based efforts have effectively addressed, we must remove the blindfolds of bias and embrace the strategies that work.

In every place but in our social economy, we accept new ideas and innovations, no matter how untutored the source of the information may be. We at the National Center for Neighborhood Enterprise have identified examples of how grassroots healing agents have successfully addressed gang violence, substance abuse, teen pregnancy, homelessness, and a myriad of other problems that have been resistant to conventional therapies. In the grassroots rain forests there are cures for the most devastating forms of social decay, and the cures they have fashioned have been sustained over long periods of time.

Organizations need to measure outcomes, not process. Trillions of dollars of public and private funds have been spent on failed programs because of a disregard for outcomes and the funding of process, regardless of an initiative. Too many sponsors of private-sector initiatives, carrying on the legacy of the public sector programs, have placed little emphasis on evaluation of their effectiveness. A few years ago, I participated in a forum hosted by the sponsors of a multi-million dollar, foundation sponsored, inner-city project of community revitalization. In all of the discussion of the project -- which had failed to accomplish its objectives -- there was virtually no mention of impact. As another forum participant remarked, "It was similar to a wake, where everyone is talking about everything but the body in the middle of the room."

Rebecca Stone of the Chapin Hall Center for Children describes the aversion of foundations to deal forthrightly with the issue of measured outcomes: "Because of its inextricable link to public perception, future funding, and even internal feelings of optimism, "evaluation" of any program is often unpopular with participants and others invested in the success of the endeavor."

Even corporate sponsors fail to demand results for their investment. Social commentator and Senior Fellow at the Wisconsin Policy Research Institute, Charles Sykes pointed out this

irony: “The really puzzling thing about so much philanthropy is how capitalists – people who are successful in running businesses and creating wealth – so often turn over money to groups and individual who are manifest failures in their fields. I mean failures, not in the sense that they are unknown, unpublished, or untenured but failures in the sense that they are so often wrong about social programs and social ideas, and so often failed to achieve the goals they purport to serve... Many of us have lost sight of what we want to accomplish with our wealth and with our effort. The problem with this kind of ethos is that policies tend to be judged, not by their results, buy by our compassionate and benign intentions.”

We must beware of top down collaboratives. As foundations seeking to reform failed policies have focused on correcting what they presumed to be the sole flaw of conventional social service strategies, a presumed silver bullet approach has emerged called collaboration. Collaboration has been the buzzword in a multitude of multi-million dollar experiments of private-sector social service initiatives and community revitalization efforts. Because these initiatives utilize the same conventional service providers, albeit in various combinations, like their predecessors these multi-front initiatives have also had negligible impact.

The purported paradigm shift to collaborative strategies had little effect not because it was under-funded but because collaborative community building was not a fundament change in approach. Essentially, like their public sector counterparts, these initiatives were designed and conceived from the top down. Although many collaborative projects included an element of grassroots involvement, this invitation for input was not at the planning and design stage but was limited to a preconceived role for local entities in a predetermined plan of action.

Elisabeth Mack, of Detroit’s Jeffries Homes Resident Empowerment Committee said: “What is ironic is that while [inner-city] communities are used as a study group, in most instances, they are not involved in the discussion for solution. Lip service is given to community resident participation, but in reality the feeling is that if you are the problem or you created the problem then you cannot devise the solution... It is important that people see themselves in control and having the capacity to change in a way or manner that best suits them. Community residents have an understanding of cause, effect and solutions, but their analysis has not been validated in the process. Until community-based analysis is validated and incorporated into the process of rebuilding and redefining, any effort to promote sustainability and revitalization will prove futile.”

Public or private, collaborative efforts that are directed by top down design fail to utilize communities’ indigenous effective healing agents where they can have the most impact. The main failure of the public sector approach was not that its strategies were fragmented but the fact that its programs were designed by professionals in distant bureaucracies and then parachuted into low-income communities. This approach excluded the advice and insight of indigenous grassroots leaders who possessed firsthand experience of the problems, a base of trust that could elicit response from the residents, and a personal stake in the success of a remedy. In addition, resources were often channeled through organizations that were franchises of larger private sector service providers. While these entities were technically “community-based” they did not originate with residents of the low-income neighborhoods targeted. Typically, grassroots initiatives that are sources of health, healing and transformation in low-income communities do not show up on the radar of corporate foundations or the experts on urban design and community development whom they employ.

The fact that even multi-million dollar community building initiatives, staffed by and supported by highly trained professionals have often failed to change conditions in low-income neighborhoods does not indicate that their social and economic problems are beyond hope. Rather, it is an indication that we must look to a new source of advice and counsel in our quest for solutions. Organizations must be able to recognize new sources of expertise.

In inner-city neighborhoods throughout the nation, remarkable headway has been made in addressing entrenched problems through the efforts of committed grassroots activists working with shoestring budgets.

The hundreds of grassroots leaders throughout the country are the embodiment of “social entrepreneurs” who have the vision, creativity and commitment to forge innovative, workable solutions to the societal crises that permeate, not only our nation’s inner cities but rural and suburban communities as well. Their bold entrepreneurship is in need of one thing: support from venture capitalist of the corporate arena who recognize their potential and are willing to invest to strengthen the organizational structure and management skills and capital that are necessary to expand and export their remarkably effective outreach.

Like those who have led us through our nation’s giant steps in the areas of science and industry, there exist even now hundreds of dedicated and inspired geniuses throughout the nation who can guide us in progress in solving even our most entrenched and devastating social crises. Collaborative effort is needed, but only after these points of innovation and transformation have been identified and recognized. Effective support will begin not with a discussion of the problems but with a comprehensive and sustained effort to maximize the impact of the solutions that exist.

Finally, we should invest in initiatives designed to create “marketable character,” i.e., good potential employees. For many individuals, poverty is a result of the choices they make and the chances they take. Without a change in character they will not be ready to take advantage of job training or other programs designed to integrate them into mainstream society. Faith-based grassroots leaders act as “character coaches” or “moral mentors”. They have the ability to transform hearts and instill values, resulting in individuals who are drug free, work ready and positively motivated to be good employees. As an executive of a major telecommunications company once wrote in a Wall Street Journal commentary, “Just give me an unskilled but dependable person of character, and I’ll take care of the rest. I can train a person to disassemble a phone; I can’t train her to not get a bad attitude when she discovers that she’s expected to come to work every day when the rest of us are there. I can train a worker to properly handle a PC board; I can’t train him to show up to work sober or to respect authority.”

The National Center for Neighborhood Enterprise strongly believes that such efforts should be built upon the bedrock of successful, life transforming abilities of neighborhood and faith-based organizations, and that private and government resources should be brought to that base in a creative fashion, rather than having a new mission for government – or the private sector – that simply subcontracts some functions to neighborhood groups at a later part of the process. In other words, neighborhood based groups should be the starting and centerpiece, not the endpoint, of services designed to help low-income communities.

Recently, the executive of a large Texas foundation came to visit me. I introduced him to two of our grassroots leaders who are working to stop youth violence in an inner-city school in Baltimore. After the visit I received a letter from the executive with this note: “What great young men with truly noble work on the front lines of the culture wars in our country. These are absolutely inspirational servants of the Lord.”

I believe that those words sum it up well. Neighborhood based programs, particularly those that are faith-based, have proved they can solve problems such as substance abuse, youth crime and violence, and the kind of internal despair that are more acute in low-income communities but that are increasingly cutting across all societal lines. And these solutions forged in the crucible of poverty—the front lines of our nation’s culture wars—can be exported to the gilded ghettos of suburbia and rural white America.