

# FOCUS<sup>®</sup>

The monthly magazine of the Joint Center for Political and Economic Studies

## CAMPAIGN FINANCE

*Mixed Bag  
For Black America*

By Terence Samuel

*The call for campaign finance reform produced one of the toughest political battles Washington experienced in some time. Yet, for African Americans who have long existed on the margins of the big money political swamp, the new rules regulating the way federal political campaigns are financed offer a mixed bag of minor improvements and minor setbacks.*

*The Bipartisan Campaign Reform Act of 2002 will result in radical changes in the way most campaigns function. But for Black candidates, Black voters and African American communities in general, the benefits may be harder to detect.*

*Spencer Overton, a University of California law professor, believes the debate about*

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## Election Reform: Next Step to a Fair System

After a political battle that lasted years, Congress has finally passed the Bipartisan Campaign Reform Act of 2002 and President Bush signed it into law on March 27. Though responsible voices from the political right and left have pointed out its shortcomings, the measure is a serious effort to help level the campaign finance playing field.

Now Congress should turn its attention to another measure that highlights inequalities in our political system. Congress currently is considering election reform legislation designed to prevent a reoccurrence of the Florida debacle during the last presidential election.

Though the election reform effort recently has been eclipsed by the campaign contributions bill, it is election reform that is directly relevant for the many Americans who do not donate to political candidates. Black Americans have a special interest in the legislation to reshape election laws, because it is they who suffered disproportionately from the voting irregularities during the 2000 presidential election.

Nothing is more fundamental to this political system than guaranteeing the right of all Americans to vote. Civil rights organizations are pressing Congress to adopt legislation that calls for minimum voting technology standards and maintenance of computerized statewide voting lists. The legislation would permit "provisional voting" by citizens whose names do not appear on the voting lists, so that their votes can be counted once discrepancies are resolved.

Those organizations also are fighting against some of the bill's provisions they say could hamper voting access. They are opposed to a measure that would allow states to avoid enforcement of the requirements for the next eight years, the time it takes to hold two presidential votes and four House and Senate elections. There is also concern that a photo ID requirement under consideration, while designed as protection against vote fraud, would in practice inhibit voting by minorities, the disabled, poor people, the elderly and students.

Measures that would ensure unfettered access to the right to vote are especially important for a people who don't have the access to politicians that campaign contributions provide. As we point out in this issue of FOCUS, the campaign finance reform bill actually could widen the political influence gap between rich and poor by doubling, to \$2,000, the amount individuals can give to candidates. If poor people could not afford the previous limit of \$1,000, they certainly cannot afford to donate double that amount.

The "reformed" campaign finance system will not correct the inequities documented in Public Campaign's report, "The Color of Money: Campaign Contributions and Race." Although its data are from 1996, the report's relevance is current. It points out that almost all House and Senate races are won by the candidates who raised the most money.

The report demonstrates the severe inequality in the system by noting that residents of one rich, almost all-White zip code in New York City gave \$9.3 million in campaign contributions, nearly twice as much as did voters in the 483 zip codes where the residents are almost all people of color. Their donations totaled \$5.3 million.

While politicians should not ignore any voters, it is no mystery that elected officials pay greater attention to voters who also are contributors. And it's not uncommon for candidates to seek funds from outside their districts, a practice that can raise troubling questions of divided loyalties.

The inequities that remain in campaign financing make it imperative that we do more to ensure an open and transparent system that encourages everyone, including the poorest among us, to participate. ■



PRESIDENT

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# ADVOCACY It's "Illegal to Be Homeless" GROUPS SAY

BY JOE DAVIDSON

The number of homeless people in America is growing, and so is the likelihood they will end up in jail.

Rather than petty theft or shop lifting boosting their incarceration numbers, a study by two Washington, DC, based advocacy organizations says an increasing number of local laws “effectively criminalize homelessness.”

Just ask Dale Andrew Morgan. The 42-year-old homeless man said he’s been arrested twice in recent years for illegal camping in San Francisco. “I’m a little more fortunate than most people,” he said in a telephone interview, explaining that he has a tent and a sleeping bag and they have not been confiscated by the city.

Meanwhile, the national organization that represents mayors — who must enforce the local laws — says indicators of the homeless population climbed last year. During 2001, “hunger and homelessness rose sharply in major American cities,” according to the U.S. Conference of Mayors. In its 17th annual survey, the organization found emergency food assistance rose in 25 of 27 cities studied. Nineteen cities reported increases in emergency shelter requests.

## Resources Lacking

The resources needed to keep up with the hungry and homeless have not been allocated to meet the growing need.

“Only one-third of cities reported that they were able to provide an adequate quantity of food,” says a statement released by the mayors’ group. “Eighty-five percent of the cities surveyed reported that emer-

gency food assistance facilities have had to decrease the quantity of food provided and/or the number of times families or individuals can come to get food.”

The picture is similar for shelter. An estimated 52 percent of requests for shelter from homeless families was unmet in 2001, because too few resources were directed their way, the mayors said.

Yet local governments are increasingly providing the homeless with shelter of another type — the kind behind bars.

In their January report, “Illegal to Be Homeless,” the National Coalition for the Homeless and the National Law Center on Homelessness and Poverty conclude that “homelessness or economic status is increasingly likely to be a cause of incarceration, as local jurisdictions adopt ordinances that criminalize common activities such as sleeping, sitting on a sidewalk, standing, or begging in public places.”

Because Black people are more likely than others to be without adequate shelter, the increasing criminalization of homelessness has a disparate impact on African Americans. It becomes another feeder avenue from the streets to jail. Figures from the mayors’ report say about half of the homeless population in the cities surveyed is African American, 35 percent is White and 12 percent is Hispanic. Black people and Hispanics each are about 12.4 percent of the general population.

The homeless organizations define criminalization as passing and enforcing laws against “basic life-sustaining activities,” including sleeping, bathing, cooking,

urinating or storing personal belongings “in places where people are forced to exist without their own housing.”

Homeless advocates contend a “systematic abuse of the civil rights of homeless people is used as a strategy to remove homeless people from sight by local governments and private business districts.”

## Selective Enforcement?

The homeless advocacy groups charge authorities with selective enforcement of such laws. “Even if many of these laws were not designed primarily to entrap homeless people, they are, nevertheless, used against homeless individuals and families in obviously discriminatory patterns and practices,” the report contends.

Among other things, the study by the National Coalition and the National Law Center cites the following as examples of systematic abuse:

- Police increasingly remove homeless people from gentrified communities and tourist districts.
- Business improvement districts hire private security guards to restrict access to certain areas based on economic profiling.
- Existing laws are selectively enforced and new laws are passed to move the homeless from certain sections.
- Police “sweeps” around major sporting or political events move the homeless from those areas.

“Homelessness will not disappear simply by putting people behind bars,” said Donald Whitehead, executive director of

the National Coalition for the Homeless and one who was once homeless himself. “The burden of poverty is far too great to be exacerbated by the criminalization of the impoverished.”

What is needed, adds Maria Foscarinis, executive director of the National Law Center, “is affordable housing, health care and living-wage jobs.”

While the public officials concerned reject the charge that they are selectively enforcing the laws, the mayors’ organization agrees with the advocates that the lack of available housing is the primary reason so many people live on the streets.

“Lack of affordable housing leads the list of causes of homelessness identified by city officials,” reads the mayors’ report. “Other causes cited, in order of frequency, include low paying jobs, substance abuse and the lack of needed services, mental illness and the lack of needed services, domestic violence, unemployment, poverty, prison release, and change and cuts in public assistance.”

## Housing Wait

The situation only got worse last year as requests by low-income families and individuals for subsidized housing increased in 86 percent of the cities, according to the mayors, who said just over a third of the low-income households eligible for assisted housing currently receive it.

The average wait for public housing jumped from 22 months to 33 months between 1986 and 1998, the housing groups report. “In some large cities the waiting time is even longer,” they say, “such as eight years in New York City, six years in Oakland and five years in Washington, DC, and Cleveland.”

This year the nation’s economy is improving faster than many experts expected. Yet recent history indicates that even during good times, homelessness remains a very serious problem.

Despite the economic boom of the 1990s, at least 800,000 people, including 200,000 children, were homeless on any given day, according to Martha R. Burt, a researcher at the Urban Institute in

Washington, DC. Some of those enter and exit homelessness quickly, but for others it is a long-term status. Over the course of a year during the late 1990s, between 2.3 million and 3.5 million people experienced homelessness, she wrote in an issue brief last year. During a typical year, she added, between 900,000 and 1.4 million children are homeless with their families.

“With one out of every 10 poor people in America facing homelessness at some time during an average year, current policies clearly are not working,” Burt wrote. “A concerted national strategy is needed to prevent homelessness, and to end quickly discrete episodes of homelessness if they become inevitable...Only strategies that address systemic problems as well as provide emergency relief can eliminate homelessness in this country.”

Burt identified a series of structural factors that have fueled the crisis in homelessness:

- Rising housing costs have priced low-income people out of the market.
- Dwindling job options for those with no more than a high school education contribute to low income.
- Cutting assistance for the severely mentally ill, especially the “drastic reductions in the use of long-term hospitalization,” leaves many of them on the street.
- Housing discrimination on the basis of race, ethnicity and class and local zoning practices that exclude affordable housing exacerbate the problem.

“Once structural factors have created the conditions for homelessness, personal factors can increase a person’s vulnerability to losing his or her home,” Burt continued. Those factors include limited education and job training, mental or physical disability, lack of family and substance abuse. “But without the presence of structural fault lines,” she said, “these personal vulnerabilities could not produce today’s high level of homelessness.”

Homelessness is less inevitable for the poor in places where social assistance and

comprehensive services are strong, even when housing costs are high. Burt pointed to some European countries that guarantee citizens housing or provide assistance such as child care and income subsidies and universal health care.

In the U.S., by contrast, Burt argued that the “dramatic reductions in federally supported housing over the past 20 years, coupled with the current reductions in safety net programs, place individuals and families squeezed by high housing costs and with few resources at high risk of homelessness.”

## Federal Funding

Yet the federal government now is spending more money to assist the homeless than at any time in history. In November, the Department of Housing and Urban Development (HUD), announced the availability of more than \$1 billion in grants for housing and supportive services for homeless people.

Most of the money, over \$940 million, will be distributed as “Continuum of Care” grants. According to HUD, these competitively awarded grants will provide each community the flexibility to meet its own local homeless needs. They can be used by communities in their outreach and assessment efforts, for emergency shelter, or for transitional or permanent housing.

In addition to temporary housing, \$150 million in HUD Emergency Shelter Grants may be used for job training, health care, child care, drug and alcohol counseling and other services to prevent homelessness.

In their report, the mayors had good words for the Continuum of Care program: “The increase in HUD funding to address homelessness has resulted in more homeless families and individuals accessing transitional and permanent housing and reaching self-sufficiency in their cities.”

Despite that praise, the mayors are not optimistic about making progress to feed the hungry and house the homeless. Officials in 100 percent of the cities surveyed said they expect requests for emergency food and shelter to increase in 2002. ■

# POLITICAL REPORT

## New National Priorities: Where Do Minority Issues Fit?

By Mary K. Garber

A year ago, election reform, racial profiling and other minority issues were highly visible. President Bush was seeking to smooth relations with Black Americans after losing their support in the election and their trust in the wake of the Florida voting debacle. A year later, these same issues did not rate even a mention in the president's first State of the Union Address. In fact, the word "minorities" was spoken only once in the speech—in connection with a promise to increase minority homeownership.

Domestic issues unrelated to security concerns are not Bush's main focus now. But a few are on his agenda: expanded unemployment benefits, improved pre-school and teacher training programs, greater protection of pensions, and health care proposals concerning patients' rights, prescription drug benefits, and tax credits for the uninsured.

No political speech ever lists every issue of importance. Yet, given that it is his primary statement of political priorities, it is striking that Bush's State of the Union ignored topics vital to Black Americans, Hispanics and other minorities, including election reform and racial profiling. This raises a timely question — Where do minority issues fit in this new political environment?

### Election Reform

Although they went unmentioned in the president's speech, the administration has

made some moves on election reform, albeit not enough for the civil rights community. Two weeks before the speech, the administration proposed that the new budget should include \$400 million for election reform measures, with equal amounts planned for each of the next two years, for a total federal commitment of \$1.2 billion.

Nevertheless, at the beginning of the month there was concern among civil rights lobbyists that some provisions in the election reform legislation would actually weaken parts of the Voting Rights Act of 1965 and remove certain voter registration standards.

Election reform legislation has slowly worked its way through Congress. The House passed its version (H.R. 3295) by a huge 362 to 63 majority in mid-December. Although the bill set some minimum standards, it left most of the

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specifics to the discretion of the states. A total of \$2.6 billion was authorized to help states pay for improving voting equipment, making polling places accessible to the disabled, providing voter education programs and implementing other election reforms.

Many Democrats, including most members of the Congressional Black Caucus, were not satisfied with the House bill and expressed hope that the Senate version would be much stronger. Democratic Rep. John Conyers of Michigan, who served as point person for the legislation in the House, was one of the bill's critics. Calling election reform "the foremost civil rights issue of our day," he pointed out that most of the disenfranchised in the last election were people of color. The states, he said, do not have a good record of protecting voting rights for Black Americans or preventing discrimination in general. Many House Republicans, however, are opposed to any measure that calls for mandatory rather than voluntary changes to state election procedures.

Unlike the House version, the Senate bill, now under consideration, would mandate certain changes, including computerized state registration lists. States also would have to offer provisional ballots on election day to voters whose eligibility is in question, allow voters to correct errors before casting their ballots, make polling places accessible to people with disabilities, accommodate people who speak foreign languages and stay below a federally established error rate for spoiled ballots. The bill authorizes \$3 billion in federal grants to compensate states for the cost of meeting these federal requirements. Another \$400 million in matching funds would be available to the states to provide voter education programs, update voting equipment, train poll workers, prevent and prosecute fraud, and carry out other reforms.

One reform that was voted down was an amendment offered by Sens. Harry Reid,

D-Nev., and Arlen Specter, R-Pa., to permit ex-felons to vote in federal elections once they have served their sentences. Currently, felon voting rights vary from state to state, with all but two states imposing some restrictions. A disproportionate percentage of those disenfranchised are African American men.

Marc Mauer, a longtime proponent of felon voting rights and assistant director of the Sentencing Project, is heartened by the fact that the issue was discussed at all. “The good news,” he says, “is that it was introduced by major figures in the Senate and vigorously debated. The bad news is that it failed by a two-to-one margin.” Mauer believes the discussion itself is a useful step toward greater recognition of the inequities of felon disenfranchisement.

### Homeownership Rates

While there is more action on election reform than the president’s speech suggested, there may be less than meets the eye on the one issue where Bush made direct reference to minorities — increasing rates of homeownership. The administration’s goals for improving homeownership among minorities are actually quite modest.

According to the Department of Housing and Urban Development, the current rate of homeownership for minorities is 47.8 percent. The administration’s stated goal is to bring that rate up to 50 percent — hardly a vast improvement. Even if that seemingly reasonable goal were reached, the gap between it and the current White homeownership rate of 68 percent would remain huge.

To reach its goal, the administration proposes a combination of measures that reflect its general philosophy: tax credits, matching funds for state and local homeownership programs, and more money for existing self-help programs. First, it proposes a tax credit of up to 50 percent for new construction or the rehabilitation of existing housing in low-income urban areas. To qualify, a homeowner’s income

would have to be below 80 percent of the area’s median income. Second, the administration plans to give more matching money to states for programs that assist low-income people in making down payments. Finally, it plans to triple funding for a self-help homeownership assistance program that allows families to use “sweat equity” to buy a home.

Margaret Simms, an economist and vice president for research at the Joint Center, suggests the minority homeownership goal might have been set at such a low level, because of its orientation toward low and moderate income families. “There may be a small pool of folks in that category who are ready and able to move to homeownership without other supports,” she says. Simms points out that the proposals do not deal with differences in homeownership between Whites and Blacks at higher income levels. For example, the administration does not advance any proposals to address discrimination in the housing market.

Improving homeownership rates is an important goal because of the effect on wealth accumulation. For most White Americans, their home is by far their major asset and the one they can expect to increase in value with time. This gives them a considerable boost above minorities in net worth. It is an advantage that is also passed on to the next generation, further escalating the difference in overall wealth between Whites and Blacks.

### Racial Profiling

The administration’s commitment to improving home ownership rates may not be as great as it first appears, but its willingness to eliminate racial profiling seems to have vanished entirely. A year ago, Bush pledged to make ending racial profiling a priority for his administration. Last March, Attorney General John Ashcroft touted legislation sponsored in the House by Conyers and in the Senate by Wisconsin Democrat Russell Feingold as “promising.” Now those bills

(H.R. 2074 and S. 989) languish in their respective houses, with little hope of action in the near term.

Conyers complains that Congress is “still waiting” for “the opportunity to engage in meaningful dialogue with the administration on our legislation.”

The identical House and Senate bills would require that all law enforcement agencies stop racial profiling and develop procedures to eliminate the practice. Federal funds could be withheld from agencies that did not take those actions. Grants from the Justice Department would be authorized to help state, local, and private agencies develop new racially neutral procedures. Under the bill, the attorney general would have to submit to Congress a report on racial profiling by federal, state, and local law enforcement agencies. Both bills have garnered numerous cosponsors and little opposition, but now appear to be stalled.

The lack of movement might also be attributable to the increased acceptance by American society of ethnic profiling as an anti-terrorist tool since September 11.

### Budget Realities

A major problem for minority initiatives is the budget crunch, according to David Bositis, a political analyst for the Joint Center. Regardless of what legislation Congress passes, vastly increased spending for the war on terrorism, both at home and abroad, combined with reduced revenues because of the recession, will squeeze domestic programs, generating considerable competition for the remaining funds. So even if legislation is passed, obtaining actual appropriations to fund them may be a more difficult proposition. With many popular initiatives competing for the remaining funds, minority initiatives could lose out.

“Minority issues,” Bositis says, “are only on the agenda when times are good.” ■



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# ECONOMIC REPORT

## A Wartime Budget For Two Fronts

By Margaret C. Simms

President Bush has characterized his proposed budget for fiscal year 2003 as a “plan to fight a war we did not seek— but a war we are determined to win.” Along with the increases in defense spending that might be expected in a wartime budget, there would also be reallocations in domestic spending that reflect a war with two fronts.

Spending would be redirected within programs and departments usually thought of as supporting domestic, non-defense initiatives. Funding for the Departments of Transportation and Health and Human Services (HHS) would increase, for example, but primarily to cover programs such as enhanced security at transportation facilities and defenses against bioterrorism.

The need to raise spending for a variety of homeland security efforts, in combination with other factors, has resulted in an abrupt movement from budget surplus to budget deficit in the space of one year. In order to reduce the size of the deficit over the next two years, the Bush administration has proposed to eliminate or reduce spending on programs it deems “ineffective.”

In his February budget message to Congress, Bush presented this as part of a “bold agenda for government reform,” which includes a plan to “measure performance and demand results in federal government programs.”

For many African Americans, the shifts in budget priorities could have significant impact. The new emphasis on fighting

terrorism at home and abroad is likely to mean fewer resources to fight crime and attend to otherwise unmet community health needs, problems that are more prevalent in African American neighborhoods than elsewhere. Tighter budgets also mean fewer slots in job training programs and, in some cases, the elimination of programs that have disproportionately served low-income and low-skilled workers.

### Budget Overview

The president has proposed a budget for fiscal year 2003 (which begins October 1, 2002) of \$2.13 trillion, a 3.7 percent increase over the estimated outlays for fiscal year 2002. Rather than the \$231 billion surplus Bush predicted a year ago for fiscal 2002, the White House now is projecting a deficit of \$106 billion.

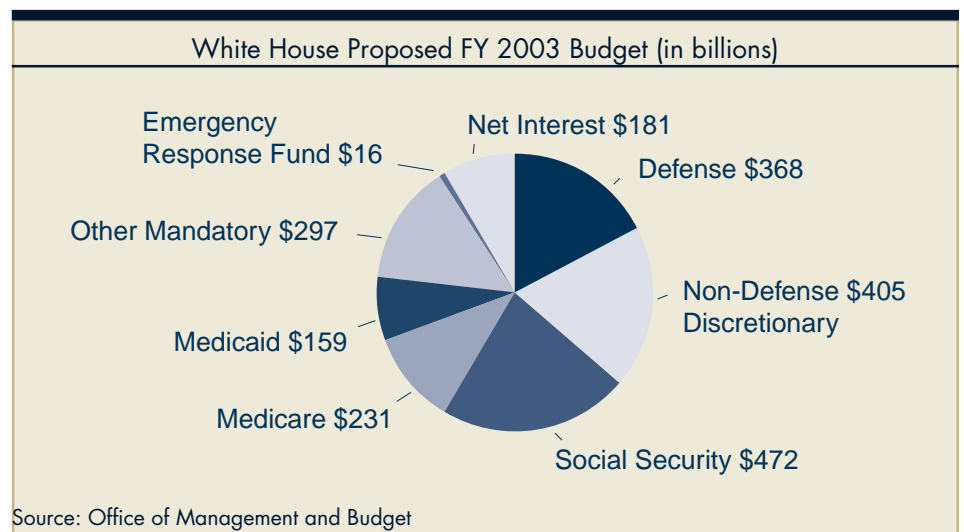
The sharp turnaround in the budget outlook is the result of three factors: (1) tax cuts the president requested and was granted last year; (2) the impact of the recession on tax revenues and government spending; and (3) the need to increase

defense spending to fight the war on terrorism.

### Composition of the Budget

Federal spending is divided into mandatory outlays and discretionary outlays. Since mandatory outlays are driven by factors such as the number of people who meet eligibility criteria for a program or service, this spending is dictated by circumstances largely beyond the control of the executive branch. The White House’s Office of Management and Budget (OMB), which coordinates budgeting, estimates that 2003 spending on mandatory programs will be \$1.16 trillion, an increase of 2.3 percent over 2002. The president has requested \$773 billion for discretionary spending, a 7.7 percent increase.

The largest proposed increases in discretionary budget authority are within three agencies, the Federal Emergency Management Agency (114 percent), the Department of Transportation (19), and the Department of Defense (12). Among departments that provide support to individuals, the largest increase is a 9 percent raise for HHS, which includes income security, health-related programs and cash assistance. The Education Department would see a very small increase of 1 percent. The Labor Department would have one of the largest proposed cutbacks, a decrease of 7 percent.



Bush's proposed \$368 billion for defense constitutes nearly 48 percent of all discretionary spending in his budget. Most of the defense increase would be devoted to buying weapons and other military supplies. Over the next five years the president's proposed defense spending would increase faster than non-defense discretionary spending, reaching 50 percent of all discretionary spending in 2007.

Bush has earmarked more than \$376 billion for federal grants to state and local governments. More than half of this amount is for HHS programs, including Medicaid, a mandatory program.

Domestic expenditures that might be considered as war-related include \$3.5 billion in new money for Federal Emergency Management Agency grants to improve state and local terrorism preparedness, \$1.4 billion in assistance for preventing or responding to acts of bioterrorism, and \$3.4 billion for the Airport Improvement Program. Other new or expanded grant programs are related to presidential initiatives such as those to support the Reading First program, promote English language acquisition, and recruit new teachers.

Not all recipients of the grants see the proposals as an unqualified gain. Mayor Marc Morial of New Orleans, president of The U.S. Conference of Mayors, issued a statement on February 4 indicating that while the mayors were appreciative of the president's support for expenses related to terrorist-related security measures, they were concerned about cuts in other areas important to the well-being of their residents. Of particular concern were proposed cuts or redesigns in "existing, effective local law enforcement initiatives, including the COPS (community policing program) and Local Law Enforcement Block Grant Programs."

Spending on public health initiatives is also being redirected away from a number of important areas, such as fighting chronic diseases, and toward anti-bioterrorism programs. The National Institutes of Health is slated for a \$3.7 billion increase,

but \$1.8 billion of that increase is earmarked for bioterrorism research.

In an analysis of this redirection, the *New York Times* reported that while the Centers for Disease Control would see an overall budget increase, it would actually suffer a decrease in its nonbioterrorism budget of around \$300 million. The article chronicles state and local public health officials' concerns about this shift away from critical health needs and notes that "just five Americans have been killed by bioterrorism over the last year, while thousands die each year of chronic illnesses and infectious diseases."

The budget does include a proposal to extend the State Children's Health Insurance Program (SCHIP), which allocates funds to provide healthcare to uninsured low-income children. Currently, an estimated \$3.2 billion in SCHIP's funding would go back to the Treasury if not spent by the end of fiscal 2003. The proposed extension would allow states to use the funds through fiscal 2006.

### New Performance Measures

Part of the president's efforts to overhaul the budget process is the development of performance measures for individual programs.

Bush has already applied this standard to reduce or eliminate funding for a number of grant programs, both to state and local governments and to organizations. In the Labor Department, new Youth Opportunity grants, used for employment and educational services in high priority areas, would be eliminated because the administration considers them "ineffective," although funding for existing grants would be continued. On the other hand, funding for Job Corps, a longstanding work training program, would be increased because several evaluative studies have found it to be "effective." However, shifting funds away from a lower cost program, like Youth Opportunity, which could reach a larger number of individuals, would leave many

youth who need non-school-based education and training without a place to go. Since a disproportionate number of these are African American, the elimination of the Youth Opportunities program without a replacement would hit them particularly hard.

Numerous other programs that would suffer reductions in funding or elimination under the performance standard also affect African American communities. They include anti-crime initiatives operated by the Justice Department and economic development initiatives in the Department of Housing and Urban Development. Two of the latter initiatives are Rural Housing and Economic Development grants and Round II of the Empowerment Zones (EZ) grants. On the other side of the ledger, the OMB-driven process led to increased funding for Community Health Centers, which were judged effective by the administration.

### Just the Beginning

The new use of performance measures to determine funding levels could move state and local governments and other grant recipients to develop stronger evaluation components for their initiatives. For programs not expected to yield results for a long period of time, care must be taken to develop interim measures of success as it is unlikely that they will be funded for the long-term without showing short-term positive outcomes.

As always, the release of the President's budget proposals is just the beginning of the budget process. The initial responses of various members of Congress suggest that it will be significantly reshaped over the coming months.

For information regarding previous federal budgets, visit [www.jointcenter.org](http://www.jointcenter.org). Further information on the budget can be obtained at [www.whitehouse.gov](http://www.whitehouse.gov) and related government sites. Analyses of the budget can be found at [www.cbpp.org](http://www.cbpp.org), [www.cbo.gov](http://www.cbo.gov), [www.newyorktimes.com](http://www.newyorktimes.com), and [www.wsj.com](http://www.wsj.com). ■



# SIERRA LEONE

## TURNING BAD NEWS GOOD

By SAYRE NYCE

The controversial elections in Zimbabwe added fuel to Africa's often undeserved reputation as a place where there is more bad news than good. Yet in Sierra Leone, a West African country smaller than South Carolina, bad news is turning good. This past January, it saw an end to 10 years of a vicious civil war.

The brutal rebel campaign featured sadistic atrocities, children as soldiers, illicit diamond sales, displaced civilians by the hundred thousands and a devastated economic and social infrastructure. Now, the prospects for peace and stability in this post-war country are encouraging.

With the critical help of a United Nations peacekeeping force, fighting has ceased, and the government continues to expand its much needed authority throughout the country. Refugees and displaced persons are returning home. Elections are scheduled for May.

"In view of these positive developments and the prospects for further improvement," President Ahmad Tejan Kabbah said as he lifted the state of emergency in March, "I am happy to declare that the conditions for maintaining extraordinary measures for security and public order in Sierra Leone no longer exist."

However, the peacemaking process did not end with the completion of disarmament in January. Sierra Leone and the international community now must contend with destabilizing forces within the region, ensuring the coming presidential and parliamentary elections are free and fair, reintegrating displaced persons and ex-combatants, and rebuilding the country's infrastructure.

"Peace has finally returned to our country," Kabbah said as he announced his

decision to seek another five-year term as president. "However, the process of consolidating our hard earned peace and similarly the process of reconstructing and rehabilitating of the country has just begun."

One development that could upset that rehabilitation would be a presidential candidacy by the leader of the rebel group that committed many of the civil war's atrocities. The Revolutionary United Front Party said it will nominate Foday Sankoh, although it is unclear how he could campaign, let alone govern, while incarcerated. If he does run, Sankoh would come to the election campaign with bloody hands. After nearly two years in jail, he was recently charged with offenses related to the killing of 20 people, allegedly by his bodyguards, outside his home in May 2000.

While the prospects for a turnaround in Sierra Leone are good, they are not certain. High on the list of troublesome issues is the

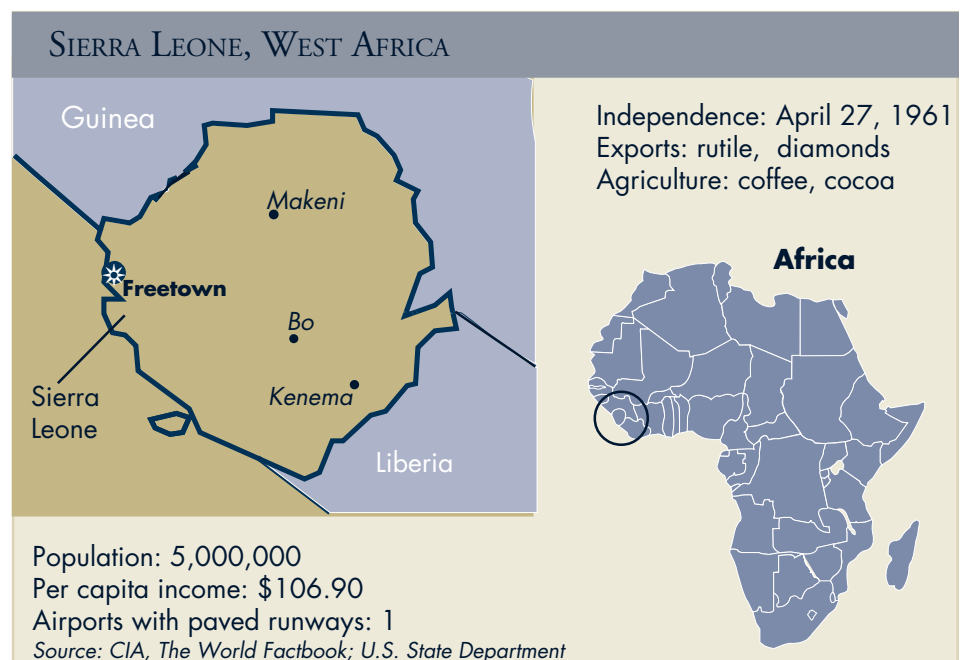
role of Charles Taylor, the president of neighboring Liberia. A year ago, the United Nations imposed sanctions against Liberia because of its support of Sankoh's rebels. International authorities also have charged Taylor with trading in the illegally exported "conflict diamonds," gems obtained as the fruit of war. Aid workers on the ground fear Sankoh's rebels are stockpiling weapons in Liberia. If true, that would be a baleful reminder of the difficulties that remain in Sierra Leone's path.

Another challenge involves the reintegration of the many people displaced by the war as well as the 46,000 ex-combatants. Their reintegration is a massive challenge, but it is fundamental to creating political and social stability and to propelling economic growth. Humanitarian agencies are scrambling to provide jobs for the returnees and ex-combatants. Without the immediate creation of job opportunities, the possibility that people will re-arm and resort to violence will increase and civil war could return. ■

Sayre Nyce is an advocate with Refugees International.



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# CAMPAIGN FINANCE

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## Continued from cover

banning “soft money,” the large unrestricted contributions that come mostly from corporations and unions, missed an issue of utmost importance to African Americans: inequality.

“It really is an issue of inclusion,” says Overton, who represents the Fannie Lou Hamer Project, a grassroots voter advocacy organization named for the legendary Mississippi voting rights activist. “It is about fundamentally different democratic visions. The traditional reformers have an anti-corruption democratic vision, so by banning soft money you’ve taken care of the anti-corruption value. But I have an inclusionary democratic vision, where everyone gets to participate in the system with no one class of people being favored.”

## Hard Money Increases

The soft money restrictions will do little to allay the concerns of people worried about a system that has been unresponsive to their needs. African Americans have fewer resources than other voters, and relatively few make campaign contributions. Therefore, Overton argues, the decision to increase limits on “hard money”—direct contributions from individual donors to individual candidates—from \$1,000 to \$2,000 will actually make the problem of racial exclusion worse. “The soft money ban may narrow the gap between the super-rich and the upper middle class, but doubling the hard money limits makes the gap between people who can give and those who can’t even wider. It doesn’t move us in the right direction.”

Overton is part of a chorus of people who say that the harmful influence of money on politics is so rampant, that the changes required by the law hardly begin to address the problem. In exchange for the soft

money ban, the legislation not only raises the amount candidates can receive from individuals, but also caps, at \$10,000, the amount state political parties can raise from individuals for activities such as get-out-the-vote drives. Those donations cannot be used to buy broadcast advertising for federal candidates. And an individual may donate up to \$25,000 to the national parties, up from \$20,000. State parties will still be able to accept up to \$10,000 per donor in soft money.

Stephanie Wilson, the executive director of the Fannie Lou Hamer Project, views the campaign finance debate as part of a larger struggle for voting and civil rights. “We believe that campaign finance is a civil rights issue because it is the modern-day poll tax that stands as a barrier to full public participation in the political process,” says Wilson.

The Fannie Lou Hamer Project favors publicly financed campaigns as the ultimate solution. “We think what we need is a campaign finance movement concerned about full inclusion, and until we get a real bill in which campaign finance and electoral reform are synonymous, we still have to keep working,” Wilson adds.

Although some states use public financing, the issue would be a non-starter in the current Congress, says David A. Bositis, a political analyst at the Joint Center. Furthermore, he adds, “no matter how they change the law, the lawyers are going to find a way get around the law. These guys are sharp.”

Even if this is true, Carolyn Jefferson-Jenkins, the first African American president of the League of Women Voters, said the legislation is “a great first step, the most meaningful and comprehensive reform that we have had in the last 25 years.” Jefferson-Jenkins, an expert on African American

suffrage and voting rights issues, added that “money not only determines who is elected, but who runs for office, and how the government functions.” She predicted the legislation will force candidates to pay closer attention to their constituents and “not just rely on the big-money events.”

Although the doubling of the hard money limit favors the more affluent, Philadelphia Congressman Chaka Fattah says the legislation “helps us [African Americans], because we generally can’t out-raise more traditional candidates. So it helps us to have the election not so dependent on money, and more dependent on the energy of the grassroots.”

## Grassroots Impact

That dependency on money left Donna Brazile, manager of former Vice President Al Gore’s 2000 presidential campaign, disillusioned. “My experience from being on the inside of the Gore campaign is that the system is severely broken,” she says. Brazile, who began her political work as a grassroots organizer, adds that the grassroots ethic of “people before money” does not have the degree of influence in national political campaigns that she hoped.

“When it came time to finance these campaigns, the media consultants and the pollsters take all the soft money and they run, and the grassroots organizers are left with nothing,” she complains. Brazile now chairs the Democratic National Committee’s Voting Rights Institute. Despite the changes in the law, she predicts that those who want to buy influence and access “will find loopholes.”

Among the most prominent African American players in the campaign finance reform debate was Congressman Albert Wynn, a Maryland Democrat who joined with a GOP opponent of the Shays-Meehan bill, as the House version was known, to offer a substitute measure. The move stunned some people. Wynn says he wanted to highlight elements in the legislation that he believes could hamper grassroots political organizing.

Black Democrats have complained that not enough of the soft money raised by

the national party committees went to voter education, registration and turnout efforts in previous elections. Wynn worries that tighter soft money restrictions will result in even less for that kind of activity in Black neighborhoods. In order to prevent a revolt of the Congressional Black Caucus (CBC), and to preserve the votes needed to pass the legislation, both House Democratic Leader Dick Gephardt and Democratic Party Chairman Terry McAuliffe have pledged that the party will find and provide funding for voter education efforts.

But not all were convinced.

### Skeptics Remain

“In pursuit of the idea of reform, I think we are erecting so many roadblocks to voter participation,” says Mississippi Rep. Bennie Thompson, one of three CBC members to vote against the bill. His worry is that soft money supported the fish-fries, motorcades and door-to-door canvassing that are the staple of political action in many Black communities. “During the debate, nobody could say what would replace that soft money,” Thompson complains. The other CBC members voting “no” were Robert Scott of Virginia and Earl Hilliard of Alabama.

Despite all the anguished debate, the soft money ban in the new legislation would affect only about 25 percent of the money that has been flowing into political campaigns. The rest is regulated hard money, which has not acquired the same reputation for corruptibility as soft-money. But in fact, if the worry is the unwelcome influence of money in politics, hard money deserves a closer look.

Because relatively few can or choose to contribute directly to candidates, “hard money is special interest money,” declares the web-site for Public Campaign, a group promoting the public financing of all federal campaigns. In 2000, the national parties along with all federal candidates raised \$2.9 billion in campaign cash, and 75 percent of that was hard money, raised in individual donations of \$1,000 or less. The argument,

of course, is that a check for \$1,000 does not provide the same kind of temptation to a candidate or officeholder as, say, a check for \$1 million from a corporation or union made to a political party.

Brazile would like to see the money that will no longer go to the national parties and their respective congressional fundraising committees find its way into grassroots

efforts. But if grassroots efforts don't benefit, she adds, “I will take scraps and make soup and take crumbs to make bread.” ■

*Terence Samuel is chief congressional correspondent for U.S. News & World Report.*

#### Campaign cash raised by African American members of the House in the 2001-2002 election cycle.

1. Diane E. Watson	\$888,626
2. Charles B. Rangel	\$722,115
3. Harold E. Ford, Jr.	\$554,579
4. J.C. Watts, Jr.	\$551,236
5. Barbara Lee	\$437,804
6. William Jennings Jefferson	\$422,464
7. Jesse L. Jackson, Jr.	\$370,630
8. Edolphus “Ed” Towns	\$354,299
9. Sanford D. Bishop, Jr.	\$313,307
10. Albert R. Wynn	\$262,268
11. Stephanie Tubbs Jones	\$211,961
12. Eddie Bernice Johnson	\$205,699
13. Elijah E. Cummings	\$195,649
14. Gregory W. Meeks	\$194,919
15. Julia Carson	\$116,769
16. Earl F. Hilliard	\$191,675
17. Donald M. Payne	\$187,600
18. Cynthia Ann McKinney	\$186,471
19. Bennie G. Thompson	\$170,379
20. William Lacy Clay, Jr.	\$157,201
21. John Conyers, Jr.	\$165,698
22. Danny K. Davis	\$151,293
23. John R. Lewis	\$139,308
24. Bobby L. Rush	\$135,313
25. Alcee L. Hastings	\$130,853
26. Corrine Brown	\$126,070
27. Carolyn Cheeks Kilpatrick	\$122,840
28. Sheila Jackson Lee	\$121,564
29. Juanita Millender-McDonald	\$107,579
30. Carrie P. Meek	\$106,190
31. Chaka Fattah	\$92,933
32. Major R. Owens	\$87,219
33. James E. Clyburn	\$86,836
34. Eva M. Clayton	\$82,826
35. Maxine Waters	\$70,212
36. Robert C. “Bobby” Scott	\$54,343
37. Melvin “Mel” L. Watt	\$37,400
38. Donna M. Christian-Christensen	\$31,448
39. Eleanor Holmes Norton	\$30,073

Source: The Center for Responsive Politics, using Federal Election Commission data as of March 15, 2002.

# BLACK FIRMS GROW SLOWLY

## NO 'REVERSE DIRECT INVESTMENT'

By JOE DAVIDSON

Members of the Joint Center's Minority Business RoundTable (MBRT) heard good news and bad when they met with Bush administration officials during a recent White House briefing.

The good news was that the growth rate in the number of companies was substantially greater for minority firms than it was for all U.S. companies, according to Commerce Department figures. Unfortunately, the gross receipts growth rate for African American businesses lagged behind firms in general and even all other categories of minority businesses.

Specifically, as the number of U.S. firms grew at a 7 percent rate between 1992 and 1997, the growth rate for Black firms was 26 percent. The rate for Asian, Pacific Islander and Hispanic firms was 30 percent. American Indian and Alaskan Native companies grew at an 84 percent rate, although they were starting from a smaller base, according to the most recent data published by Commerce's Minority Business Development Agency (MBDA).

During the same period, receipts at Black firms grew by 33 percent, as all firms were

growing at a 40 percent clip. For other minorities, the receipts growth rates were 49 percent for Hispanics, 68 percent for Asians and 179 percent for American Indians and Alaskan Natives.

Ronald N. Langston, MBDA's national director, told the briefing audience that one possible reason African American businesses grow more slowly than Asian and Hispanic firms is those firms sometimes benefit from "reverse direct investment" and Black Americans largely don't. With reverse direct investment, foreign banks and companies, in Mexico or Korea for example, make loans and investments to American firms owned by their countrymen and -women in the United States. Langston also indicated that foreign trade between Asian and Latin American companies and firms owned by Asians and Hispanics in the U.S. could contribute to their growth.

"Trade clearly has been advantageous for those who have the ability to do reverse direct investment," Langston said to the CEOs at the briefing. The executives are members of MBRT, an invitation-only organization of CEOs from the nation's largest minority-owned companies.

Reverse direct investment isn't the only avenue to growth. American Indians lead growth rates, both in number of firms and in receipts, without benefit of a funnel of money from abroad. Langston suggested that factors apparently contributing to the growth of businesses owned by Native Americans include their access to land and their business diversification into natural resource based industries such as mining and forestry.

Growth avenues for minority companies generally will be discussed at an MBRT conference this year. One issue on the agenda is innovative approaches to building billion-dollar minority businesses.

That goal might seem far off, given the roadblocks that confront minorities more than others. But Commerce Secretary Don Evans told the briefing he is committed to "making sure there are no discriminatory obstacles for the minority community. I would do everything I could to tear them down." ■

### Did You Know?

Mervyn Dymally won a March Democratic primary election for nomination to a California Assembly seat from Los Angeles. The Assembly is where Dymally, 76, began his elective career in 1963. The former lieutenant governor served in the U.S. House for 11 years, beginning in 1981.

And Barbara Rose Collins is now a member of the Detroit City Council. She was a member of the House for six years, leaving in 1997. Another Collins, Cardiss Collins, from Illinois, also left the House in 1997, after serving 24 years. She is now retired.



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