

Demographic Trends & Economic Development in the heart of Brooklyn

Matias Echanove

Master Thesis Urban Planning Program Columbia University 2003

Advisor: Professor Susan Fainstein

matias@urban.columbia.edu

www.urbanology.org



Introduction



Bedford-Stuyvesant, more commonly known as Bed-Stuy, is a neighborhood in transition. Not long ago it was known as the largest ghetto in the US(1). Mary H. Monomi opened her 1973 book on Bed-Stuy asking: "Why would anyone want to live there?" (2) Today it would be interesting to ask the opposite question: "Why do so many people want to live there?" Although the neighborhood can no longer be reduced to that identity, the ghetto is still present in Bed-Stuy. Almost half of the households live with less than

\$25,000 a year(3). Crime continues to be well above the city average, abandoned buildings and vacant lots are still part of the landscape, and the motto of Bed-Stuy is still "do or die." However, recent social, demographic transformations are changing the neighborhood's identity.

In the beginning of the twentieth century, Bed-Stuy became home to

many immigrants, particularly from the South of the US, Latin America, and the West Indies. Recently a new wave of immigrants, particularly from Africa, the Caribbean Islands, and Haiti, has brought a new life to the streets of Bed-Stuy. Thanks to the hard work of their parents, political victories of the civil rights movement and better access to education, many second-generation residents have risen out of poverty, and invested in the neighborhood of their childhood. Bed-Stuy has changed at the rhythm of the successive waves of immigration, each community bringing its own know-how and flavors. People moving out of the neighborhood affected its development as much as new people moving in. Since the mid-1990s, the neighborhood started retaining successful residents and attracting a variety of new people.

The dynamism imported by the immigrants combined with the achievements of the growing African American middle-class gradually transformed Bed-Stuy. An increasingly varied population is now looking at Bed-Stuy as a good location to live and do business. This is greatly due to the exceptional architectural stock of the neighborhood. Composed mainly of brownstones, Bed-Stuy houses are some of the finest of the city. The great works of historical preservation and housing revitalization undertaken several decades ago by the Bedford-Stuyvesant Restoration Corporation, as well as other faith-based, community and governmental organizations have been instrumental in uplifting the neighborhood. The revitalization of the neighborhood increases the value of the housing stock and hence, causes market pressure on house owners and renters. Bed-Stuy is the neighborhood in New York City most affected by predatory lending. Many long-time brownstone owners and renters risk being bought out and displaced.

This paper will investigate current trends in Bed-Stuy, paying particular attention to the role of newcomers in the economic development of the neighborhood. In order to understand the present situation and evaluate the assets of the neighborhood, it is necessary to go back to its history. This will bring us to the beginning of the Twentieth Century, when the upscale suburban community of Bedford was developed, and earlier, in the 1830s when the first free African Americans settled in the area. Then I will describe how the neighborhood gradually degraded and ghettoized starting in the 1930s. The analysis of the transition of the neighborhood from one extreme to the other will help us realize how dramatically the

neighborhood can change again, and point to some planning and policy implications. The role of "institutions" as defined by Douglass North will be assessed throughout.(4) I will conclude this section with a discussion on structural holes and social capital.

The second part of the study will focus on the impact of immigration on the neighborhood. I will discuss the role of Caribbean immigrants in the neighborhood informed by interviews conducted with Mr. Senckler, Vice-President of the Bedford-Stuyvesant Restoration Corporation, and Salomon, homeowner from Trinidad. Then, in the light of discussions I had with Malik, CD vendor from Africa, I will reflect on the role of immigration on the neighborhood.

Thirdly, I will analyze the economic costs and benefits of immigration. This will lead to a discussion about the informal economy in Bed-Stuy.

The fourth part will focus on better-off newcomers, those who come (or come back) to Bed-Stuy not by default, but by choice. Starting in the mid-1990s, this is probably the most significant trend in the recent development of the neighborhood. I will attempt to portray this new and multi-sided population and question the relevance of the concept of gentrification to describe both the types of people composing this population and their impact on the neighborhood. I will use the cases of Diego, a European musician and his family; Jahdan and Delie, local musicians; Celine and Jasper who recently moved in the neighborhood; and Eric, creative professional.

In the fifth section, I will evaluate the extent of displacement in the neighborhood, describing the pressure on the real-estate market resulting from the "renaissance" of the neighborhood. Interviews conducted with Gabriel and Erica McHall of the Pratt Area Community Council will inform my argument on predatory lending and displacement. The instrumental role of the black middle-class and upper-middle class in the development of the neighborhood will be evaluated through the examples of Crystal and Charles, new residents, investors and owners in Bed-Stuy. A discussion with Assemblywoman Robinson will highlight some political and social dimensions of the changes affecting the community. I will point out some negative externalities of economic development such as market pressure on poor residents and real estate speculation.

I will conclude this study by proposing public policies and investments to sustain economic growth while preserving and enhancing the existing cultural and social capital of Bed-Stuy. In view of the current market trends I will suggest ways of limiting the incidence of displacement. I will particularly focus on the following sectors: culture and creative sectors, image and tourism, commerce and retail, infrastructure and human capital, real estate and political leadership.

Geography



Map 2: The Streets of Bed-Stuy. Source: www.oasisnyc.net

The first difficulty one encounters when studying a neighborhood is the definition of its boundaries. No strict definition of Bedford-Stuyvesant as a geographical area exists. Three different definitions are used here. First, the boundaries of Brooklyn Community District 3 (CD3), which go from Flushing Avenue on the north, Broadway and Saratoga Avenue on the east, to Atlantic Avenue on the south, and Classon Avenue on the west. Second is the definition of the Bedford-Stuyvesant Restoration Corporation which "considers the neighborhood to be substantially larger, including as well the area from Atlantic Avenue south to the Eastern Parkway, which is designated Crown Height for purpose of city

planning."(5) Finally, the data derived from the 1990 and 2000 census use a definition of the neighborhood based on the census tracks. The census tracks cut across the boundaries of CD3 as shown on the maps.







Map 3 (left): Brooklyn Community District 3.

Map 4 (middle): Bed-Stuy according to the Bedford-Stuyvesant Redevelopment Corporation.

Map 5 (right): Bed-Stuy according to the Department of Housing Preservation & Development

History

As Douglass North simply put it: "History matters. It matters not just because we can learn from the past, but because the present and the future are connected to the past by the continuity of a society's institutions." (6) Bed-Stuy has a relatively short history as a community, since its Afro-American and Caribbean population really started coming to the neighborhood in the 1920s. (7) The brief historical description of the neighborhood which follows aims at demonstrating that institutions and social capital had little opportunity to develop until the end of the century. Examining another history, the history of American slavery, would be needed to understand why immigrants from the South of the US did not have levels of trust and cooperation among their community comparable those of other immigrant communities, such as the Caribbean and African communities. But I will limit myself here to the history of Bed-Stuy.

The Dutch West India Company established Bedford in 1663. It was a rural community until the Nineteenth Century(8) when Dutch farmers started selling land to newcomers. Free African-Americans were among the first to buy land and settle in the area. Weeksville was named after James Weeks, an African-American entrepreneur who bought land in 1838 and sold it to other black settlers.

Weeksville and Carsville are two small closely related black settlements begun in the 1830s and 1840s. They were located less than a mile from each other on the former farmland in the Southern portion of Bedford, in an area bounded approximately by present-day Atlantic Avenue, Ralph Avenue, Eastern Parkway, and Albany Avenue. By the mid century, these communities were well formed and had begun to establish schools, churches, and other institutions of community life.(9)



Map 6 : Pratt
Center for
Community &
Environmental
Development and
Joan Maynard

These settlements became a refuge for blacks from New York City during the great Draft Riots in 1863 and kept expanding thereafter.(10)

In the 1860s and 70s an increasing number of wealthy New Yorkers, mainly from Dutch and German descent, established residence in Bedford. The urbanization of the neighborhood followed the street plan ratified in 1839, which extended the grid throughout Brooklyn (11). Bedford was an exclusive and highly demanded suburb. Market pressure led to rapid urbanization of the area: "the suburban district of freestanding frame and brick homes was gradually transformed into a more urban neighborhood of brick and brownstone row

houses." (12) Instrumental in popularizing the neighborhood was the construction of the elevated railway lines giving fast access to Downtown Brooklyn and Manhattan. The housing market boomed from 1880 to 1920 as Neo Greek, Romanesque, and Queen Ann style buildings mushroomed all around Bedford.

In the course of a few years, the demographics of the neighborhood changed dramatically. "[W]hile the brownstone houses of Bedford were solidly built and long lasting the community itself was to be temporary, transformed in a few short years by the ceaseless forces of urban change." (13) Between the wars, and particularly after the Great Depression, middle and upper class people moved out of the neighborhood. Real estate value dropped and working class people moved in. Bedford became less exclusive and more integrated: "Jews, Italians, West Indians, Irish and other ethnic groups settled in this aging yet still comparatively attractive neighborhood." (14) Many property owners had become too poor to keep their homes. Sold because their

owners were no longer able to afford their property taxes, or voluntarily selling their property before it devaluated further, the brownstones of Bedford quickly switched hands. Black in-comers filled up the houses abandoned by previous immigrants. The devaluation of Bedford corresponded to the massive migratory flux of black Southerners and West Indians to New York that began in the 1910s and 20s. "From the poverty and social constraints of the rural South came thousands of black men and women, seeking the greater opportunities for economic advancement and personal freedom supposed to exist in northern cities. Bedford became first choice destination for black immigrants. The existence of communities in Weeksville, Carrsville, and Fort Green made it easier for other black immigrants to settle in the area. The construction of the A train in the 1930s made the commute between Harlem and Bedford much easier. Many people came from uptown to central Brooklyn, which offered more jobs and better housing.

Property value was dropping fast. A number of white homeowners reacted by attempting "to persuade residents not to sell to blacks and encouraged the use of racially exclusive covenants." (15) However, the white flight was a self-fulfilling prophecy, and totally destabilized the real estate market. The real winners were not the black immigrants who purchased the properties, but real-estate traders:

How do slums begin in the cities? Ask the question to some older or former Bed-Stuy residents and they will be quick to give you a one-word answer "blockbusting". Real estate brokers, speculators, professional blockbusters, not excluding certain banks and mortgage companies are all considered to follow this practice and hence to be slum builders. Many stories are told and retold about such incidents of exploitation as black family forced to pay \$20,000 for a house that the realtor had purchased for \$2,000 or \$3,000 just the week before. Additionally it was hard for a black man (or woman) to get a mortgage, many blacks had to turn to a middleman, who did his "share" in fleecing poor buyers. Thus the new black owners found themselves faced with an ironic situation: they had entered into this financial serfdom in order to provide a better standard of living for their families and themselves. Yet in order to maintain the homes that were to help to do this, many were compelled to cut up the older Bedford-Stuyvesant house they had purchased into "rabbit warrens" renting out the cubicles for whatever amount they could bring (16)



The "slumification" of the neighborhood really began in the 1930s after the Great Depression as bankruptcy and poverty spread all over New York. Blacks were the first fired and last hired. From then on, the neighborhood was pretty much left to itself by the public authorities until the 1960s when Senator Robert F. Kennedy toured the dilapidated streets of New York's Bedford-Stuyvesant neighborhood and planted the seeds for what would become the Bedford-Stuyvesant Restoration Corporation.

Senator Robert F. Kennedy December 10, 1966, Pubic School 305 344 Monroe Street, Bedford-Stuyvesant courtesy:

Job opportunities at the Navy Yard during the Second World War brought more black immigrants to what is now known as Bedford-Stuyvesant. The two neighborhoods, following the same evolution, came to be known as Bedford-Stuyvesant.

www.restorationplaza.org Since the postwar period to our days, racial diversity declined steadily. The population of Bedford-Stuyvesant went from being 25% black in 1940 to 50% in 1950, 74% in 1960 (17), 82% in 1970 (18), and to about 85% since the 1980s. Behind this apparent racial homogeneity lies a variety of national origins and socio-cultural backgrounds, including, by the 1970s, Puerto Rican, middle class black-Americans, and West Indians. (19)

The concentration of blacks in Bed-Stuy can be attributed to racial segregation in housing more than the will of black people to live in homogeneous community.

Blacks of the 1950s and 1960s were simply unable to buy or rent homes in large parts of Brooklyn and in many white residential districts throughout the metropolitan area. Residents and real-estate brokers, in these areas combined to exclude black families unhampered by the ineffectively enforced civil rights laws. Bedford-Stuyvesant was one of the few areas open to blacks. (20)

In a 1967 survey of the Bed-Stuy community, when asked to choose between "moving into a block with people of the same race or one with

people of every race", nearly 4/5 of respondents chose "every race." (21) Despite rampant segregation and institutional racism thus, the black population was open to live in a multi-ethnic environment. The schools were not receiving adequate support, city services, and public works were almost non-existent, and the police were feared rather than reassuring. Injustice and poverty led a minority of black-American to endorse a separatist ideology. Political tension reached its climax in Bed-Stuy during the Civil Rights Movement, in the late 1960s. It resulted in a one-day riot on July 29, 1967:

[T]here were serious disturbances at the busy intersection of Fulton and Nostrand Avenue. Over one thousand young blacks (age fifteen to seventeen years) had broken windows, set buildings aflame, ripped storefront gates, stolen and looted on Nostrand Avenue between Atlantic and Fulton. ? fourteen people had been arrested; a full alert had been put on in Bedford-Stuyvesant. The 20th Tactical Patrol Force had been sent into Bedford-Stuyvesant because there had been four consecutive nights of sporadic violence in Spanish Harlem.(22)

Most rioters were disillusioned second-generation teenagers. In 1967, the "need for jobs and fuller employment" was cited by 41% of surveyed residents as a main problem (23). Perhaps the high percentage of recent immigrants in Bed-Stuy prevented the riots from reaching the scale of the riots in Harlem, Newark, Los Angeles, or Detroit. Immigrants are often too busy trying to make it to engage in political action.

These events happened shortly after Senator Robert F. Kennedy had toured Bed-Stuy and initiated the first Community Development Corporation (CDC) in the country, the Bedford-Stuyvesant Restoration Corporation. Senator Kennedy convinced eminent personalities of the political and business world to join the board of the Restoration Corporation, thus insuring maximum credibility and enabling it to become the first CDC to receive federal funds.

However, the Restoration Corporation did not succeed in lifting Bed-Stuy out of poverty. Not all programs succeeded, as the failure of the following IBM project illustrates. One of the chairmen of IBM, Thomas B. Watson, was also a board member at the Restoration Corporation. Mr. Watson was instrumental in opening an assembly plant employing four hundred

people. Unfortunately, the plant failed to show adequate returns on investment and was finally converted to public housing (after an unsuccessful attempt to transfer the ownership to the employees). The "additional cost, above and beyond that which a similar plant elsewhere would have required, has militated against the likelihood that other corporations would locate there." (24)

It seems that the Restoration Corporation was no exception to the general failure of CDCs to develop distressed neighborhoods. David Rusk notes that "in cities across the country, the 34 target areas served by the most successful CDCs as a group still became poorer, fell farther behind regional income levels and lost real buying power."(25) The same observation was also made by Margaret E. Dewar: "Most evaluations conclude that state and local business financing to stimulate economic development outside big cities does not achieve the explicit goals? Programs aimed at specific distressed geographic areas show almost no effects on the growth of these areas." (26) In other words, if citywide programs can have an impact on neighborhoods growth, no evidence proves that programs limited to specific locations bring results. It is hard, however, to evaluate the impact of CDCs on depressed neighborhoods because firstly their programs might have long-term a reach rather than short-term effects and secondly it is impossible to evaluate how much worse the neighborhood could be had the CDCs not being present.

However, even if the Restoration Corporation did not save Bed-Stuy, the money and expertise it channeled to the neighborhood have had a long lasting effect on the neighborhood. Its renovation and mortgages programs had a tremendous impact on the longer-term appreciation of the housing stock and stimulated private re-investment. The Restoration Corporation could even take a good part of the credit (or the blame?) for the current boom in real-estate value, since its revitalization of the neighborhood stimulated private investment.

The Restoration Corporation brought a great deal of linking capital to the community (27): it re-established formal connections with some mainstream public and private institutions. It was a welcomed manifestation of good will from the authorities, even though much more was needed to restore the community's trust in public institutions. Years of economic poverty, financial redlining, political segregation, and legal

injustice have definitively done much to "ghettoize" the community. As World Bank social scientist Michael Woolcock noted, "hostile or indifferent government have a profoundly different effect on community life (and development projects), for example, than government that respect civil liberties, uphold the rule of law and resist corruption." (28) Henry L. Gates of the African-American Studies department of Harvard, suggests indeed that much of the "gangster culture" and "show me the money" attitude that came to epitomize black ghettos such as Bed-Stuy has deep roots in the political and institutional history of American society, starting at the White House. (29)

On top of existing economic and social problems came the devastating crack and heroin epidemics, which began during the 1970s and late 1980s. Drugs were and still are a way out of boredom and bitterness for many unemployed and disillusioned youth, and also the most direct (sometimes the only) way to make money. "The quest for manhood is not a simple thing in any community, but in such areas as Bed-Stuy, in Brooklyn it is as difficult as an escape from prison." (30) Indeed, many youth of Bed-Stuy grew up with weakened or non-existent social and familial structures:

As a result action is what happens on the street, and when a youth graduates from them, he has his diploma into adulthood but he is not necessarily a man. His entire experience is likely to be circumscribed by a series of predictable dehumanizing incidents: gang rumbles, quickie sex in tenement hallways, petty thievery, menial jobs at meager pay, and a number of abusive confrontations with the law. Indeed, his relationship with the police is the most predictable of all. It is also likely to be the most brutal. (31)

Poor neighborhoods become poverty machines that generate poverty itself. (32) Bed-Stuy seemed to be locked up in a vicious cycle of poverty until the early 1990s. Redlining by banks made it difficulty to start new businesses or even to save money. The unavailability of capital in the neighborhood prevented investment and thus the creation of more capital. It constituted an absolute constraint on growth. Poverty itself has an antigrowth effect. Poor are often unable to develop skills for the market and are less responsive to opportunities. (33) Given this seemingly hopeless situation, many of the most upwardly mobile residents moved out of the

neighborhood as soon as they could, leaving behind more empty houses, broken windows, poverty, and despair.

Poverty, hopelessness and drugs congregated to create "high rate of crime and violence that [in turn] generate[d] low levels of trust and cooperation among residents." (34) However, it seems that as a response to a hostile environment and in the absence of mainstream institutions linking Bed-Stuy to the rest of society, solidarity and informal institutions got stronger. But the social capital needed to support economic institutions in the neighborhood was definitively lacking. The legal system was not trusted, and connections to the rest of society weak. Reliance and cooperation with the immediate entourage was therefore a matter of survival, to the youth it could mean sticking to the gang, and to the elderly, reliance on familial and religious circle. In other words bridging capital was low but bonding capital high (35).





The numerous religious communities of today's Bed-Stuy inherited some beautiful churches from the upper-middle class population of the early twentieth century.

Community organizations such as charities and churches have a very important role in Bed-Stuy. They have been instrumental in preserving some sense of pride and solidarity in the community and to a large extent filled up "structural holes" (36) left by the lack of formal political and economic institutions. In an interview I had with Assemblywoman Robinson, who represents the 57th precinct (which includes Bed-Stuy), she recalls the great benefits brought by churches to the community. They bound religious communities together, and many have direct social programs such as food and clothing distribution, affordable housing development, and financial support for small business.

Today the ghetto is still in Bed-Stuy, but Bed-Stuy is out of the ghetto: Nearly a quarter of

households have an income over \$50,000 (compared to only one eighth in 1990) (37). Real-estate value has doubled or tripled in the last five years. The infant mortality rate decreased from 21 per thousand in 1990 to 9.1in 1999 (38). Crime rate in the 79th and 81st Precinct covering Bed-Stuy has decreased by 60% and 58% respectively since 1993 (39). The

war on crime launched by the Giuliani administration since 1993 definitively deserves a large part of the credit for this dramatic decreases. While reduction of criminal offenses in the Bed-Stuy area corresponds to the citywide numbers, other neighborhoods with similar reduction in crime rates did not experience the same income growth and quality of life improvement. Other macro factors for the recent development of Bed-Stuy include the American economic growth of the 1990s. A little share of the wealth created by Wall Street and Midtown trickled down to Bed-Stuy.

The history of Bed-Stuy is the history of the trial and tribulations of its people. By an irony of history one of the most beautiful neighborhoods of New York City became the home of some of those who have suffered most from segregation and injustice. Residents of Bed-Stuy are increasingly recognizing the value of their neighborhood, as newcomers keep flowing in. Today, the neighborhood is developing from the bottom, with poor immigrants striving to make it and running small businesses, and from the top with newcomers bringing investment and hope. The next section will focus on immigrants coming from poor countries. The history of Solomon and Malik will illustrate the energy and entrepreneurial spirit of immigrants from the Caribbean and Africa.

Immigration

Poor immigrants kept coming from the Caribbean, but also from the French Antilles, Latin America, and Africa throughout the twentieth century. At the same time, second and third generation black Southerners and Caribbean with higher educational and income levels came (or came back) during the 1990s, bringing more purchasing power to the neighborhood. I will first describe the contribution of the Caribbean and African immigrants to the recent development of the neighborhood, discussing along the way the costs and benefits of the informal economy for which these groups are often held responsible. Then I will analyze the impact of higher-income newcomers, from New York and the rest of the world.

The West Indian population started moving into the neighborhood as early as the 1920s. It seems that they have been among the most successful segment of the community. As a Caribbean resident stated: "the Bed-Stuy West Indian would be among the most ambitious and hard-

working people one would find anywhere. This seems to be true wherever the West Indian finds himself, and however incongruous his ambitious behavior may be when contrasted to others in the community."(40) Mr. Senckler, vice-president of the Restoration Corporation, himself a second-generation Caribbean born and raised in New York, calls immigrants the "backbone of the community". He believes that they bring a positive energy to the neighborhood. "They are hard working people, with a strong desire to succeed." Mr. Senckler also emphasizes the cultural contribution of immigrants to the community.



The picture shows a gas truck owned by a Caribbean driver in Bed-Stuy. The Drawing represents the Lion of Judah, a biblical symbol of the Rastafarian religion and culture. The flag with the colors of Ethiopia reading "positive" is representative of the attitude of many Caribbean descendent.

Many businesses in Bed-Stuy are owned by people of Caribbean descent, typically health food stores, take-away restaurants and house repair. The Caribbean population is often perceived as having strong moral values and entrepreneurial skills. Many Caribbean families choose to invest in their children's education and send them to religious or private schools. This has paid off already as an increasing number of second generation Caribbeans who came from poor immigrant families, climbed up the social ladder to middle and upper-middle class professions and incomes. Mr. Senckler himself exemplifies this pattern of success. As a resident quoted by Mary Monomi bluntly put it: "It is one thing to say that there are blacks in high positions in the police and fire departments and in the school system, and those who own some sort of business. It is quite

another thing to check it out and see that most of those so-called success stories are about immigrants whose formative years were spent on some small foreign islands in the Caribbean a³or the children of those immigrants." (41) However this statement is dated (1973) and probably says more about the pride of the respondent than anything else. The Caribbean and African-American cultures have merged to a large extent in Bed-Stuy. Assemblywoman Robinson, who praises immigrants for the cultures and value they bring, doesn't like to separate black-American and Caribbean people: "both share a common history and are the original people of Bed-Stuy.'

Solomon's story exemplifies both the entrepreneurial spirit of Caribbean immigrants and their integration. Bricklayer and brownstone owner, Solomon came to New York in the 1970s from Trinidad. He first settled in Queens, in a neighborhood where he could find good schools for his two children. After working and saving money for years, he decided to invest in a house. His family and friends thought he had lost his mind when he bought a brownstone in Bed-Stuy about six years ago in the mid 1990s, before the market got hot. But Solomon, who built houses for many years, knows how to recognize quality. Once, after I referred to the new Trump tower as a "high-class residential building", Solomon (otherwise very well behaved) replied impulsively: "High-class? B#%&S#@*! I have been working on these buildings. The walls are paper-thin. If you throw a kick, you end up in the neighbors' dinning room! Now look at these walls (pointing to the brick walls of his brownstone that he had stripped of all wallpaper and painting), this is quality. They don't make houses like that no more." He has a point: Bed-Stuy brownstones are high-class. Unfortunately, most of them are in a bad shape. Solomon entirely renovated his brownstone himself, working every day after work. At one point, he had pierced holes in the ceilings, the floor, and the walls to fix the water pipes and electricity and take away the layers of wallpaper, paint, carpet added throughout the years. Solomon is now renting the two top floors of his brownstone and talking about retiring to Trinidad.

If Solomon's dreadlocks hint at his Caribbean origins, no exterior signs would attest of his son's ancestry. Dressed in the straight up hip-hop fashion of Bed-Stuy, he looks like a³and actually is a³ an American kid. As Greg Donaldson, explained in an interview (42): "Most Caribbean youth adopt the African-American culture as soon as they go to school and socialize." Youth might keep their Caribbean roots inside, but they very quick to adapt to the local American culture. A few years older, Solomon's daughter might be closer to her origins in style, but she also definitively integrated the local culture. Solomon mentioned that most of her friends are from their former neighborhood, including her white boyfriend. "If it is love, it cannot be wrong".

A new wave of immigrants from sub-Saharan Africa has recently joined the community. The Pratt Area Community Council ancestry figures show a large increase in African residents from 1990 to 2000. According to one African vendor I talked to, between one and two thirds of the African

residents in Bed-Stuy are undocumented. One thing is sure: the African presence is very visible in the streets of Bed-Stuy, particularly along the Fulton street commercial strip, where many shops and restaurants are owned or managed by Africans. Bed-Stuy has a high concentration of African Muslims. A mosque situated right at the corner of Bedford and Fulton is always busy with street activity. The segment of Fulton between Bedford and Franklin Avenues has about a dozen halal restaurants and bakeries, serving some of the best quality food in the neighborhood. The African Muslim community seems to be well integrated to other Muslims communities, such as the Indonesians and Pakistanis.



"Muslim Street", on Fulton Avenue between Bedford and Franklin. The image shows the mosque at the corner next to a clothing shop, a Halal restaurant and a bakery.

The African community itself is divided into sub-communities. Members of each sub-community might have strong tights with each other, for instance most French speaking Africans know each other, however they seem relatively weakly connected to the black-American community. Some long-term residents resent the apparent lack of involvement in the community of the African Diaspora. Crystal, a black-American storeowner, notes that African immigrants do not seem to do much effort to integrate the rest of the

community. Many of them are single men or women with families back in Africa. They are mainly in New York to make money to send back home. As they do not plan to stay in the community forever, they have little incentive to get involved in communal life. Moreover, many have several jobs, or work every day of the week. If they do not manage to engage in social activities, they certainly try hard to supply goods and services demanded by the community. Malik, an African CD vendor on Bedford Avenue, argues that immigrants like him cannot afford to let opportunities go by, "we are more willing to take risks and work hard than others because we have more pressure to make it." He still has a family to look after in Africa. With the little cash he makes, he sends eight children to school in Burkina Faso.

Economics of immigration

Immigration made New York City. Since incoming immigrants are generally poor, their economic impact on neighborhoods such as Bed-

Stuy do not directly boost income statistics. However, they indirectly contribute to the economy. In the short term, immigration from poor countries might appear to limit economic development since it increases the poverty level and puts pressure on the infrastructure and social services. In this section, I will first analyze the benefits of immigration, which include economic dynamism, increased spending, cheap labor, small business creation, and innovation. Then I will evaluate its cost, including, loss of jobs for the local population, criminal activity, infrastructure congestion, social burden, and the informalization of the economy.

Immigrants, legal and illegal, are increasingly numerous in Bed-Stuy. Using the definition of the neighborhood boundaries of the Department of Housing Preservation and Development (narrower than Community District 3), and the census data from 1990 and 2000, the population of the neighborhood increased by 6%. The foreign-born population increased by 58%, faster than the local population. Foreign-borns are now representing 18% of the total population in 2000 as compared to 12% in 1990 (43). The data is uncertain, since a good proportion of the foreign-born population, particularly illegal immigrants, are not accounted for by official statistics.(44)

Because they are under extreme pressure to "make it", immigrants often seize opportunities and take jobs that locals, even poor, do not want. This entrepreneurial "do-it-yourself" spirit directly benefits the local economy in different ways. First it creates a pool of cheap labor that reduces production costs and increases the productivity of capital, making local business more competitive. (45) For instance, shop owners can hire staff that will help them serve more than one client at the time, or allow them to take care of other businesses. Entrepreneurs employing cheap immigrant labor can reinvest a larger part of their capital in their business. As development economist Slobodan Djajic puts it:

availability of cheap clandestine labor represents a significant advantage for entrepreneurs initiating new businesses and reduces the risk of embarking on new ventures. To the extent that it promotes start-ups of small businesses, the availability of illegal aliens in the economy may be an important factor in stimulating economic growth, investment, and a competitive business environment. In turn, a healthy and dynamic small

business sector is at the heart of jobs creation for the native workers in most economies. (46)

Immigrants are consumers, renters, and taxpayers. As the population increases, consumption rises, thus local businesses directly benefit from immigrants. As they create businesses themselves, they invest their revenues to purchase stock or hire workers. Immigrants also spend money on residential and commercial rents. Rental of retail space to immigrant entrepreneurs directly increases the income of local owners. Finally, they pay taxes, whether they are legal or clandestine. Even businesseses owned by illegal immigrants generate tax revenue through the automatic tax withholding system. Although Malik is himself in an irregular working situation, his business is official registered and taxed.

Immigrants are good at filling up gaps in demand. As Malik puts it, "we see opportunities natives don't see, and we are willing to do the job." The hat or incense stalls on Fulton or Nostrand Avenues characteristically fill up little spaces unusable by the bigger shops. Moreover, immigrant vendors, using their community networks, are often good at satisfying specific demands, such as finding the CD of a particular musician or the hat of a particular baseball team.

The entrepreneurial and "self-help" spirit of immigrants stimulates experimentation and innovation. For instance, a general utility store on Nostrand Avenue just moved its facade inward in order to put an outdoor stall selling inexpensive winter goods. This allowed the store to take full advantage of the pedestrian traffic. Consumers do not have to step in; they can just purchase a pair of gloves on their way to the subway. Interestingly this innovation was inspired by street vendors who rely on "opportunity" rather than "destination" shopping. Another example of creative innovation is the delicious "bean pie" invented by a Muslim baker on Fulton. Unique in taste, it can be found only in Bed-Stuy (at least that is what the baker says!).

In Bed-Stuy, as elsewhere, immigrants are "vital to progress in carrying ideas from place to place." (47) Some examples are: specialty shops selling authentic African fabric and crafts, Caribbean bookstores and health stores, Halal restaurants, and Southern Soul food restaurants. They all bring new cultures and lifestyles to the neighborhood and

stimulate the local economy.

If immigration brings a positive spirit to the neighborhood and stimulates local economic activity, it also has its costs. Firstly, Assemblywoman Robinson observes that African and Indian communities would rather trade among each other. She argues that the money does not circulate, going straight from the hands of residents to the pockets of foreign merchants. It is probable that many business transactions are made within the community. The immigrants' own communities are obviously a first choice business network with higher levels of cooperation and trust. Many recent immigrants do not even speak English. When he first arrived to New York four years ago, Malik did not even know how to order food. Four years later he is fluent and trades everyday with locals. The pirate CDs he sells are produced locally by indigenous residents. However, he spends little of his money in local shops and business. This is because he hardly ever spends any money for non-essential goods and services. Most of the money he earns is sent abroad to his family. It is probably generally true that immigrant workers send a good share of their revenues abroad. This is good for Africa and South America, but on the first sight seems to channel money away from Bed-Stuy.

[M]any trade economists argue that humanity as a whole benefits enormously from migration. Alan Winters of Britain's Sussex University, in a study for the Commonwealth Secretariat, has tried to quantify these gains. He concludes that, if the rich countries raised the number of foreign workers that they allowed in temporarily by the equivalent of 3% of their existing workforce, world welfare would improve by more than \$150 billion a year. That is bigger, he points out, than the gains from any imaginable liberalization of trade in goods. (48)

Therefore, in a global, long-term perspective, the money sent abroad also contributes to local wealth. A richer world is good for the US because it expands the market for its export goods. Moreover, better distribution of wealth in the world reduces the need of residents of poor countries to immigrate. Although the connection is quite direct, it seems far remote from the everyday economic life of Bed-Stuy. Also, if immigrant merchants send abroad a portion of their revenue they still spend a good share of it locally in business investment and living expenses.

Another commonly perceived cost of immigration is that it takes jobs away from the locals. As immigrants are willing to work more and for less, it is believed that they "take jobs held by [or destined to] natives and thereby increase native unemployment."49 Most economists reject this argument for being too simplistic: "Immigrants not only take jobs but they also make jobs, in two ways: First, their spending increases the demand for labor, leading to new hires. And second, they frequently open small businesses that are a main source of jobs." (50)

Moreover, the assumption that illegal immigrants are more likely to indulge in criminal activity than natives seems to be false. Illegal residency produces a paradoxical effect. As it increases precariousness and subjects immigrants to the arbitrariness of institutions, the police, or employers, it forces them to lead a honest life. (51)

Mr. Senckler of the Bed-Stuy Restoration Corporation points out that newcomers represent a supplementary cost for the community in the following areas: education, sanitation, housing, and transportation. "The standard presumption is that additional people a³children or immigrants-have a negative effect upon the incomes of the rest of the people. The usual reasoning is diminishing fixed stocks of agricultural and industrial and social capital, together with the dependency burden of additional children and the consequent need for additional demographic investment."(52) The main burden associated to the demographic increase caused by immigration is on the school system:

Immigrant children and their use of educational services have been at the center of the public debate on the public-sector impact of illegal immigrants. According to Weintraub and Caderas (1984), 85 to 93 percent of the cost of the public services used by illegal immigrants goes for education. (53)

However, it appears that the contribution made by immigrants to the public coffers is higher on average than their cost. A "magisterial study in 1997 of the economic impacts of immigration, by America's National Research Council, found that first-generation immigrants imposed an average net fiscal cost of \$3,000 at present discounted value; but the second generation yielded a \$80,000 fiscal gain." (54)

Nevertheless, if immigrants directly benefit the government through increased tax revenue, they might represent a burden to the community as they create an additional pressure on existing infrastructure, especially if they do not spend their earnings in the neighborhood. Therefore, to truly benefit from immigration, Bed-Stuy should have enough public subsidies to expand its infrastructure in line with its demographic increase.

Another cost of illegal immigration is the one paid by the illegal immigrants themselves. Informal workers have the hardest working conditions and lowest wages. Malik works from 9 AM to 9 PM, seven days a week, and has not had a break in four years. Living close to subsistence level, he cannot afford to take holidays. Moreover, the very precarious condition of his status and activity, and his total reliance on it, makes him very vulnerable to exploitation from potential lenders, his landlord, and even clients. He lives under the permanent threat of losing everything. He has no health insurance, social security, or pension, and cannot go in and out of the country. The precariousness of his situation prevents him from investing much. The risk of losing everything usually outweighs potential future gains. Therefore precariousness itself prevents development.



The last two commerce open at 7 PM on Nostrand Avenue, between Fulton and Macon, are the hat shops owned by Africa immigrants.

Finally, immigrants, particularly undeclared ones, are often blamed for sustaining a secondary, informal economy. Assemblywoman Robinson estimates that the portion of the local economy which is "unregulated by the institutions of society", to use Castells and Portes' definition, is "rather important" in Bed-Stuy.

"Immigrant communities are a key location for informal activities meeting both internal and external demand for goods and services." (55) However no systematic relationship between

immigration and the informal economy can be made. Many illegal immigrants in Bed-Stuy and New York City run declared, tax-generating businesses. The informal economy is not, as I will try to demonstrate, a direct consequence of immigration. As Saskia Sassen puts its:

Immigrants, in so far as they tend to form communities, may be in a

favorable position to seize the opportunities represented by informalization. But the opportunities are not necessarily created by immigrants. They may well be structured outcome of current trends in the advanced industrialized economies.(56)

Informal Economy

Indeed, a current trend in advanced industrial economies is the dismantling of the welfare state. Since 1990, the number of people qualifying for Public Assistance in Community District 3 has declined from 45,483 to 23,029.(57) It would thus appear, at first sight, that poverty decreased in Bed-Stuy. According to the Brooklyn Chamber of Commerce report (58), the percentage of households earning less than \$10,000 annually went from 35% in 1990 to 24% in 2000 (59). Converting to 2000 dollars, we can restate this statistic above this way: In 1990 18,986 households earned less than \$13,175 (in 2000 dollars) and in 2000, 12,729 households earned less than \$10,000. It would seem therefore that poverty in absolute numbers has not significantly decreased. What has decreased, however, is the number of people qualifying for welfare benefits. Indeed, from 54% in 1997, the rejection rate for welfare in New York City rose to 75% in 1998. (60)

As social safety nets disappear, those who cannot, or do not want to join the pool of minimum-wage workers feed the informal sector:

In their quest for survival, [agents] have connected with a more flexible, ad hoc form of economic activity that, while reviving old methods of primitive exploitation, also provides more room for personal interaction. The small-scale and face-to-face features of these activities make living through the crisis a more manageable experience than waiting in line for relief from impersonal bureaucracies. (61)

INCOME SUPPORT IN BROOKLYN COMMUNITY DISTRICT* 3 1994-1999	
Data compiled by the Population Division of the NYC Department of City Planning (Oct 2001). Source: U Bureau, 2000 Census Pt. File SF1 and 1990 Census STF1	.8.

	1994	2000
Plublic Assistance (AFDC, Home Relief)	45,483	23,029
Supplemental Security Income	9,184	10,561
Medicaid Only	6,808	13,484
Total person Assisted	61,475	47,074
Percent of Population	44.3%	32.7%

The informal street vendors, who were all over Fulton Avenue until 2001, are the best example of the vitality and negative externalities of the

Brooklyn Community 3 is the area bounded by Flushing Avenue, Broadway, Saratogo Avenue, Atlantic Avenue, and Classon Avenue informal economy in Bed-Stuy. The

anarchic street market has now been "cleaned up" by the authorities. Now, a couple of street vendors occasionally sell sweaters or CDs, but it is nothing like it used to be. The street vendors who had "been a permanent fixture on Fulton Street for decades, have been relocated from the sidewalks near the intersection of Nostrand Avenue and Fulton Street to a central location known as the Bed-Stuy Coop Market, on the corner of Albany and Fulton Streets." (62) Some liked the informal market and others hated it, but no one was indifferent.

I asked Jahdan, a local musician who has know the area for as long as he can remember, how the neighborhood had changed in the recent years: "Before, it was open to merchants, but they chased them out of Fulton. Now they need an authorization. Street vendors are outlawed. Fulton market sold products for the community. It was a strong economic, social, and cultural space." Delie, another young resident, makes the same analysis: "Stopping the market was negative for the community because it prevented people to make money legally." He remembers merchants selling clothes, watches, house utilities, everything inexpensive. The market was bringing black people of different origins together, interacting freely and openly. It was a lively cultural and social scene.

Crystal and Charles, homeowners, disagree. They argue that street vendors were often selling illegal products, and evading taxes. Charles says that they were downgrading the street and preventing upper scale businesses from coming to Bed-Stuy. It congested the street and made it hard for people and cars to circulate. Crystal didn't like its aspect. It was messy and gave a bad image of the neighborhood. Its existence was a disincentive to rent unoccupied storefronts. Finally, they argue, street vendors constituted a disloyal competition against established regular businesses.

Fulton First is an initiative of the Brooklyn Chamber of Commerce, financed by the Fleet Bank, the Giuliani Administration, and the New York City Department of Business Services, aiming at revitalizing Fulton Avenue. This nearly \$4 million plan will redesign the look and feel of the Avenue "adding lighting fixtures, street furniture, structural design

elements, and traffic flow through the commercial corridor." (63)



About half of the tents provided by the Fulton First Initiative to street merchants remain empty during the week.

The first visible action of Fulton First was the evacuation of street merchants by the police. A new place was given to street vendors at the corner of Albany and Nostrand. I have been there a few times during the week and it is pretty quiet, to say the least. There were about 15 vendors and about half of the stands were closed. I bought a dubplate mix-CD, a poster and three pairs of socks for less than fifteen dollars. The market is organized and orderly but the dynamism seems to be gone. Jahdan believes it was better for the community when the merchants were not taxed

and controlled. "Let the people do it. People organize the market better than the City." Classical economics since Adam Smith agrees:

Smith believed that individual welfare rather than national power was the correct goal; he thus advocated that trade should be free of government restrictions. When individuals were free to pursue self-interest, the "invisible hand" of rivalry or competition would become more effective than the state as a regulator of economic life. (64)

The informal market of Bed-Stuy was a perfect example of what happens when economic agents trade without regulations: creative chaos. Creative because the free interaction of a multiplicity of vendors and buyers created a self-sustaining economy out of nothing. Chaos because in an uncontrolled market, no one is individually responsible for the mess collectively generated. Street congestion is an example of negative externality produced by unregulated street markets.

The informal economy is the purest expression of the free market. It exists spontaneously wherever the formal regulated economy is not:

[i]t is only because there is a formal economy (i.e., an institutional framework of economic activity) that we can speak of an "informal" one. In an ideal market economy, with no regulation of any kind, the distinction between formal and informal would lose meaning since all activities would be performed in the manner now called informal. At the opposite pole, the

more a society institutionalizes its economic activities following relatively defined power relationship and the more individual actors try to escape this institutionalized logic, the sharper the divide between the two sectors. (65)

The informal sector emerged in Bed-Stuy as a result of the breakdown of mainstream economic and social institutions and poverty. In the same way churches and other non-profit organizations filled up structural holes in the social fabric, informal businesses emerged opportunistically (one could even say organically) to fill the economic void. The informal sector is thus firstly a response to the lack of a formal sector. If there were a Blockbuster in Bed-Stuy, there would probably be fewer video vendors in the streets. The informal sector is a product of low-income consumers' demand and low-income suppliers who cannot find adequate sources of income in the formal sector.

On the supply side, the struggle for survival pushes "street entrepreneurs" to reproduce and sell any kind of goods and services they can sell. Informal street vendors would certainly prefer to have a steady income, job security, a pension, and health insurance rather than living in precariousness. However, the absence of economic opportunities in the formal sector draws many to the informal sector. Sometimes, as the quote above stated, regulations can keep people from setting up legal businesses. For instance, some foreigners might not be able to go through the procedures required to set up a legal business. Illegal immigrants might equally be barred from regulating their business for fear of being expelled. As Steve Mariotti, founder of the National Foundation for Teaching Entrepreneurship, states:

The minority entrepreneur usually ends up being his own lawyer and accountant. The paperwork, cost, and confusion, drive would-be entrepreneurs away from certainty and down a slippery slope. They develop contempt for the government, because they no longer see it as their ally. That drives people into the underground economy, where there are no contracts. Once an entrepreneur moves into the balkanized and chaotic underground economy, growing the business is not a viable option. (66)

On the demand side, the need for cheap goods and services feeds the

informal sector. Should a Blockbuster open in Bed-Stuy, it would need to compete with street vendors selling pirated movies for five dollars. Informal vendors spontaneously adjust their prices to the purchasing power of the local population driving them closer to their subsistence level. Informal entrepreneurs are good at fulfilling local demand at competitive prices. The redundancy of many street businesses, such as CD and hat vendors insures a quasi-perfect competitive market, which keeps the price near the margin. Also, the highly open, unstable, and opportunistic informal small-business environment of Bed-Stuy prevents the formation of price cartels, and therefore prevents artificial price inflation. The informal sector is thus closer to the textbook model of perfect competition than the formal sector because in the formal sector, laws and regulations artificially maintain the price of goods and services well above the marginal cost of production, making them inaccessible to a large portion of the population.

Such a local economic base may well represent a mechanism for maximizing the returns on whatever resources are available in the communities involved. In this regard, they may contribute to stabilize low-income areas by providing jobs, entrepreneurship opportunities and enough diversity to maximize the recirculation of money spent on wages, goods or services inside the community where the jobs are located and the goods and services produced. (67)

Low-income consumers are not the only ones benefiting from the lower prices of the informal economy. The middle-class itself benefits and promotes the informal sector. Saskia Sassen notes that gentrifying neighborhoods tend to have high levels of informal economic activity. A source of informal activity is the rapid increase in the volume of renovations, alterations, and small scale new construction associated with the transformation of many areas of the city from low-income, often dilapidated neighborhoods into higher income commercial and residential areas. The volume of work, its small scale, its labor intensity and high skill content, and the short-term nature of each project all were conducive to a heavy incidence of informal work. (68)

Craftsmanship is definitely highly demanded in Bed-Stuy, fueled by the mix of a deteriorated housing stock and booming real-estate market. According to the Department of Housing's statistics, only 49% of

residential buildings are in good or excellent condition. This is the second lowest score in Brooklyn after Bushwick. 37% of residential buildings are judged to be in fair condition, and 13.5% in poor condition, the second highest percentage after Brownsville Ocean Hill. (69) There is plenty of maintenance work to do and, according to Charles, brownstone owner; skilled labor is lacking or expensive. Informal contractors are found from word of mouth, and are usually freelance and self-employed. Revenues from house repair typically go undeclared. The same people complaining about informal vendors in the street informally hire construction workers to renovate their newly acquired brownstones.

Other sectors with high concentration of informal activity include "the Gypsy cabs [which are] serving areas not served by the regular cabs, informal neighborhood child-care centers, low-cost furniture manufacturing shops, and a whole range of other activities providing personal services and goods." (70)

The informal sector is therefore not a problem in itself, but rather the market solution to exclusion and poverty. The lower purchasing power of many Bed-Stuy residents stimulated the growth of a market of substitution. Informality reduces the cost of production and distribution through tax evasion and proximity to the consumer. The structural breakdown of economic and social institutions such as the welfare state contributes to the expansion of the informal sector.

Libertarian economists believe that the unregulated market is the best way to maximize economic efficiency. The economy, they argue, is like an ecosystem. Exterior intervention can only harm the perfect self-organization of the free market. The problem, as Adam Smith observed when he developed his invisible hand theory, is that the free market has negative externalities such as labor exploitation and environmental degradation. Moreover, the unregulated market can sometimes get stuck at sub-optimal levels. This is why intervention is needed to help the market grow in the desired direction. As Paul Krugman ironically puts it:

The economy is an ecosystem, like a tropical rainforest! And what could be worse than trying to control a tropical rainforest from the top down? You wouldn't try to control an ecosystem, wiping out species you didn't like and promoting ones you did, would you? Well, actually, you probably

would. I think it's called "agriculture." (71)

This comment helps us to look at the informal economy of Bed-Stuy from another angle. It should neither be curbed nor be seen as a ready-made solution requiring no intervention. Its positive outcomes and negative externalities need to be recognized and dealt with. Its most positive aspect is that it generates income for many residents and provides goods and services that would not otherwise be available or affordable to the community. Informal workers and entrepreneurs should be assisted in their effort to formalize their businesses. Negative externalities need to be reduced as much as possible without taking away the positive outcomes. For instance, the displacement of street vendors to the Albany square destroyed the previous dynamism of the market. I suggest possible ways to preserve the benefits of the informal economy while reducing its negative aspects in the last section of this paper.



A renovated brownstone in Bed-Stuy, right next to a board-up property. The sign reads: "Please keep your block clean, Filth is lack of pride".

To conclude this section on immigration and informal economy, I would say that, while illegal immigrants are sometimes drawn to the informal sector by lack of choice, the informal economy itself did not develop as a "consequence of the large influx of Third World immigrants and their propensities to replicate survival strategies typical of home countries." (72) But rather as a result of the high poverty level existing in Bed-Stuy prior to their arrival. Far from being a nuisance to the neighborhood, immigrants, legal and illegal, are a source of growth and change. Adequate policies are needed to maximize the positive input of

immigrants to the community. The striving small business environment and the availability of cheap goods and services contribute to the incremental development of the neighborhood. How many brownstones would have been privately renovated if the only available craftspeople were working at Manhattan wages? The self-help attitude of many poor immigrants and natives has allowed the emergence of a solid economic base in the neighborhood. The consolidation of this economic base has, in turn, a stabilizing effect on the social environment, consolidating social capital and indirectly setting the context for in-migration of higher income people.

Newcomers

In the next section, I will consider the factors that turned Bed-Stuy into an attractive residential location, then portray some representative newcomers. I already described how the incremental economic development of the neighborhood, significant reduction of crime and citywide economic growth improved Bed-Stuy's physical and economic condition. These factors, combined with a very tight citywide housing market during the late 1990s, led an increasing number of people to chose Bed-Stuy. The work of the Restoration Corporation as well as other agencies, including the Department of Housing, also has to be accounted for. The growing black middle-class willing to invest in a home has also been instrumental in regenerating Bed-Stuy. All these factors contribute to attract more newcomers. The atmosphere of the neighborhood is changing. In the words of a local reporter:

On every block, around every corner, there's a demolition or renovation project going on; a dumpster filled with the innards of some long abandoned, burnt out or recently purchased dwelling. (How many scaffolds did you walk under today?) Those little quality of life issues, like the refurbishing of those glass and crack vial gardens into viable playgrounds, are finally being addressed. (73)

The Restoration Corporation has largely contributed to the appreciation of the housing stock through its renovation and mortgages programs. In a little more than thirty years of activity, "it has renovated 4,200 homes covering 150 blocks and provided more than \$250 million in home mortgages and rehabilitation loans to neighborhood homeowners." (74) In 2000 there were 48,661 housing units in total according to the Department of Housing Preservation and Development. The Department of Housing has also contributed to stabilize the neighborhood's lowincome households by building new affordable housing units, many of which are located on Gates Avenue. All together, the Department of Housing has rehabilitated or built more than 8000 housing units since 1986. Still there is room for much more work. According to a 1999 New York survey of the Department of Housing. Almost 38% of the housing units are on the same street as buildings with broken or boarded-up windows, the highest percentage in Brooklyn (75). There is still much

room for revitalization and price rise. As most interviewees noted, the architecture of the neighborhood is its main asset.



The Slave 1 Theater has been closed to the public for some time. It only reopens occasionally for weddings and other private events. Next to it is a fully equipped musical lounge that also opens sporadically.

Another asset of the neighborhood, which might increasingly become an attraction to newcomers, is the culture of its people. Bed-Stuy might lack economic capital, but certainly not cultural capital. The many cultures and lifestyles of Bed-Stuy are, as most interviewees noted, assets to the community. They connect the neighborhood to the rest of the world and bring in new ideas. Together with Fort Green, Bed-Stuy is a stronghold of the Black American culture of New York. From history to consciousness, the African-American culture developed a critical edge that is often lacking in the rest of society. Through struggle and survival, inner-investigation and self-affirmation, reaction and creation, grew a strong sense of identity. This culture is transnational by nature. Thanks to its dynamism and fertility it has grown branches throughout the world. Artists and musicians from the US and the rest of the world are increasingly

looking at Bed-Stuy as a good location to live. Diego's story illustrates the crossing realities of the neighborhood's past and future.

Originally from Europe, Diego studied jazz at Berklee College in Boston. After one year in New York he formed a band with players from Boston, Manhattan, and Brooklyn. The two lead singers, Jahdan and Delie, are from Bed-Stuy. In need of space for his studio and his family, Diego decided to move to Bed-Stuy. For the price of a three-bedroom apartment in Fort Green he was able to rent a duplex in a fully renovated brownstone with garden on Green Avenue, right by the G train. It took a few months for Diego and his wife to get used to the neighborhood. The bohemian utopia has quickly given way to the reality of the ghetto. The summer they moved in, three people were shot in their block. One of them, a neighbor known by everyone on the block, was killed by seven bullets shot by the police because he was supposedly waving a toy gun at them. A version denied by some witnesses but validated by local

tabloids, which called the victim homeless although he lived with a woman in a brownstone on the block. (76) Despite this, and other incidents, Diego and his family have integrated the neighborhood well. They know most of their neighbors and feel at home.



Noble Society. From left to right: Diego, Jahdan, special guest Afu-Ra, Rory Jackson, Delie. Moving to Bed-Stuy was strategic for Diego: not only is he getting more space to rehearse and record with his band, but he is also getting closer to one of his main sources of inspiration. Many famous black musicians and producers come from Bed-Stuy, such as Notorious B.I.G. and Spike Lee. Music brought Diego to Bed-Stuy. He knows that if he makes it in Bed-Stuy, he makes it in

Brooklyn; and if makes it in Brooklyn, he makes it in New York; and if he makes it in New York? The waves generated by the black culture of Brooklyn have crossed the oceans to Europe and Asia, and back.

Having grown up in the neighborhood, Jahdan, lead singer in Diego's band, doesn't see Bed-Stuy as any different than any other neighborhood in Brooklyn. His experience of Bed-Stuy has not changed much in the past years. With his wife and son, he is part of the 49% of households earning less than \$25,000 a year.(77) Recently, Jahdan found a job as a janitor at a school in Queens. Starting work at 6:30 AM, he wakes up at 4:30 AM every day and earns minimum wage. His wife is unemployed, as one tenth of the population of the Community District 3.

The Bed-Stuy of today makes it possible for Diego and Jahdan to meet and create music together. The fusion of the rich local culture and the motivation of newcomers is explosive. The cultural energy of the neighborhood lies today in the mix of inspired local and international artists, creativity, survival, space, informality, instability, change, potentiality, and openness.

Asked if the neighborhood could be described as "international," all interviewees responded affirmatively except Crystal who said that international was not the first word that would come to her mind to describe the neighborhood. She sees the neighborhood as rather homogeneous since the great majority of residents are black. She agreed however, that the homogeneity of the neighborhood was more "facial"

that cultural, since the black community is very diverse. Jahdan also observes that African descendents, dispersed around the world, come together in Bed-Stuy forming an international cultural melting-pot. According to Delie, Bed-Stuy, with its mix of Afro cultures, is a breeding ground for contemporary black identity. He says that the street market of Fulton was a scene where the international black culture of Bed-Stuy could progress and develop.

None of the interviewees believed that other ethnicities coming in the neighborhood were a threat to the identity of Bed-Stuy. Delie notes that five years ago, when he moved in the neighborhood, there were no white people on his Macon block. Now they are maybe six or seven. Crystal also observes that there are more white people than in recent memories, but she believes that the neighborhood will remain predominantly black. The vast majority of homeowners and buyers are black. Jahdan welcomes the arrival of other colors. "It had to happen. The interaction of different people is good for communication and the economy. More white people moving in means cultural exchange and big money movement."

Jasper is a twenty-six years-old white American who moved into the neighborhood about a year ago with three other friends from Switzerland and Panama. Jasper feels "as comfortable in the neighborhood as a white guy living in a black neighborhood can feel." When he first moved in, he was expecting some reactions from the people. But nobody ever gave him a negative look. People were neutral. It might be due to the fact that he is "pretty low-key." "Some yuppie might be treated differently. It is probably a matter of attitude." He notes that the fact that he has been involved in black-American culture for many years and traveling to different countries certainly helped him to feel at ease in Bed-Stuy. Jasper runs a music business specializing in hip-hop, funk, and reggae records and DJ equipment. He says that if he had only been listening to mainstream white rock his whole life, it would be different.

CÄline, one of Jasper's Swiss roommates concurs, "I guess that when you are real, people feel it." Because she works in a Non-Governmental Organization in the United Nation building, she has to be formally dressed every morning. At first, she was worried about the perception of other residents. She didn't want to be seen as a rich white girl taking advantage of the community. Asked if she considered herself to be

middle-class, she said, "it depends. In terms of income, I am probably lower class! In terms of education probably middle-class, and in terms of privileges probably upper-class because I have an excellent insurance and I can travel." At first people were wondering what she was doing in the neighborhood. But any hostility would disappear as soon as they would hear her French accent. Now she feels she has been completely accepted. She knows all the shopkeepers, has conversation with everyone on the block, and guys at the corner call her "Mamy."

Jasper believes that there is definitively a plateau for white people in Bed-Stuy. Each time he sees white people he "checks them out," curious about what they are doing here. Other white people in the neighborhood interestingly "threaten your specialty in some ways." But after giving it much thought, he came to the conclusion that "diversity is a good thing; whether it is blacks moving into white neighborhoods or whites moving into black neighborhood." However he doesn't want to see in Bed-Stuy what happened to many other neighborhoods of New York. "It is a good thing that there is no more heroin in the East Village, but it is boring now! White wash completely took over the neighborhood." "It is important to have a good mix." "Good things can happen because there are more different types of people." So what would the right mix be? "Somewhere between here and Fort Green would be nice." "The social atmosphere of Fort Green is nice, but you get a croissant and coffee and it is five dollars or something! ? They are trying too hard to be like Manhattan, or some kind of bohemian expensive place."

Eric is another new resident representative of the ongoing change in Bed-Stuy. By lack of a better term, Eric could fall into what Richard Florida calls "the creative class." (78) Eric recently moved with his boyfriend into a three-story brownstone on Hancock Street. Their building is occupied by a black writer on the third floor, a white teacher from Chicago on the second floor, and them, two trendy black gays on the ground floor. Eric was attracted by the physical character, space, low rent and excellent transportation that the neighborhood offers. The A train, five minutes away from his apartment brings him to his Manhattan office in less than twenty minutes. Because of the shortage of affordable housing and his lifestyle he had to think strategically about his living location. Although at first he was much less enthusiastic about living in Bed-Stuy than his boyfriend, he now sees the potential of the neighborhood and likes it. Eric

believes that, in five years time, Bed-Stuy will be a new Clinton Hill. That is, a trendy place to live. It seems that he was always at the right place at the right time: Chelsea in the early 1990s, Fort Green and Clinton Hill, in the mid-1990s, and now Bed-Stuy. Recalling when he and his artist friends moved to Clinton Hill in the mid-1990s, he describes how no social space existed for them there; they had to make it happen themselves. Some of his friends opened cafes and shops in Clinton Hill, which contributed to the transformation of the neighborhood. He would like to see the same evolution in Bed-Stuy and hopes that new businesses will open soon, particularly more quality food stores, bars, and restaurants, offering the goods and services that he needs and replacing some of the numerous 99 cents stores. He welcomes the arrival of "educated blacks and brave white people."

Eric likes the anonymity of cities, but quickly found out that he would not be a stranger to the people living in his block. Now he begins to appreciate the strong sense of community of the neighborhood. People were welcoming, and he did not feel that being a gay couple was more problematic in Bed-Stuy than anywhere else. He never had problems with the crackheads at his corner either. Living in Brooklyn he learned to be "street smart."

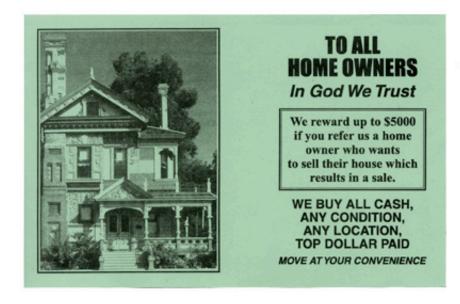
Eric does not see displacement as a big issue in Bed-Stuy now, since many people own their houses. Anyway, there is nothing he can do about it, "owners decide the fate of the neighborhood." "The new replaces the old, that's life." There is still a lot of empty space that can still be bought out by newcomers.

He doesn't necessarily see the cultures of newcomers and these of the locals blending together anytime soon. He says that the people who grew up in Bed-Stuy are much more complaisant. He doesn't quite understand why the people on his block like hanging out on their stoop and doing barbecue on the street side of their house so much, but he doesn't believe that living side by side will be a problem. New shops and stores will not necessarily be aimed at the present population, he believes, but integration is not indispensable. "There is enough room for everybody."

But is there? In the next section I will analyze the current trends in housing and describe the kind of pressure exercised by the influx of

middle-class buyers and renters on the long-time residents of the neighborhood.

Displacement





Speculation in Bed-Stuy today is reminiscent of the 1920s when brookers made fortunes turning out properties from white owners to black owners. In contrast however most home buyers still are middle-class black people.

According to Gabriel, of the Pratt Area Community Council (PACC), displacement is an issue in Bed-Stuy. His job is to help residents keep their homes. There is not much he can do for renters, but there are also plenty of brownstone owners threatened by predatory lenders. Long-time brownstone owners are under severe pressure to sell because they are often poor but sit on equities that have hugely appreciated in the past ten years. Bed-Stuy has the highest number of foreclosures in Brooklyn. Predatory lenders get foreclosure lists and target owners, offering loans, which they know the creditor will not be able to reimburse. Erica

McHale, homeowner counselor at PACC and currently dealing with about forty cases, exposes a typical scenario: A cash poor widow owns a brownstone that her husband bought thirty years ago for \$20,000. She

doesn't have enough liquidity to renovate the deteriorated roof of her brownstone. A lender knocks at her door and offers to help. Not only can he provide the funds to renovate the house, but he can also find people to do the job. He will give her a \$100,000 credit for complete renovation at 12% interest rate (in some cases it was as much as 19%), and the works can start as soon as next week. Unaware that her credit history would allow her to get a much cheaper deal with a conventional lender, and that the loan she contracted is unaffordable, she trusts the lender, and signs with her house as a collateral. Very soon, unable to repay her debt, she goes over foreclosure. The lender gets the house and resells it between \$200,000 and \$400,000 ("those in exceptional condition [were] recently selling for almost \$600,000. At of the date of the report, real estate listings for Bedford-Stuyvesant brownstones were as high as \$750,000")(79), making between 100% and 400% profit.

Subprime loans, that is, loans made by non-conventional lenders are a good indicator of predatory lending. A study by the Neighborhood Economic Development Advocacy Project (NEDAP) has shown that the neighborhoods which were historically redlined by bank (i.e.: non-white ones) are also the one with the highest concentration of subprime loans:

	by the Neighborhood Economic Advocacy IUD List of Subprime and Manufactured Hor		
Year	Brooklyn CD3	Brooklyn	New York MSA
1998	72%	40%	25%
4000	60%	31%	22%
1999	17.7.7.7		
2000	65%	47%	36%
2000	65% E LENDERS - HOME PURCHASE		36%
2000			36% New York MSA
2000 SUBPRIME	LENDERS - HOME PURCHASE	: LENDING 1998-2000	
2000 SUBPRIME Year	E LENDERS - HOME PURCHASE Brooklyn CD3	ELENDING 1998-2000 Brooklyn	New York MSA

There is a strong correlation between concentrations of refinancing loans made by subprime lenders and neighborhood racial composition. Likewise, there is a clear

relationship between the predominance of subprime loans and high concentration of foreclosure action filed, by neighborhood.(80)

Subprime lenders made 30% of home purchase loans in Bed-Stuy in the year 1998, compared to only 9% in New York State. In 2000, Bed-Stuy

also had the highest share of refinancing loans made by subprime lenders in the city, 65%(81). Gabriel points out that the few non-profit organizations counseling homeowners are overpowered by the dozens of speculators operating in the neighborhood. Predatory lenders go door to door, establish personal relationships with homeowners, and obtain deals with people who could get cheaper loans elsewhere. Not all subprime loans are predatory, however. They have in the past allowed people living in redlined neighborhoods to borrow. Today they also serve people with bad credit history for instance.

Another real-estate scam affecting first-time homebuyers (disproportionately in communities of color) is preoccupying the PACC: First time homebuyers are sold dilapidated houses with a home mortgage loan designed to fail.

Most New York City property flipping scams involve the same basic elements: real estate companies buy distressed properties on the cheap and perform cosmetic or no repairs. These "one-stop shops" then offer a package of services to borrowers who believe their interests are protected because the loans are insured by federal FHA insurance a³but instead, appraisals are inflated to provide huge profits to sellers, loan applications are doctored, home inspections are faked, and attorneys purportedly retained to protect borrowers watch while they sign their rights away. In one New York City case, a real estate flipper purchased a devastated property for \$20,000 and sold it 14 months later to an unwitting Jamaican immigrant grandmother and first-time homebuyer for just under \$200,000.(82)

Data from the 1990 and 2000 Census computed for the neighborhood as defined by the Department of Housing Preservation and Development*						
	1990	2000	CHANGE	% CHANGE		
HOUSING UNITS	44643	48661	4018	9%		
OWNER OCCUPIED	1289	8165	6876	633%		
% OWNER OCCUPIED	3%	17%				
RENTER OCCUPIED	32468	34567	2099	7%		
% RENTER OCCUPIED	73%	71%				
VACANT OR OTHER	10886	5929	-4957	-46%		
% VACANT OR OTHER	24%	12%				

As during the 1930s, the current gap between newcomers and current owners put pressure on Bed-Stuy's real-estate market.

*Census tracts: 233; 237; 239; 241; 243; 245; 249; 251; 253; 255; 257; 259.2; 261; 263; 265; 267; 269; 273; 275; 277; 279; 281; 283; 285. 2; 287; 289; 291; 293; 295; 375; 377; 379; 383; 385; 387; 507; 531

People have been buying

and moving in massively in the area in the last ten years, driving up the price. A report prepared for the Brooklyn Chamber of Commerce explains the rising real-estate market of the past ten years as follows:

Factors driving this trend include pricing for brownstones in other neighborhoods throughout New York City (including Clinton Hill, Fort Greene, Park Slope, etc.), general residential real estate and economic trends throughout the metropolitan New York City area, activity in the stock market, and favorable interest rates.

Buyers consider brownstones within the Bedford-Stuyvesant area due to the high quality of the brownstone residences, superior building widths (sometimes 30 to 40 feet, compared with more narrow buildings in other parts of the City), excellent subway access to Manhattan, the character of the neighborhood and its brownstone blocks, and significant recent decreases in crime.(83)



Sign on Bedford and Green Avecnues: It could not be clearer. Your brownstone is wanted.

According to the census the number of owner occupied buildings has increased by 633% from 1289 in 1990, to 8165 in 2000. Meanwhile, the number of renter-occupied units increased from 32467 to 34567. In addition, new housing units have been built during that period, notably by the Department of Housing. The total number of housing units went up from 44643 to 48830.(84) The demand largely outstrips the supply, which inflates prices. PACC staff observed a change in

the people attending the first time homebuyers' workshops they organize. "Since last summer a lot more Manhattan people come to the workshops. Backgrounds are very diverse, from working class to PhDs, blacks, white, Asians." The brownstones and excellent access to public transportation attract them. It is a mixed blessing: business do better, more upscale businesses and restaurants start opening, which lifts up the neighborhood, but it is not necessarily a good thing for low income residents, particularly renters, who might get priced out. Assemblywoman Robinson, however, estimates that, while displacement is one of the big issues the neighborhood faces right now, rents need to go up a bit.

According to the Department of Housing the median contract rent and median gross rent are the lowest in Brooklyn at \$495 and \$515 respectively. She is quick to add control mechanisms such as rent control, moratorium on conversions, and public housing are needed a³especially for senior residents. She also points out that many housing units are rent controlled in Bed-Stuy. The Department of Housing survey confirms: 37.5% of renter occupied units is unregulated, 25% is public, 21,4% is stabilized, 13.1% is under some other kind of regulations, and rent-controlled units are "too few to report." It appears thus that a little more than a third of the housing units are unregulated, and almost two third are under some sort of regulation since public housing are rent controlled by definition and stabilization is a form of rent-control.

AVERAGE VS MEDIAN INCOME	AVERAGE HOUSE- HOLD INCOME	MEDIAN HOUSE- HOLD INCOME	AVERAGE HOUSE- HOLD INCOME	MEDIAN HOUSE- HOLD INCOME	
1989	\$23,891	\$17.202	BROOKLYN \$34,059	BROOKLYN \$31,31	
2001	\$36,938	\$17,202 \$25,644	\$52,928	\$44,63	
2001	300,330	\$20,044	φ32,320	\$44,00	
HOUSEHOLD INCOME	199	90	2001		
	NO. OF HOUSE- HOLDS	% OF TOTAL	NO. OF HOUSE- HOLDS	% OF TOTAL	
UNDER \$10,000	18,968	35.4%	12,729	22.99	
\$10,000-\$19,999	10,343	19.3%	11,001	19.89	
\$20,000-\$24,999	4,914	9.2%	3,560	6.49	
\$25,000-\$29,999	3,582	6.7%	3,582	6.49	
\$30,000-\$34,999	3,482	6.5%	3,918	7.09	
\$35,000-\$49,999	5,672	10.6%	7,660	13.89	
\$50,000-\$74,999	4,360	8.1%	6,851	12.39	
\$75,000-\$99,999	1,260	2.4%	3,086	5.59	
\$100,000-\$149,999	783	1.5%	2,213	4.09	
\$150,000 AND OVER	164	0.3%	1,080	1.99	
TOTAL	53,528	100.0%	55,680	100.09	
BELOW \$25,000	34,225	63.9%	27,290	49.09	
OVER \$50,000	6,567	12.3%	13,230	23.89	
OVER \$100,000	947	1.8%	3,293	5.99	
'Source: Real Estate Solution	ons, LLC, Economic, Dem	ographic and Real Estate	e Development Trends, Br	ooklyn, 2002	
Prepared for the Brooklyn (Chamber of Commerce				

The demand or rental apartments within the Bedford-Stuyvesant area has momentarily decreased since the fourth quarter of 2001. but hat most probably reflects a citywide 9-11 effect rather han a change in trend. As the neighborhood keeps attracting new people, uncontrolled rent will go up

and many current residents will be displaced, in the words of resident

Baye McNeil:

With gentrification, many people will be dislocated, priced out, razed by this economic bulldozer. Eventually, and that right soon, the underclass, the impoverished, which means many of our everyday people, will simply have to vacate the Stuy (Can't picture it? Remember Alphabet City? Take a look at the Lower East Side now).(85)

Gentrification is a politically loaded word. Originally describing the immigration of middle class into working class neighborhood, the term took a racial connotation. As Baye McNeil puts it "in Bed-Stuy, as is the case in Fort Green, Harlem, and inner cities all over the country, in fact, it's also a race issue because in America the vast majority of the middle class is still white." So who is gentrifying Bed-Stuy and who is being displaced?

I asked Assemblywoman Robinson if she would believe me if I said that income doubled in the neighborhood in the past five years. She responded affirmatively without hesitation. In fact, I learned later, the income did not exactly double in five years, but it still significantly increased. The average household income went up from \$23,819 in 1989 to \$36,983 in 1999, and the median income went up from \$17,202 to \$25644. During the same period, the real purchasing power for households increase by \$1,473, which is more than twice as much than Brooklyn as a whole (\$629 increase). "It should be noted that average household incomes are higher than the median incomes for 1989 and 2001. This generally occurs when the average is distorted by a few households that have relatively high incomes." Indeed, what doubled is the percentage of households earning over \$50,000 a year; it went from 12.3% in 1990 to 28.3% in 2000. And the number of households earning over \$100,000 went from 947 to 3,293 (a 350% increase). Therefore, the increase in average income is probably due more to a rise of the higher earners than to a harmonious rise in income along the whole spectrum.

The same report notes also that in Bed-Stuy, between "1990 and 2001, the racial composition varied insignificantly." (86) The racial homogeneity of the Stuy is thus still intact. But anyway, homogeneous is not an adjective that can really be used to talk about Bed-Stuy with its diverse population from every American states, Jamaica, Trinidad, Barbados,

Guyana, Puerto Rico, Haiti, Burkina Faso, Ivory Coast, Mali, Morocco, Tunisia, Indonesia, Malaysia, Bangladesh, France, and Italy, not to mention the 115 Russians and 69 Polish who live in the Bed-Stuy segment of Lee Street. Apologies to the numerous nationalities I missed. Assemblywoman Robinson confirms. "The community always had new people, There is no problem with newcomers of different race and ethnicity. Bed-Stuy is a loving community."

POPULATION	NATIVE	FOREIGN-BORN	TOTAL	% OF FORREIGN-BORN
1990	99783	14117	113900	12%
2000	98678	22290	120968	18%
% CHANGE	-1%	58%	6%	
ORIGINS 2000		% OF TOTAL		
NEW YORK	73210	61%		
SOUTH	16669	14%		
NORTHEAST	1629	1%		
MIDWEST	568	1%		
WEST	320	0%		
PUERTO RICO	5297	4%		
BORN ABROAD OF AMERICAN PAR- ENTS	767	1%		
US ISLANDS AR- EAS	218	0%		
FOREIGN BORN	22290	18%		
TOTAL	120968	100%		

herefore, if hite people ave creasingly arted moving recently, ey are not et) the eason for the nportant rise income and urchasing ower of the eighborhood. he rise in come is ainly due to e return of e black niddle-class.

Crystal, owner of a bookstore on Lewis Street and member of the Brownstoners of Bed-Suy association, observes that "most recent homebuyers are black and most white people living in the neighborhood are renting." She doesn't see gentrification and displacement as an issue. Although she personally knows a couple of people that have been displaced, she doesn't think that it is representative of the current trends. She concedes that displacement is perceived as a threat in the neighborhood, but does not believe that the threat is real. "Actually, she says, the neighborhood in undervalued." Crystal was born in the neighborhood, then lived away for some time, and came back to the neighborhood in 1995 and bought the brownstone right next to her

father's. The neighborhood changed during the 1990s when new people bought homes and moved in alongside investors, who were buying, renovating, and selling. She recalls how every block had construction.



Someone, who probably comes from the homeless shelter of Atlantic and Nostrand, is looking for food in the carbage of Macon Street, one of the better-off streets in Bed-Stuy, where SUVs, BMW and other nice cars are regularly stationed.

Pratt professor Frank DeGiovanni uses the number of conversions of rental properties to owner-occupancy as an indicator of the level of displacement. According to my evaluations, in 1990, 2.8% of housing units were owneroccupied, 72.7% were renter-occupied, and the remaining 25% were vacant or squatted. In 2000, 16.8% were owner-occupied, 71% were renteroccupied, and 12.5% vacant. The total number of renter-occupied units increased by 2099. The total number of housing units increased by 4018 and the number of vacant units decreased by 4957, which represent a nearly 50% decrease (see chart 3). Although I do not have the data for the exact number of conversion of rental property to owner-occupancy, we could infer that that new owner-occupied units come not only from

conversion from rental property, but also to a significant extent from the rehabilitation of vacant units and the construction of new ones. That might mean that despite a dramatic rise in home-occupancy in the past decade, the incidence of displacement has remained relatively low. Revitalization of vacant units and new constructions have increased the offer for rentals, which has kept rents low despite rising demand (as I indicated earlier). The construction of new affordable housing units by the City as well as non-profit organizations is another explanation for the increase in housing units and stability of rents. New developments are still coming, such as the Saratoga Square housing developments adding more than a thousand units to the neighborhood. With its very high concentration of affordable housing, it is likely that Bed-Stuy will retain its low-income population even if the rents of uncontrolled housing units start increasing significantly. Moreover, with two of the largest homeless shelters in New York on Marcus Garvey Boulevard and Atlantic Avenue (which has a total of 350 beds87), as well as three methadone centers, Bed-Stuy will stay the residence of some of the poorest New Yorkers for some time.





Military fort converted in housing shelter on Marcuse Garvey Boulevard. The Altantic Avenue shelter is the biggest in Brooklyn with a total of 350 beds.

Given that Bed-Stuy rents are still the lowest in Brooklyn it is probable that most displaced people stay in the neighborhood. Not only does Bed-Stuy seem to have easily absorbed newcomers, but it still has room for more. If these deductions are correct, the case of Bed-Stuy a³so fara³ would confirm Whyte's argument that gentrification is not a threat to poor neighborhood:

Those who hailed the possibility of a middle-class revival of neighborhoods are unhappy now it has become a reality: They say that it is elitist; that it has been at the expense of the poor; that the displacement of them by the middle-class people has broken up once stable neighborhoods and ethnic groups? Check the year-by-year changes in the neighborhood households and you will find very few cases of direct displacement; that is, a

renter going out of the door as a homeowner comes in? Of all moves the Department of Housing and Urban development has estimated, only 4 percent are caused by displacement? The implicit assumption of the gentrification concept is that the chief threat to housing for the poor is the improvement of the neighborhoods. The problem is the opposite. The chief threat is the deterioration of neighborhoods. The poor are not being hurt by middle-class investment. They are being hurt by disinvestment a³by landlords and owners who let buildings go to rot, who walk away from them, who torch them.88

If neighborhood feels more "middle-class" now than five or ten years ago, it might be because more middle-class residents have moved in, not necessarily because more poor people have moved out. Nonetheless, revenues have significantly risen as we saw before This can mean two things: either people have really been displaced, or more people got jobs. The evidences are contradictory and I cannot confirm any of the hypotheses. Probably that both are partly true.

The sharp decline in the percentage of people receiving income support in Community District 3, probably only reflects the disinvestment of the Welfare state. The unemployment rate, which has fluctuated between 9%,

14% and 10% from 1990 to 200189 suggests that the level of poverty stayed stable, but the unemployed are only a part of the poor: an increasing number of the poor are working. In the whole country, "more than a third of those requesting food assistance were employed" in 1999.90 Indeed, poverty rose in New York City during the 1990s. So did income polarization as the widening gap between average income and median income attests.

Moreover, the revitalization of the housing stock by newcomers and better-off homeowners might indirectly push out poorer homeowners, through its effect on taxes. The property tax system is doubly unfair to poorer homeowners. They are firstly determined by real-estate value of the whole neighborhood. Therefore, as owners improve their property the value of the neighborhood increases, and the cost of keeping one's property increases for everyone. Property taxes also take into consideration the number of rented units in each property. Many non-renovated brownstones are still divided into single room occupancies and rented by the week very cheaply. Therefore a senior house owner renting six rooms for \$100 a week pays more taxes than a recent owner who has renovated his brownstone and divided it into four apartments, each of which he rents for \$1000 a month. Particularly affected are older homeowners:

All are faced with rising property taxes. Perry, Faulkner and others are particularly concerned that senior homeowners on fixed incomes will be overwhelmed by higher taxes and forced to sell their homes.91



Where are the owners of these buildings? Maybe they are too poor to renovate or maybe that they are waiting for better times to sell them.

5929 vacant use to seems that may housing stocks will be higher.

Displacement doesn't need to be an issue in Bed-Stuy right now. With 12% of the housing units remaining vacant, there should be room for more people. However, given that in 2000 there were 5929 vacant units and only 670 were sold, it seems that many investors are keeping their housing stocks for later, when the market price will be higher.

Real-estate speculation inflates the market because the fewer the houses on the market, the higher the price. As the price of houses increases, lower-income buyers get priced out. Real-estate speculation is therefore

a direct cause of gentrification and displacement. The facts confirm: in Bed-Stuy, "market participants indicated,? the majority of purchasers currently originate from outside."92 Another negative externality of speculation is an under optimal use of space. Inactive land and unoccupied buildings, at best, do not benefit the community, and at worst, constitute a cost. One building with boarded-up and broken windows depreciates the whole street. Another example is unoccupied storefronts. The revenue that a business could generate by using it represents the opportunity cost of inoccupation for the community. Many real-estate operators are currently surfing housing market appreciation. In an appreciating market, some traders choose to keep their housing stock vacant so they can be traded fast. Having renters makes it longer and more costly for owners to sell their properties, particularly if they are longterm renters who might refuse to leave the premise. It actually completely changes the nature of the investment. Being a landlord means committing to the renters, and relatively low, steady income. Real-estate traders, on the other hand, use housing property as financial assets, which can yield high returns on short-term operation. Empty stocks are more fluid and tradable. Moreover, in an appreciating market, time is money. In comparison to other neighborhoods, as Crystal noted, Bed-Stuy is still undervalued. It thus makes sense for operators to keep their property out of the market until they judge the price is high enough to sell. Keeping the housing stock not rented might be individually rational for operators, but represents a cost for the collectivity, both economically and socially.

For the community, the short and middle term opportunity cost of keeping housing units unoccupied is the rent not generated, the money not spent, and taxes not paid by the potential tenant. In addition, the artificial shrinking of housing supply (rent and sale) caused by speculation, together with the present high demand for housing puts an upward pressure on the cost of available housing stock. Higher rents for current residents mean less money to spend in local businesses.

Economic polarity has increased in New York during the past ten years. This means that there are more people at the two extremes of the economic spectrum. Both the number of low-income renters and the number of high-income buyers have increased. Bed-Stuy still has a majority of low-income residents, and since there are many higher income buyers, it makes more economic sense for investors to keep their

properties empty than to rent them.

Planning Proposals:

Public Space and Social Integration

In the coming years, Bed-Stuy will have an increasingly varied population, both in terms of income and origins. At the same time, the neighborhood has a strong identity, both architecturally and culturally. Ideally, all residents should have a feeling of belonging to the whole community as well as to their particular sub-communities. The ideal situation would be a strongly integrated heterogeneous community, where the differences of each would be respected and valued, while a sense of belonging to the community cuts across cultural particularities. To some extent this is already the case in Bed-Stuy. However spaces where people can meet and bond are lacking. Right now, the only place where everybody meets is the street. Public places should be developed. There few green spaces and playgrounds in Bed-Stuy, and space is lacking for park. However, there are many vacant lots, which are fenced or serve as junkyard. These "leftover" spaces could be converted into little squares, reminiscent of those of European medieval towns. Each one would have its own design and identity. These public squares can serve multiple purposes. They can be playground for children; meeting points for teenagers and adults; extended sidewalk cafes; hangout spots for the elderly. They could also be used for block parties, public announcements, or neighborhood flea markets or cooperative farmers' market on the weekends. Rather than leaving car bodies rot and weed grow behind fences, they could simply be cleaned up, and left to the imagination of residents. For instance local artists could paint murals around them, or if some funds are available from the city built a sculpture or even a fountain. The idea would be to reinforce the sense of the place and the interaction with the neighbors. Some spaces are rather large and could be used for bigger events. For instance there is a large empty space behind the Adult Learning Center of Nostrand, between Macon and Hashley. It is currently being used as a daytime parking lot. This space would certainly be better used as Public Square or playground for kids.



Some of the streets are also underused and could be made pedestrian. People could then extend



All too common streetscape in Bed-Stuy: visual disgrace and vast of space.

their activity further on the street. Bed-Stuy has many residents under driving age; they should be able to ride their bikes and rollers without risking getting hurt by a car on the road, or hurting an elderly resident on the pavement. The grid pattern makes all streets redundant, therefore, even if a third of the smaller streets were barred, traffic

would still flow. Bed-Stuy doesn't need to be a suburban car paradise, thanks to its excellent access to public transportation. Making bike lanes on the main arteries should also encourage the use of bicycles. The security would be increased by a public takeover of the street and increased interaction. If the community was tight and spending more time in the street, drug dealers would not dare standing at block corners.

Culture & Creative Sectors

All interviewees believed that new shops, cafes, and restaurants should open in Fulton. The Real Estate Solution's report estimates that the top five most needed businesses on Fulton are: Family style restaurants, coffee/bakery/cafes, video store, CD/record store, and cards/gifts stores. Overrepresented businesses are: Nail and braiding shops, beauty salons, variety stores, small grocery stores, discount stores of any kind.93 I generally agree with the report, but I would add quality food stores in the top-five list. There are presently only two health food stores on the Fulton strip, forcing consumers to go down to Fort Green and Downtown Brooklyn for more choice. Cafes are needed not only as commercial space, but also, and more importantly as social spaces. I would also add bars and dancehalls to this category.

Eric, Celine, Jasper, Jahdan, Delie, and Charles all mentioned the need for cultural and social spaces in the neighborhood. Music for instance is a very important part of the local culture, but there are few venues where residents and people from other neighborhoods can listen to music and dance. Nighttime activity would stimulate the creative sector and make the area more attractive to artists and musicians. It is very importantly that the population under 21 years old not be forgotten from the social and cultural scene94. The 15-21 years old usually have more time that any other segment of the population for social activity. It would be preferable to see the youth in legitimate social spaces than bored in the

street. Between childhood and adulthood, much of the identity gets constructed. Culture plays a very important role in this process. I would suggest the creation of publicly financed cultural centers for teenagers that would provide activities such as parties, music, sport, art and holiday camps to other countries. These cultural centers would be excellent places to recognize young talents and encourage them to develop their skills. Similarly, some activities such as computing, cooking, photography, drawing or writing could be designed to prepare teenagers to choose an educational or professional path. New York City has one of the highest percentages of creative industries in the country and attracts talents from all over the world. I am sure that the creative capital of Bed-Stuy is currently under-exploited.

Alongside the revitalization of the neighborhood's cultural life through bars and cafes, cultural industries should be particularly encouraged to open. I am thinking for instance about music labels, recording studios, fashion and graphic design studios, painting and sculpture ateliers, and Internet start-ups. These small-scale businesses could fill up many of the empty floors on top of the existing retails on Fulton for instance. Attracting this kind of industry to Bed-Stuy necessitates strong political will and outreach effort, as Crystal pointed out. But the availability of large spaces, low rents, excellent access to public transportation, and the vibrancy of street life, are assets that should not be overlooked.



Creative chaos: Marginal neighborhoods tend to attract artists thanks to their cheap rents and inspirational edge.

In addition to the effort needed to attract creative businesses from outside, talented local artists should also be promoted through grants, awards, sponsorship, or availability of free space. The cultural centers I was mentioning earlier could incorporate some of this to their activities. For instance they could have a recording studio space temporarily available for groups or individual artists as well as exhibition space. Rehearsal space for musicians would also greatly be useful. Other cultural venues currently lacking are movie theaters, concert halls, and bookstores.

The development of a vibrant creative scene in Bed-Stuy would greatly contribute to changing its image in the eyes of the broader population. Moreover, the larger public is ready to see the emergence of a vibrant

scene for black culture in New York. The location of Bed-Stuy, at the center of a communication node of roads, trains, subways, and buses, its exceptional architecture and communal atmosphere and its proximity to Fort Green, are comparative advantages that would help transforming it into a strong cultural hub. To some extent it already is. Delie calls the intersection of Fulton and Nostrand Avenues, where the A line Nostrand station is located, "Little Medina" or "Little Brooklyn," because it is the "second nucleus of Brooklyn after Downtown Brooklyn." Therefore, this proposal does not require starting everything from scratch, but rather capitalizing on what already exists and helping it grow. If successful, a scheme to boost the social life and cultural activity of the neighborhood would certainly help attracting visitors.

Image & Tourism

As Crystal suggests, tourism should be used as a source of income for the neighborhood: "Everybody wants to visit Harlem now. Bed-Stuy has at least as much to offer." The architectural stock alone is a good enough reason to visit Bed-Stuy. The neighborhood would need to expand other tourist activities. Investment in cultural and commercial development would certainly yield good returns if they were relayed by a good campaign of promotion of the neighborhood. Bedford Stuyvesant doesn't exist in travel guides yet, but soon they should encourage tourists to visit its charming tree-lined streets and brownstones; to shop in its specialty shops and markets selling "authentic" craft; eat at its delicious Caribbean and soul food restaurants; and listen to gospel in its historical churches. The success of the tours organized by the Brownstoners of Bedford-Stuyvesant, featuring the most beautiful buildings of the neighborhood, attest of the potential for tourism: The "recent tours have sold out with over 900 tour goers."95

Commerce & Retail

Development is often reduced to economic growth. It has been a mistake of western economists to believe that productive techniques could be imported and yield the same result than where they have been developed. Development is actually the development of productive methods and techniques. Believing that this stage can be bypassed is deceptive. How can development arise without development? In Jane

Jacobs words:

To sell or give the trappings of progress to backward economies under the pretense of bestowing development fails to work not only because the development, such as it is, takes place somewhere else entirely, but because the transaction denigrate and discourage rather than foster a basic practice of all true and creative development work.96

Jane Jacobs made this commentary, thinking about the economic development of cities. But at a different scale, it is relevant to the economics development of neighborhoods. Local development goes beyond economy. The cultural, social, and material dimensions of a place have to be meshed together and stimulate each other. Only this complete and integrated development can build solid local institutions. Therefore development is always local, even though it relies on trade, exchange, and inspiration from the rest of the world. To have something to trade, localities must develop their comparative advantage. But the comparative advantages of Bed-Stuy are more than "strategic location, integration with regional clusters, unmet local demand, and human resources", the four categories proposed by Harvard economist Michael Porter. As we saw Bed-Stuy, has a very important cultural capital, which is endlessly sustained by the influx of immigrants and newcomers.

The common economic wisdom on developing inner cities is to create jobs by attracting big businesses. A second supermarket would not be too much to serve the nearly 150,000 residents of the neighborhood. However, it would be probably misleading to believe that a massive influx of big chains from outside will do much good to the neighborhood. Attracting exterior businesses might be a good thing for the neighborhood if it does not come at a cost to local businesses. Bed-Stuy has a very dynamic population and greatly needs to consolidate its economic base. The main economic strength of the neighborhood, apart from real estate, is retail. Small retail business is a highly competitive and creative sector. Retail establishments typically start small and incrementally develop themselves, through invention and innovation. As they struggle, improvise, imitate, and produce, they develop a local "savoir-faire"; a particular economic culture. This organic and incremental growth is economic development. Improvisation, explains Jane Jacobs, fosters a state of mind essential to all economic development, no matter what

stage development has reached at the time. The practice of improvising, in itself, fosters delight in pulling it off successfully and, most important, faith in the idea that if one improvisation doesn't work out, another likely can be found that will. Invention, practical problem solving, improvisation and innovation are all part and parcel of one another.97

Big retail businesses might generate jobs, and therefore should be welcomed, but they do not develop the neighborhood. Bed-Stuy is very lucky to have such a high number of small businesses and such a high level of motivation among new and life-long residents. That is not the case in many other inner Cities, where people are as depressed as their economy. If human resources are one of the comparative advantages of Bed-Stuy, let it be a resource and not only a labor force. The energy does not lie uniquely in the people capacity to "fill jobs" and execute repetitive tasks, but also and more importantly in their capacity and willingness to lift themselves up and create jobs.

What is true for the development of cultural activity is also true about the development of commercial activity. Fulton Avenue from Saratoga to Albany could become as busy as Downtown Brooklyn. As a matter of fact, it was busier than Downtown Brooklyn when it had the street market. Important perpendicular avenues such as Nostrand and Bedford equally have considerable potential for development. Right now Bed-Stuy's main commercial artery is for the most part a collage of discount stores, bodegas, fast food or take-out restaurants, beauty shops and nail salons, dotted with residential, abandoned or underutilized buildings, with graffiti and placards spattered about. It pales in comparison to other major commercial strips throughout the city. Though the existing businesses meet certain needs of the community's residents, many goods and services readily available in other communities simply aren't available on this stretch of Fulton Street within the borders of Bed-Stuy. These circumstances have inclined neighborhood residents to take their purchasing power outside the community.

Sharonnie Perry, Chair of Community Board 3 and District Director to Congressman Ed Towns, spoke to the lack of commercial diversity and the resulting consumer aversion to Fulton Street when she said, "There are roughly 490 stores on Fulton Street from Franklin Avenue to Utica Avenue. Close to 65 of them are nail salons. Some of these other stores

don't even sell second-hand goods. They sell the rejects of the rejects. [That's why] you won't find too many of the homeowners in Bedford Stuyvesant shopping on Fulton Street, unless they're going to Pathmark." 98

No doubt new stores have to open. There is however a contradiction between the desire to see upscale shops on Fulton and the willingness to promote local business. Local vendors are mostly selling low-income goods for other low-income people. Homeowners still represent a minority of residents. While it is important to provide local shops and services for the quarter of household that have over \$50,000 in annual income, it is doubly as important to keep the retails that serve the half of household which have an annual income under \$25,000. The development of the Fulton should involve a good mix of trickling up and trickling down. That is, small businesses developing incrementally and new upscale businesses opening up.



Typical stores on Fulton Avenue.

The chaotic street market of Fulton Avenue had the advantage of being open to all traders. While coming back to the street market as it was would be a step backwards, the needs of the poorest should not be dismissed. My proposal therefore would be to organize an official flea market on Saturday or Sunday on the segment of Fulton between Bedford and Marcy (click here for the

complete flea market proposal). The street would be closed to cars. Vendors would rent their space to an independent organizing committee (made of street vendors representative as well as other stakeholders and community activists), which would use money collected for security, street maintenance (especially at the end of the market day), and promotion. Given the number of skilled craftspeople, and cultural heterogeneity of the neighborhood, a well organized, well run, and well marketed flea market in Bed-Stuy might attract visitors from all over the borough and city. Bed-Stuy even has the potential of hosting a world class market such as Porto Bello Market in London and le Marché aux Puces de Saint-Ouen in Paris, which has more than 120,000 visitors per weekend. If it attracts people, it will also benefit shopkeepers in the street. Moreover, a flea market would preserve the communal character of Bed-Stuy.

Attracting "big name retailers" is desirable to a certain extent, because they will create jobs and help satisfy the local demand. Making Bed-Stuy, or part of it, an economic empowerment zone, would be a good step in that direction. Here too, great effort should also be made to improve the image of the neighborhood. Bed-Stuy is currently out of the map of possible business locations. Political leaders, Crystal argues, should be more aggressively attracting companies and big retailers in the neighborhood. Attracting too many big retailers, however, could have perverse effects. First, those businesses take a larger portion of their revenues out of the neighborhood compared to smaller businesses more likely to be run by local residents. The revitalization of Fulton Avenue will probably increase commercial rents and make it harder for "communityowned restaurants, movie theatres, specialty shops and the likes" to develop and hold their ground, and attract businesses "like Starbucks and Disney - that have traditionally meant the end of the cultural uniqueness of a community."99 Mr Senckler from the Restoration Corporation equally warns against the hills of commercial gentrification. "In Harlem the businesses are no longer owned by the people living in the community. Dollars flow out, there is little reinvestment." Therefore, a right balance has to be found between promoting the incremental development of small business from within and attracting chain retailers from outside. Existing microcredit programs and assistance to small, family businesses should go on and be expanded. Programs such as Restoration's Trickle-Up, which provides grants for home-based businesses, and the Business Development Center, which provides business development training, go in this sense. The New York City Partnership's ANCHOR program developed tens of thousands space for "quality retail tenants" along Fulton and Saratoga, at the Brownsville-Ocean Hill extremity of Bed-Stuy. Shop owners are exempted from real estate taxes and the commercial rent tax. This developmental aid is obviously very welcomed as long as residents can sustain these new retails. An evaluation of the outcomes of the ANCHOR program, completed in 1999, would help designing future development strategy for the area.

Beyond retail, Bed-Stuy could promote the development of other sectors. Fulton Avenue is not the only space for businesses in Bed-Stuy. Atlantic Avenue for instance has thousands of square feet of warehouse space that would be more productively used as offices and manufactories. The neighborhood has space and labor power in abundance. The failure of

the IBM plant more than twenty years ago does not mean that this type of businesses cannot be successful in Bed-Stuy as Crystal points out. Giving tax breaks to big businesses in order to attract them to the neighborhood with the assumption that jobs and other benefits will follow is good strategy. Incoming big businesses should also be called on to deliver direct benefits to the community such as: improved wages, health benefits, and childcare for instance.100

Infrastructure & Human Capital

Although immigrants have a positive impact on the neighborhood, they put a stress on infrastructure, as Mr Senckler pointed out. Schools, sanitation, housing, and transportation are stretched. Political motivation is needed to address this issue, says Mr Senckler. There is no doubt that Bed-Stuy needs massive investment in infrastructures. Subsidies should be attributed in line with demographic changes, taking clandestine immigrants into consideration. It is great time the Federal Government starts using adjusted census counts:

So far, only the unadjusted official count has been released, and about 136,000 New Yorkers will go uncounted. This loss translates into fewer legislators representing the city in Albany and Washington, and less federal and state aid. Indeed, when one thinks of the New York City undercount over the decades, the impact is billions of dollars in aid, and an incalculable loss of political power101

Particularly undercounted are illegal immigrants, who are most numerous in poor neighborhood such as Bed-Stuy:

The census estimation methods mainly use only green card recipients to count immigrants. These figures overlook all other foreigners, including those who are in the US for study, for work, or for long-term visit. They also overlook those that enter or stay on in the United States illegally. New York City is one of the major immigrant magnets, so it is exactly such places where the estimates will be low.102

Adjusting the counts is possible and should obviously be done.

Underestimating the number of undocumented immigrants directly affect all residents of neighborhoods with high concentration of immigrants

because it results in inadequate funding for infrastructures maintenance.

Having accurate estimates of the number of immigrants, legal and illegal, in each neighborhood is important because poor neighborhood are likely to bear a higher share of the burden of immigration. Poor neighborhoods attract the poorest immigrants because they offer cheap rents. However, immigrants are often working in wealthier neighborhoods, therefore, not contributing to the local economy as producers. Moreover, the Federal and State tax revenue leaves the neighborhood and might only partially come back, creating imbalances between the cost of immigrants in terms of social services and infrastructure and the income they generate.

Neighborhoods with high concentration of illegal immigrants and a large informal sector, such as Bed-Stuy would greatly benefit from an amnesty for undocumented immigrants. It would allow the regularization and growth of many businesses. The regularization of his legal status would not only change Malik's life, but also allow him to substantially upgrade his business, and therefore increase his income and taxes. A French study of the economic impact of regularizing illegal immigrants showed that the proportion of the 80,000 immigrant workers who earned an income below minimum wage went from 44% before regularization to 14% thereafter.103 That does not only make the regularized worker richer, but the whole community. With a higher income, the immigrant worker spends more and pays more taxes.

Moreover, massive investments should be directed to schools and afterschool programs. Some of the schools of Bed-Stuy are in beautiful historical buildings. The education provided inside should be as excellent as the exterior appearance. After-school programs, especially of the artistic and musical kind should be funded and expanded. That is investment in human capital, the kind that yields the highest return.

Finally, solidarity with the weakest should ideally be one of the distinctive characteristics of the community. Bed-Stuy already has several homeless shelters and methadone clinics, most of them should stay. Additional housing units for the elderly should also be built. Training programs should be maintained and expended. Solidarity is a source of pride and fosters the sense of community.

Real-estate and Spatial Optimization

In order to optimize productive utilization of space, incentives should be given to owners to either rent or sell their properties instead of keeping them out of the market. Property rights should go together with property duties. Given the high demand for commercial, rental, and public spaces, empty storefronts, unoccupied houses, and fenced junkyards should be reoccupied. The mismatch between the demand for space and its supply should be addressed by freeing up unproductive space. Unproductive withholding of space for speculative motive should be recognized as a market failure needing governmental intervention. Bed-Stuy is in great need of economic development and therefore cannot afford to be underusing its land. Dormant real-estate assets might be future income for the owner, but has zero use value for the community. Therefore provisions should insure that owners unwilling or unable to use or develop their property pass it on. Operators purchasing property in order to renovate it and resell it are adding value to the neighborhood. That privately-led neighborhood revitalization benefits the neighborhood and the city as a whole. The benefits are: "(i) encouragement of neighborhood long-term owners to reinvest in their properties? (ii) an increase in the appraisal value of properties in revitalizing neighborhoods as a result of the renovation."104

Final Thoughts



Corner deli on Nostrand and Macon.

Bed-Stuy could go different ways. The community is getting increasingly polarized economically, with at one end public projects and at the other beautifully renovated brownstones. As the neighborhood keeps developing, more higherincome households will come in, accelerating upscale development further. Diversity is a source of innovation and evolution, so newcomers should be welcome, whatever their income levels and skin colors. Newcomers have a responsibility to integrate the current residents of the

neighborhood to their vision. Attitude matters. The history of the neighborhood, its people and brownstones should be respected.

To successfully integrate the new Bed-Stuy and the old one, spaces

where the two meet should be multiplied. These spaces are: public spaces, parks, commercial strips, cultural centers, and schools. A particular effort should be made on schools since they will determine the future of the neighborhood. Moreover, schools are places were all social classes could meet. If they do not improve, parents who can afford it will keep putting their children in private schools and some children living in the same neighborhood will never meet. Much of the misery of the neighborhood was caused by segregation. Everything should be done to promote integration, in the respect of differences.

In five years time Bed-Stuy will be just like Clinton Hill and Fort Green. I would prefer to say that newcomers will not push current residents out, that they will mesh up with the current population, and respect and sustain the fragile, incrementally developing economy of the neighborhood. But that will most probably not happen. As more middle-class newcomers seize the opportunity of owning a brownstone at discounted ghetto price, more will follow. The first middle-class newcomers will think of themselves as "pioneers", as if before their arrival there was nothing. As they move in and chase the undesirables, the neighborhood will get "cleaner", but it will also lose some of its spices. The period of mutation from the ghetto to the "decent" community is beautiful, though. It is often in the chaos of change that hybrid creatures, such as the music of Noble Society, emerge with the strength of life.

Footnotes:

- 1 "The largest ghetto in the country is the Bedford-Stuyvesant section of Brooklyn in New York City". This is the opening sentence of Barry Stein's Rebuilding Bedford-Stuyvesant, Community Economic Development in the Ghetto, Center for Community Development, Cambridge, Massachussetts. 1975
- 2 Mary H. Monomi, Bedford Stuyvesant the Anatomy of a Central City Community, Quadrangle, The New York Times Book Co., New York 1973, p. 1
- 3 35.2% of household have an annual income of less than \$10,000 according to Dr Moon Wha Lee's Housing New York City 1999, Department of Housing Preservation & Development, New York 2002

4 "Institutions are the rules of the game in a society, or more formally, are the humanly devised constraints that shape human interaction. In consequence they structure incentives in human exchange, whether political, social, or economic. Institutional change shapes the way societies evolve through time and hence is the key to understanding historical change.", Douglass C. North, Institutions, Institutional Change and Economic Performance, Cambridge University Press, Cambridge, 1990, p. 3

5

- 6 Douglass C. North, Institutions, Institutional Change and Economic Performance, Cambridge University Press, Cambridge, 1990, p. vii 7 As we will see however, Weeksville and Carsville, two small black communities established in the 1830s, were instrumental in opening the way to more black immigrants.
- 8 Jessica Hohnson, Bedford-Stuyvesant Renaissance Hailed, Daily News (New York), June 20, 2002
- 9 David Ment & Mary Donovan, The People of Brooklyn; A History of Two Neighborhoods, Brooklyn Educational Cultural Alliance, New York 1980 10 The Draft Riots occurred in March 1863, during the Civil War, after Abraham Lincoln issued the Enrollment Act of Conscription, drafting young citizens to defend the Union against the South. The Union Act was criticized all over the country for being unfair. The wealthier citizen could for instance buy out exemptions. Democrat Governor Horatio Seymor of New York declared the act unconstitutional, encouraging the masses to take on the streets. Many citizens banded across the city, terrorizing neighborhoods and looming stores. Among them, many Irish immigrants, poor and already prejudiced against blacks, refused to fight on their behalf, and targeted them, forcing them to take refuge in Brooklyn. 11 David Ment & Mary Donovan, The People of Brooklyn; A History of
- Two Neighborhoods, Brooklyn Educational Cultural Alliance, New York 1980
- 12 idem p. 27
- 13 idem p. 32
- 14 idem p. 32
- 15 idem p.36
- 16 Mary H. Monomi, Bedford Stuyvesant the Anatomy of a Central City Community, Quadrangle, The New York Times Book Co., New York 1973, p.4
- 17 The Center for Urban Education, Community Attitude in Bedford-

Stuyvesant, New York 1967

- 18 Barry Stein, Rebuilding Bedford-Stuyvesant, Community Economic Development in the Ghetto, Center for Community Development, Cambridge, Massachusetts, 1975 p. 2
- 19 David Ment & Mary Donovan, The People of Brooklyn; A History of Two Neighborhood, Brooklyn Educational 7 Cultural Alliance, New York 1980 p. 40
- 20 idem p. 41
- 21 The Center for Urban Education, Community Attitude in Bedford-Stuyvesant, New York 1967 p. 33
- 22 Henry Etzkowitz and Gerald M. Schaflander, Ghetto Crisis: Riots or Reconciliation?, Little, Brown and Company, Boston 1969, p. 151
- 23 Center for Urban Education, Community Attitudes in Bedford-
- Stuyvesant: An Area Study, Summer, New York, 1967, p.22
- 24 Barry Stein, Rebuilding Bedford-Stuyvesant, Community Economic Development in the Ghetto, Center for Community Development, Cambridge, Massachusetts, 1975 p. 11
- 25 David Rusk, Inside Game, Outside Game, Brooking Institution Press, Washington DC 1999, p. 49
- 26 Margaret E. Dewar, Why State and Local Economic Development Programs Cause so Little Development, in Economic Development Quarterly, Vol. 12 No. 1, Sage Publication, February 1998, pp. 68-87 27 Linking capital refers to connection to people in power. It is typically used to leverage resources.
- 28 Michael Woolcock, The Place of Social Capital in Understanding Social And Economic Outcomes, Isuma, Vol. 2 No. 1, Spring 2001, www.isuma.net
- 29 William Wilson, The Two Nations of Black America, Frontline, PBS Video 1998
- 30 Eliot Asinof, People vs. Blutcher,, Viking Press Inc. New York, 1970, p. xii
- 31 idem, p. xii
- 32 David Rusk, Inside Game, Outside Game, Brooking Institution Press, Washington DC 1999, p. 123
- 33 Lipsey & Chrystal, Positive Economics
- 34 Ross J. Gittell, Community organizing: building social capital as a development strategy, Thousand Oaks, CA: Sage Publications, c1998 p. 25
- 35 "Bonding refers to relations amongst people who are like each other:

1/28/08 1:56 PM Bed-Stuy on the Move

families, language and ethnic groups, members of the same social and economic class or religious affiliation? Bridging refers to relations built up between and amongst people who initially might be strangers to each other: perhaps divided by culture, religion and most potently by the social and economic means at their disposal.", Ken Boston,

http://www.det.nsw.edu.au/viewpoints/bonding.htm

- 36 Term used by Roland Burt in Structural Holes. Chicago: University of Chicago Press, 1992
- 37 Real Estate Solutions, LLC, Economic, Demographic and Real Estate Development Trends, Brooklyn a³ prepared for the Brooklyn Chamber of Commerce. The report defines Bedford-Stuyvesant as the area "bounded by Flushing Avenue to the north, Atlantic and New York Avenues to the south, Broadway to the east, and Classon Avenue to the west"
- 38 Community Board No. 3, District Need
- 39 New York City Police Department, www.ci.nyc.ny.us/html/nypd Statement, Brooklyn 2000
- 40 Mary H. Monomi, Bedford Stuyvesant the Anatomy of a Central City Community, Quadrangle, The New York Times Book Co., New York 1973, p.16
- 41 idem, p.16
- 42 Interview with Greg Donaldson, Professor of English at the Brooklyn Tech and author of The Ville: cops and kids in urban America, New York : Ticknor & Fields, 1993
- 43 Statistics compiled by myself from the Census data
- 44 "Averse to answer the Census form because of their illegal status, undocumented immigrants' non-responses are greater among Latinos than among blacks. But blacks in New York City, including middle income blacks, seem to have developed a greater degree of mistrust over time. The citywide response in black neighborhoods is down 5% in 2000 to below 40%." Emanuel Tobier, In the News: Census Slackers,

GothamGazette.com. 2000

www.gothamgazette.com/demographics/jun.00.shtml

- 45 Herbet Giersch, Economic Aspects of International Migration, Spinger-Verlag, Berlin, 1994, p. 229
- 46 Slobodan Djajic in Slobodan Djajic, International Migration Trends, Policies and Economic Impact, Routledge, London, New York 2001, p. 156
- 47 Herbet Giersch, Economic Aspects of International Migration, Spinger-Verlag, Berlin, 1994, p. 233

48 The Economist, A modest contribution, Survey: Migration, October 2002

- 49 Herbet Giersch, Economic Aspects of International Migration, Spinger-Verlag, Berlin, 1994, p. 229
- 50 idem p.239
- 51 SmaG, n Laacher, Comment les "papiers" peuvent changer la vie, Le Monde Diplomatique, ManiÅre de Voir 62, April-March 2002, p. 65 52 Julian L. Simon, The Economic Consequences of Immigration, University of Michigan Press, 1999, p. 207
- 53 Slobodan Djajic in Slobodan Djajic, International Migration Trends, Policies and Economic Impact, Routledge, London, New York 2001, p. 154
- 54 The Economist, A modest contribution, Survey: Migration, October 2002
- 55 Saskia Sassen, New York City's Informal Economy, Institute for Social Science & Research, Volume IV. 1988_89
 56 Idem
- 57 Community Board No. 3, District Needs Statement, Brooklyn 2000 58 Real Estate Solutions, LLC, Economic, Demographic and Real Estate Development Trends, Brooklyn a³ prepared for the Brooklyn Chamber of Commerce.
- 59 idem
- 60 Fiscal Policy Institute, Labor Day 2002 report,
- http://www.fiscalpolicy.org
- 61 Manuel Castells, Alexandro Portes, Lauren A. Benton, The Informal Economy: studies in advanced and less developed countries, Baltimore, Md.: Johns Hopkins University Press, c1989, p. 29
- 62 Baye McNeil, FIRST Things First: Fulton Street Initiative Promises Economic Revitalization, Bed-Stuy online,
- http://bedstuyonline.com/Economy/FultonFIRST-frames.htm 63 Idem
- 64 The Columbia Encyclopedia, Sixth Edition, Columbia University Press, 2002
- 65 Manuel Castells, Alexandro Portes, Lauren A. Benton, The Informal Economy: studies in advanced and less developed countries, Baltimore, Md.: Johns Hopkins University Press, c1989, p. 13. By "ideal", the authors do not mean that the absence of any regulations is desirable, but rather that market is "perfect" in the economic sense of the term.
 66 Edwards O. Welles, It's Not the Same America, Inc., May 1994, p.85,

quoted in Michael Porter, New Strategies for Inner-City Economic Development, Economic Development Quarterly, Vol. 11 No. 1 February 1997 11-27, Sage Publication, 1997, p. 22

- 67 Saskia Sassen, New York City's Informal Economy, Institute for Social Science & Research, Volume IV. 1988_89
- 68 Saskia Sassen, New York City's Informal Economy, Institute for Social Science & Research, Volume IV. 1988_89
 69 Idem

70

- 71 http://web.mit.edu/krugman/www/bionomic.html
- 72 Saskia Sassen, New York City's Informal Economy, Institute for Social Science & Research, Volume IV. 1988_89
- 73 Baye McNeil, Gentrifying The Stuy, Our Time Press, July 2001, http://www.ourtimepress.com/community/GentrifyingStuy.html
- 74 Carol Steinbach, Community Development Corporations in US Civil Society, www.ids.ac.uk/ids/civsoc/final/usa/USA2.doc
- 75 Dr Moon Wha Lee, Housing New York City 1999, Department of Housing Preservation & Development, New York 2002
- 76 Kerry Burke, Michele Mcphee and Bill Hutchinson, Toy Draws Deadly Fire: Cops shoot vagrant waving fake gun on B'klyn street, Daily News (New York), Wednesday August 28, 2002
- 77 Real Estate Solutions, LLC, Economic, Demographic and Real Estate Development Trends, Brooklyn a³to be published
- 78 Richard Florida, The Rise of the Creative Class, Basic Books, New York, 2002
- 79 Real Estate Solutions, LLC, Economic, Demographic and Real Estate Development Trends, Brooklyn a³ prepared for the Brooklyn Chamber of Commerce.
- 80 Neighborhood Economic Development Advocacy Project, Home Mortgage Lending and Foreclosures in Three New York City Neighborhoods: Bedford Stuyvesant, Brooklyn; Cypress Hill, Brooklyn; Jamaica, Queens, Summary of Findings 1998-2000 81 Idem
- 82 Leaflet distributed by the South Brooklyn Legal Services entitled: A New Crisis in Homeownership: FHA Fraud and Property Flipping, 2001 83 Real Estate Solutions, LLC, Economic, Demographic and Real Estate Development Trends, Brooklyn a³ prepared for the Brooklyn Chamber of Commerce
- 84 Statistics compiled by myself from the Census data

1/28/08 1:56 PM Bed-Stuy on the Move

85 Baye McNeil, Gentrifying The Stuy, Our Time Press, July 2001, http://www.ourtimepress.com/community/GentrifyingStuy.html 86 All data from Real Estate Solutions, LLC, Economic, Demographic and Real Estate Development Trends, Brooklyn a³ prepared for the Brooklyn Chamber of Commerce

87 Nada El Sawy, Atlantic Men's Shelter, gothamgazette.com, http://www.gothamgazette.com/commentary/115.elsawy.shtml 88 Whyte, William Hollingsworth, City: rediscovering the center, New

York: Anchor Books/Doubleday, 1990, pp. 338-339

89 Real Estate Solutions, LLC, Economic, Demographic and Real Estate Development Trends, Brooklyn

90 The State Of American Cities 1999

91 Thomas Faulkner is president of the Brownstoners of Bedford-Stuyvesant and Sharonnie Perry is chairwoman of Community Board 3, Joyce Shelby, Spotlight on Stuyvesant Heights, Daily News (New York), April 28, 2002

92 Real Estate Solutions, LLC, Economic, Demographic and Real Estate Development Trends, Brooklyn

93 Real Estate Solutions, LLC, Retail Recommendation, Brooklyn

94 31.2% of the population of Community District 3 was under 18 in 2000 according to the U.S. Census Bureau, 2000 Census PL file and SF1,

Population Division a³ NYC Department of City Planning (Oct 2001)

95 Our Time, 24th Annual Brownstoners of Bed-Stuy House Tour is Set

for Oct. 19, VOL. 7, NO.10, Brooklyn, New York, October 2002

96 Jane Jacobs, Cities and the Wealth of Nations: Principles of Economic Life, First Vintage Books Edition, New York, 1985, pp. 150-51

97 Jane Jacobs. Cities and the Wealth of Nations: Principles of Economic Life, First Vintage Books Edition, New York, 1985, pp. 150

98 Baye McNeil, FIRST Things First: Fulton Street Initiative Promises Economic Revitalization, Bed-Stuy online,

http://bedstuyonline.com/Economy/FultonFIRST-frames.htm

99 Baye McNeil, FIRST Things First: Fulton Street Initiative Promises Economic Revitalization, Bed-Stuy online,

http://bedstuyonline.com/Economy/FultonFIRST-frames.htm

100 Lee Romney, Los Angeles Times, March 18, 2002

101 Andrew Beveridge, Politics and the Undercount,

GothamGazette.com, May 2001

102 Idem

103 SmaG n Laacher, Comment les "papiers" peuvent changer la vie, Le

Monde Diplomatique, ManiÅre de Voir 62, April-March 2002, p. 66 104 Frank F. DeGiovanni in Gentrification, Displacement and Neighborhood Revitalization, SUNY series on urban public policy, Albany : State University of New York Press, c1984, p. 68

Bibliography

- z' Eliot Asinof, People vs. Blutcher,, Viking Press Inc. New York, 1970
- z' Kerry Burke, Michele Mcphee and Bill Hutchinson, Toy Draws Deadly Fire: Cops shoot vagrant waving fake gun on B'klyn street, Daily News (New York), Wednesday August 28, 2002
- z' Manuel Castells, Alexandro Portes, Lauren A. Benton, The Informal Economy: studies in advanced and less developed countries, Baltimore, Md.: Johns Hopkins University Press, c1989
- z' The Center for Urban Education, Community Attitudes in Bedford-Stuyvesant: An Area Study, Summer, New York, 1967
- z' Census data, 1990, 2000
- z' Community Board No. 3, District Need Statement, Brooklyn 2000
- z' Frank F. DeGiovanni in Gentrification, Displacement and Neighborhood Revitalization, SUNY series on urban public policy, Albany State University of New York Press, c1984
- z' Emily DeNitto, A Neighborhood Grows in Brooklyn, Crain's New York Business, January 1, 2001
- z' Margaret E. Dewar, Why State and Local Economic Development Programs Cause so Little Development, in Economic Development Quarterly, Vol. 12 No. 1, Sage Publication, February 1998
- z' Slobodan Djajic in Slobodan Djajic, International Migration Trends, Policies and Economic Impact, Routledge, London, New York 2001
- z' Greg Donaldson, The Ville : cops and kids in urban America, New York : Ticknor & Fields, 1993
- z' The Economist, A modest contribution, Survey: Migration, October 2002
- z' Henry Etzkowitz and Gerald M. Schaflander, Ghetto Crisis: Riots or Reconciliation?, Little, Brown and Company, Boston 1969
- z' Fiscal Policy Institute, Labor Day 2002 report, http://www.fiscalpolicy.org
- z' Richard Florida, The Rise of the Creative Class, Basic Books, New York, 2002
- z' Herbet Giersch, Economic Aspects of International Migration, Spinger-

Verlag, Berlin, 1994

- z' Ross J. Gittell, Community organizing: building social capital as a development strategy, Thousand Oaks, CA: Sage Publications, c1998 z' Jessica Hohnson, Bedford-Stuyvesant Renaissance Hailed, Daily News (New York), June 20, 2002
- z' Jane Jacobs, Cities and the Wealth of Nations: Principles of Economic Life, First Vintage Books Edition, New York, 1985
- z' Baye McNeil, FIRST Things First: Fulton Street Initiative Promises Economic Revitalization, Bed-Stuy online,
- http://bedstuyonline.com/Economy/FultonFIRST-frames.htm
- z' Baye McNeil, Gentrifying The Stuy, Our Time Press, July 2001. http://www.ourtimepress.com/community/GentrifyingStuy.html
- z' SmaG, n Laacher, Comment les "papiers" peuvent changer la vie, Le Monde Diplomatique, ManiÅre de Voir 62, April-March 2002
- z' Dr Moon Wha Lee, Housing New York City 1999, Department of Housing Preservation & Development, New York 2002
- z' Lipsey & Chrystal, Positive Economics
- z' David Ment & Mary Donovan, The People of Brooklyn; A History of Two Neighborhoods, Brooklyn Educational Cultural Alliance, New York 1980
- z' Mary H. Monomi, Bedford Stuyvesant the Anatomy of a Central City Community, Quadrangle, The New York Times Book Co., New York 1973
- z' Neighborhood Economic Development Advocacy Project, Home Mortgage Lending and Foreclosures in Three New York City Neighborhoods: Bedford Stuyvesant, Brooklyn; Cypress Hill, Brooklyn; Jamaica, Queens, Summary of Findings 1998-2000
- z' Douglass C. North, Institutions, Institutional Change and Economic Performance, Cambridge University Press, Cambridge, 1990
- z' Our Time, 24th Annual Brownstoners of Bed-Stuy House Tour is Set for Oct. 19, VOL. 7, NO.10, Brooklyn, New York, October 2002
- z' Michael E. Porter, New Strategies for Inner-City Economic Development, Economic Development Quarterly, Vol. 11 No. 1, Febuary 1997
- z´ Real Estate Solutions, LLC, Economic, Demographic and Real Estate Development Trends, Brooklyn a³to be published by the Brooklyn Chamber of Commerce
- z' Real Estate Solutions, LLC, Retail Recommendation, Brooklyn a³to be published by the Brooklyn Chamber of Commerce
- z' David Rusk, Inside Game, Outside Game, Brooking Institution Press,

Washington DC 1999

- z' Saskia Sassen, New York City's Informal Economy, Institute for Social Science & Research, Volume IV. 1988 89
- z' Nada El Sawy, Atlantic Men's Shelter, gothamgazette.com, http://www.gothamgazette.com/commentary/115.elsawy.shtml
- z' Joyce Shelby, Spotlight on Stuyvesant Heights, Daily News (New York), April 28, 2002
- z' Julian L. Simon, The Economic Consequences of Immigration, University of Michigan Press, 1999
- z' The State Of American Cities 1999
- z' Barry Stein, Rebuilding Bedford-Stuyvesant, Community Economic Development in the Ghetto, Center for Community Development, Cambridge, Massachusetts, 1975
- z' Carol Steinbach, Community Development Corporations in US Civil Society, http://www.ids.ac.uk/ids/civsoc/final/usa/USA2.doc
- z' Emanuel Tobier, In the News: Census Slackers, GothamGazette.com, 2000 http://www.gothamgazette.com/demographics/jun.00.shtml
- z' William Wilson, The Two Nations of Black America, Frontline, PBS Video 1998
- z' Whyte, William Hollingsworth, City: rediscovering the center, New York: Anchor Books/Doubleday, 1990
- z' Michael Woolcock, The Place of Social Capital in Understanding Social And Economic Outcomes, Isuma, Vol. 2 No. 1, Spring 2001, http://www.isuma.net

Websites:

- z' Alliance for Nonprofit Governance, http://www.ANGonline.org
- z' American Facts Finder, http://factfinder.census.gov/
- z' Bed-Stuy Online, http://www.bedstuyonline.com
- z' Bedford-Stuyvestant Restoration Corporation, http://www.restorationplaza.org/
- z' Bridge Street Development Corporation, http://www.bsdc.org/
- z' Brooklyn Economic Development Corporation, http://www.bedc.org/
- z' Capital Xchange,
- http://www.brook.edu/dybdocroot/es/urban/capitalxchange/article5.htm
- z' New York History http://www.nyhistory.org/teachers/41.html
- z' New York City Police Department, http://www.ci.nyc.ny.us/html/nypd
- z' Our Times Press,
- http://www.ourtimepress.com/community/GentrifyingStuy.html
- z' Park Slope Food Coop,

http://www.foodcoop.com/linewaiters/bed_sty.html

- z' Pratt Area Community Council, http://www.prattarea.org/
- z´ The Village Voice, Close-Up On: Bedford-Stuyvesant, http://www.villagevoice.com/issues/0219/ince.php
- z' U.S. Small Business Administration, http://www.sba.gov/ Interviews (all interviews were conducted between October and December 2002)
- z' Celine, NGO worker and resident, Bedford-Stuyvesant
- z' Charles Willis, Homeowner and resident, Bedford-Stuyvesant
- z' Crystal Bobb-Semple, Bookstore owner and resident, Bedford-Stuyvesant
- z' Delie, Singer and resident, Bedford-Stuyvesant
- z' Diego Campo, Composer and resident, Bedford-Stuyvesant
- z' Eric Coles, Designer and resident, Bedford-Stuyvesant
- z´ Erica McHall, Urban planner at the Pratt Area Community Council, Bedford-Stuyvesant
- z' Gabriel, Urban planner at the Pratt Area Community Council, Fort Green
- z' Greg Donaldson, Author and Professor, Brooklyn Technical High School
- z' Jahdan, Singer and resident, Bedford-Stuyvesant
- z' Jasper, Shop owner and resident, Bedford-Stuyvesant
- z' Malik, CD vendor, Bedford-Stuyvesant
- z' Salomon, Homeowner, Bedford-Stuyvesant

Matias Sendoa Echanove 2003