

# C O W S

center on wisconsin strategy

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TO: Anyone interested  
FR: Joel Rogers  
RE: New Orleans and Gulf Reconstruction

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A lot of people have been asking us about the above, and we've been hesitant to weigh in. The first task in New Orleans and other devastated areas is to get the water out and the electricity on, bury the dead, and take care of the living. That's not done yet, and it seems sort of obscene to speculate on reconstruction tasks before it is. I'm also not an expert on the physical condition of the region. I don't know, for example, how much of the flooded housing stock can be preserved from mold and rot, or what effort has been made to get salvageable structures cleaned out before decay takes them. I assume next to none in the poorer neighborhoods, but don't even know that for certain.

But, I wouldn't want my hesitance to mouth off about something I don't know much about to be taken as agreement with those equally uninformed, but more powerfully destructive. So let's say this:

What the disaster resulted from was not a hurricane, but a region made vulnerable to its effects by low road development – unregulated construction and other development, low wages and concentrated poverty, disrespect for nature, starved and unaccountable government agencies without much serious interest in or capacity for planning.

The President seems to be proposing more of the same. Last weekend Newt Gingrich, speaking of Bush's response to Katrina, said: "If it's done right, it adds energy to the rest of his agenda. If it's done wrong, it swamps the rest of his agenda." (*New York Times*, September 3, 2005) Unfortunately, Bush's agenda – as the past several years of his administration have made clear enough – is to destroy the New Deal program of using government to support inclusive growth in living standards and material security. Even before Katrina, New Orleans had little of either. Bush wants to destroy what little was there. The most important signal on his post-Katrina plans is not that he asked Congress for a blank check on reconstruction money, but that he started writing it to preclude Davis-Bacon "prevailing wage" standards on federal construction a center piece of the New Deal's *wage-led recovery* from the Great Depression that has been a staple of government procurement policy ever since.

This is exactly the wrong signal and path for Gulf reconstruction, which we should instead make a model of high road development – high wage, low waste, democratically accountable. That means wage and environmental standards, adequately supported through an accountable government, aimed at inclusive sustainable growth in living standards in the region. The opportunity presented by the Katrina disaster is really two-fold. One, to improve the region, not just restore it to its old inequities and growth patterns. Second, to use its reconstruction to give scaled demonstration of the sorts of programs we should be applying throughout the United States.

Faced with the task of rebuilding New Orleans' transportation, energy, and communications infrastructure, its commercial and residential "built environment," its education, training, and social service systems, and many aspects of its core economy, our reconstruction efforts should always be guided by the question: How can we do this in ways that maximize inclusive working class opportunities, minimize waste and environmental destruction, and ensure accountability and competence in government?

Here are five general recommendations:

- (1) *Aim for energy efficiency and smart growth*: We want much higher standards for energy efficiency, and all infrastructure decisions should be made to minimize the environmental footprint. That means building new high performance buildings and retrofitting surviving ones for greater energy and water efficiency. We should upgrade the existing grid and regulatory rules to promote wider use renewables, and establish new millennium communication infrastructure appropriate to information and education needs (including community-owned WI-FI). But it also (see below) means investing in the transportation and land use infrastructure to house and move people, throughout the region, in ways that encourage dense, interconnected growth.
- (2) *Prevailing wage standards in all sectors*: All new construction in any way touched by government money should be done with prevailing wages, and the same should be applied to subsequent employment of workers in those buildings. Rebuild hospitality in New Orleans, for example, as an industry with living wages and health care benefits.
- (3) *Education and training, for upgraded employer demand*: Reconstruction presents an enormous opportunity to develop and more widely share human capital in the region. We should want to leave behind not just a restored physical space, but a workforce that is better able to participate in the economy. That means, for adults, apprenticeship utilization, an agreement from the building trades to certify pre-apprenticeship training and open the doors to more advanced training, joint labor-management agreement on the training curricula, etc. It also means seamlessness in pre-K-12 and post secondary training, with testing and certification of competence. By encouraging its use by employers in hiring and compensation, it gives real life worth to such certification. Wide adoption of WorkKeys or some other assessment tool that's indicative of gaps and recognized by employers would be good. So too would the formation of RSAs (Regional Skills Alliances) among common employers in major regional industry sectors. Because we don't only want to determine existing skill demands among employers, but to raise skill levels. Getting employers together in shared programs of skill-upgrading, modernization of existing production practices, and effective marketing of entry into emerging markets with higher value-added is something that requires their organization.
- (4) *Equalize access to quality transit and housing*: What turned a natural problem into a human disaster in New Orleans were poverty, inequality, and the spatial and racial segregation of the poor. In reconstruction, we should again aim at wage standards and training, but also aim to disperse concentrated poverty through shared access to mass transportation and, in the context of deliberately mixed use (commercial vs. residential)

development, and quality mixed income housing. New Orleans reconstruction will be judged a failure if it does anything less. We want mixed income and mixed use neighborhoods of choice, well-connected not just by automobiles, but attractive mass transit (don't think ugly buses with gum on the seats, but clean trolley cars, or a luxury bus service to the airport) and, within them, areas designed for better walkability.

- (5) *Accountability and innovation in government*: The government money spent on reconstruction should be treated as an investment, not just an income transfer. That investment should be transparent; it should be done with sound accounting that makes real assumptions about depreciation and return, and is inclusive of all collateral costs ("full cost accounting"), which are commonly hidden in current development investments (which is part of the reason they encourage inefficient sprawl). Designs on the project should be required to look to other examples (from the U.S. and abroad) for efficient smart growth development. Consistent with this, the project should be held to evolving "best practice" standards on accountability and efficiency, extending to alternative ownership (e.g., public ownership of utilities) and financing tools (e.g., ways to encourage further savings on waste, by recapturing them). Finally, and most obvious, but sure to be ignored unless it is deliberately aimed at, reconstruction should be run in a way accountable to the public, by giving them the benefit of their input and ideas into design decisions. It should meet or exceed existing environmental and other relevant legal standards. And it should vastly improve on the closed-room "good ol' boys" process by which development decisions in the area – as in most of the U.S. – have typically been made. Using all means at our disposal, we should aim at an informed public choice on a development plan, through a process that respects the views of all citizens.