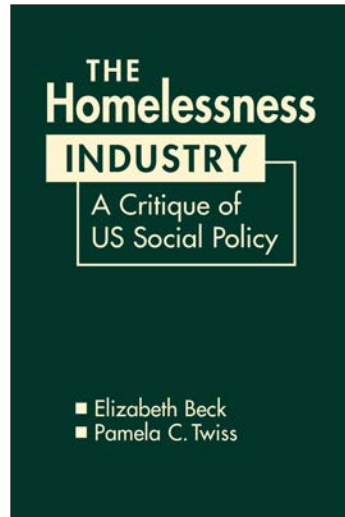


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The Homelessness
Industry:
A Critique of
US Social Policy

Elizabeth Beck
and Pamela C. Twiss

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1800 30th Street, Suite 314
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1

The Making of the Homelessness Industry

From the late 1970s to mid-1980s, the word *homeless* shifted its function from an adjective to a noun. As an adjective, *homeless* describes people affected by such extreme social and economic hardship that they lack their own housing or a place to live. But as we will show, as a noun, the concept of *the homeless* became the target of academic studies, the basis for psychiatric and behavioral diagnoses, and the rationale for professional social services based on a medical model of intervention. These interventions diagnosed and labeled individual pathology, then tailored medically based solutions (informed by psychiatry), paying little or no attention to addressing issues of poverty and housing.

The literature on homelessness describes an “artificial relief industry,” a “sheltering industry,” and a “homelessness management complex” (see Hopper 2003; Lyon-Callo 2004; Steffen 2012; Wagner with Gilman 2012) that includes the institutionalized services for diagnosed categories of homeless people. Many now use the term *homelessness industry* to refer to this phenomenon. A simple online search of the term yields over a thousand hits. We find this conceptualization useful but limiting. We use the term *homelessness industry* to represent a production system in which neoliberal policies continuously generate new homeless people, much as a factory churns out widgets, and support the industry of social services and criminal justice facilities receiving them. Neoliberalism in policy refers to an ideological position that embraces free market ideals and economic and social policies that systematically disadvantage the poor and working class, support deregulation, provide tax cuts to the wealthy, and drastically cut safety net programs. Neoliberal policies supported major economic changes including deindustrialization and globalization and austerity measures in social services, both of which are

associated with the reoccurrence of mass homelessness. Together these policy choices and responses, undertaken in a society affected by racism, resulted in the normalization of homelessness in the United States—that is, the widespread acceptance of homelessness as an ordinary feature of our society.

Arguments can be made that there is insufficient evidence to definitively prove that policy choices and structural issues are the root causes of homelessness. We argue that history offers sufficient opportunities to detect meaningful patterns over time. The United States has experienced episodes of large-scale homelessness before, particularly in times of severe economic panic and depression, and in the context of insufficient social welfare supports and public investments. The nation has also witnessed prior periods in which industrial and technological changes have displaced workers or made entry into the labor force difficult for working-age adults. Both types of phenomena require resources to help those affected and ease their adjustment that are not supported in a neoliberal social and economic policy agenda. In the late 1970s and early 1980s, in the context of structural economic change, a more *laissez-faire* approach to the market, and devolution of social welfare burdens to the local and state levels, the reemergence and recurrence of extreme poverty and homelessness was a logical outcome.

Gentrification and deinstitutionalization in the absence of adequate mental health services have also been raised repeatedly as factors in producing homelessness. In addition to driving up housing prices, gentrification led to the loss of a number of different housing options for low-income and poor people, which included single-room occupancy hotels and boarding houses as they were renovated or removed for development. In general, deinstitutionalization involved moving people with mental illness out of institutional care into the community. This process was justified by the development of psychotropic medicines that allowed people to live in the community and media exposés of the horrific conditions found in large psychiatric hospitals where people with mental illness lived for years on end. Because of these developments, the decision was made to empty beds and close large psychiatric facilities. While money was supposed to be allocated for community-based care, the amount given was woefully inadequate. We will also show that developments such as deinstitutionalization and gentrification were further supported by neoliberal policies that value private, profit-making interests in medicine and housing over social needs.

In addition to structural changes, central to our understanding of the normalization of homelessness that has occurred is the passage of the Stewart B. McKinney Act in 1987, the first major federal legislation designed to address the needs of the homeless. The McKinney Act was a compromise positioned between two dichotomous views of homelessness. On one side, a powerful anti-homelessness advocacy movement held that homelessness was a social justice issue. This movement was opposed by the Reagan administration,

whose stance discounted the legitimate existence of homeless people. As with many compromises, the legislation has not been able to reach its potential in addressing the problem of homelessness. In part, this stemmed from the limitations of the legislation. But the failure was also the consequence of our nation's willingness to accept the status quo and not advocate for real social and economic change. We are not the first authors to identify the normalization of homelessness, and we build on an existing literature that explored the ways in which public policy contributed to that normalization (e.g., Hopper 2003; Lyon-Callo 2004; Wagner with Gilman 2012). The following work provided important insights that stimulated our thinking.

Vincent Lyon-Callo, in *Inequality, Poverty, and Neoliberal Governance: Activist Ethnography in the Homeless Sheltering Industry* (2004), used the term "sheltering industry" to highlight the proliferation of services for homeless people—a bureaucratized social service sector that offers minimal support to homeless people. David Wagner, in his book *Confronting Homelessness: Poverty, Politics, and the Failure of Social Policy* (Wagner with Gilman 2012), also stated that homelessness shifted from a social problem to an enduring bureaucratic one. Although Lyon-Callo and Wagner reached the same conclusion, they offered different explanations for the change. Lyon-Callo emphasized the sheltering industry's use of a medical model to address homelessness, pointing out two problems with this approach. First, pathology was not the only reason for everyone's homelessness. Second, the medical model did not ensure that homeless people would have access to the social and economic supports needed to acquire housing. Wagner placed a large portion of the blame for the permanent nature of homelessness on advocates who, he said, focused their attention on emergency shelter at the expense of housing-related solutions. Wagner used the term "institutionalization" to describe the way in which the problem of homelessness became entrenched. Citing the example of Michael Lipsky, Wagner noted that former advocates often became street-level bureaucrats whose interests morphed into securing money for their departments.

Kim Hopper, in *Reckoning with Homelessness* (2003), also described the permanent nature of homelessness. Rather than focusing on the institutionalization of homelessness, he asked, "What does the advocacy record look like?" and concluded that although important gains were made, homelessness remained alive and well. Hopper, like Lyon-Callo, supported the idea of a sheltering industry, though Hopper used the term "artificial relief industry" (p. 216). Lyon-Callo, Wagner, and Hopper each noted that race and poverty were largely excluded from discussions of homelessness.

The scholarship of each of the authors, even taken together, has limitations. Significant issues are unexplored and questions unanswered. Lyon-Callo's book provided an excellent description of the sheltering industry, but he did not explore how the industry emerged and its relationship to

social justice, thereby constructing a narrow pathway for ending homelessness. Hopper asked important questions about where we as a nation are in relationship to homelessness, but his solutions were based on his beliefs about the need for a broad coalition with labor and the development of low-income housing stock. These solutions are critically important, but do not build on the work presently being done by advocates to establish a human rights agenda. Because Wagner's only antagonists in the creation of the bureaucratized view of homelessness were the advocates, the other actors and processes (such as neoliberalism) that went into bureaucratizing homelessness were held unaccountable. Lyon-Callo explored policy toward the homeless through the lens of neoliberalism, but he did not examine homelessness and its normalization as a consequence of neoliberal policies.

A second strand of scholarship that stimulated our thinking involved the ways in which the issue of homelessness was originally framed. Here, we especially drew on the work of scholars Cynthia Bogard (2003) and Jimmie Reeves (1999). Bogard, a sociologist, is the author of the 2003 book *Seasons Such as These: How Homelessness Took Shape in America*, and Reeves studied the media's coverage of homelessness as well as several other social problems. Neither of the authors specifically pointed to the entrenched nature of homelessness; rather they described the evolution of homelessness, its placement on the social agenda by claims-makers, and the ways in which the problem of homelessness was framed. *Claims-making* is a term used in sociology that involves attention to the *framing* of an issue and the formulation of the *claims* that will be used to address it. Bogard's claims-makers were advocates, media, government, and, to a lesser extent, experts. Like us, she placed the anti-homelessness advocacy movement in Washington, D.C., and New York with two powerful advocacy organizations: the Community for Creative Non-Violence (CCNV) in D.C. and the National Coalition for the Homeless (NCH) in New York. Her book ended with the two organizations teaming up to support federal legislation for the homeless.

In 1999 Reeves analyzed media coverage to describe the life history of the issue of homelessness, from 1983 to 1987, as historical drama. He identified four stages in the drama. The first stage, the breach stage, occurred between 1981 and 1982, when the phenomenon of *not seeing* homeless people on the street was breached. In the years 1983–1986, homelessness was constructed by the advocates as a national crisis and it was during this stage that the advocates first had success. In the redress stage, 1986, solutions to homelessness became redefined in terms that were consistent with Reaganomics—that is, consistent with individual volunteerism rather than a public collective struggle. In the last stage, 1986–1988, homelessness changed status from a social problem to a danger to the public (Reeves 1999).

The arc of our narrative is similar to that of Reeves, but we provide more depth to previous discussions to explore how homelessness changed from a

social problem to a normalized condition. One of the ways in which we do so is by extending our discussion of claims-makers and framing to include a variety of actors, such as members of the Reagan administration. Then we move from framing to explore the way in which the problem of homelessness was redefined and repositioned in the halls of Congress. We examine the ways in which those frames changed in what political scientist Charles Jones (1984) called the “problem-definition” stage of the public policy process (when a given problem is defined, its scope is established, and causes are identified). In the case of homelessness, two competing and irreconcilable frames—provided by the advocates and the Reagan administration—required a redefinition to achieve compromise legislation. Although the extant scholarship explored the issue of framing, it did not include a discussion of the problem-definition, nor an in-depth review of the McKinney Act that assessed its implementation to understand the ways in which practice and policy helped to normalize homelessness. In this book, we address pieces we view as missing from the literature and present five conditions that, we argue, led to the normalization of homelessness and the growth of the homelessness industry:

1. Cultural and policy adoption of historical views of the poor in which individuals are blamed for their position.
2. Support of neoliberal economic and social policies that disadvantaged the poor, the working class, and African Americans.
3. Compromises in public policy that responded to homelessness as an emergency situation and a social service problem rather than a predictable outcome of neoliberal economic and social policies.
4. Focus in public policy on homelessness as a psychiatric problem rather than a housing problem.
5. Creation of a large social service sector we refer to as the homelessness social service industry.

We believe that homelessness can end, and recent research suggests that ending homelessness may be possible if we adopt an effective perspective and a national willingness to make needed investments. However, in order to avoid the problems of the past we must understand how the issue of homelessness was historically constructed and reconstructed, and although this history does constitute the bulk of our research, we also explore present-day solutions later in the book.

Sources

Our primary data sources were written materials. These included government documents such as congressional hearings, committee reports, reports

from the General Accounting Office (GAO), and notices in the *Federal Register*. We read many of the articles that dealt with issues related to homelessness in the *Washington Post* and the *New York Times* published between 1979 to 1986, and 130 journal articles written about homelessness during the same time period. We reviewed a plethora of monographs and edited volumes, as well as reports from relevant organizations including the National Alliance to End Homelessness, the National Coalition for the Homeless, and the National Law Center on Homelessness and Poverty (NLCHP). Some of the sources just noted as well as additional material, such as correspondence and memos, came to our attention as we worked in the George Washington University Estelle and Melvin Gelman Special Collections Library, where the papers of CCNV members Mitch Snyder, Mary Ellen Hombs, and Carol Fennelly are housed.

Beyond written materials, we conducted several structured interviews with key informants—advocates engaged at the federal level with the passage and implementation of the McKinney Act. Much of the work in the passage of the McKinney Act rested with Maria Foscarinis (then with the National Coalition for the Homeless) and involved Carol Fennelly of the CCNV, both of whom were interviewed and had the option to be anonymous, but chose to be named. There was one anonymous interview. To address later parts of the history and to check on findings from primary and secondary sources we consulted with people engaged in ground-level implementation of the McKinney Act and the transition to efforts to end homelessness, and reviewed documents and reports on local implementation. Those with whom we consulted were familiar with implementation efforts from their work in the places in which we currently live, Atlanta and southwestern Pennsylvania, places once cited for meanness toward homeless people (National Coalition for the Homeless and National Law Center on Homelessness and Poverty 2006).

Our final data point was our own experiences. We have included boxed sidebars in which we offer our personal reflections or experiences with the issue being discussed. Elizabeth Beck was a member of the CCNV from 1984 to 1987, living with activists and formally homeless people in Washington, D.C., in specific quarters in two large shelters. Most of her work-life then was centered on coordinating the shelter and working eight- to ten-hour shifts, six to seven times per week. Along with other staff, she helped to meet the women's daily needs. When possible, she engaged in case management and referral types of activities and advocated for individual women. Elizabeth also participated with a group of women's shelter providers, in a coalition of individuals serving homeless women throughout D.C. Her day-to-day work was not focused on the CCNV's broader activism and policy efforts, but when time allowed she participated. As part of that community she never forgot that the work she was doing was part of a larger social justice agenda. After leaving the CCNV, she also was

employed at a large community action agency in southwestern Pennsylvania where her work included issues related to homelessness and affordable housing. Although Elizabeth had often thought of writing about this period, this book emerged partly as a reaction to recently published literature on the advocacy movement that suggested that the issue of homelessness and public policy might be raised anew.

While pursuing graduate studies, Pamela Twiss engaged in community-based research on massive unemployment and deindustrialization in southwestern Pennsylvania's Monongahela Valley mill towns in the middle to late 1980s. She also worked for a small, specialized emergency shelter and transitional housing program for women with mental health issues funded by McKinney Act programs during the early 1990s. Witnessing widespread economic distress and its prolonged effects on the social fabric and economic well-being of people and their communities motivated her interest in community development as an area of study and social work practice. Experiencing the constraints of housing and homelessness policies, and their inadequacies in the face of the nation's extensive housing affordability problems, motivated her interest in the McKinney Act. Both of us remain concerned about the ways in which homelessness has become, as Hopper (2003) described, an accepted, or normalized, condition in the United States.

Structure of the Book

In the design of the structure of this book, we took seriously the warning that without learning from history, the failures of the past will be repeated. Thus, in Chapter 2, we deal with history, but we do not do so in chronological order. That is, we start with relevant modern history, mostly the political struggle that preceded the McKinney Act. Then we go back as far as biblical times to show how old views of the poor have persistently shaped modern thinking.

Chapter 3 begins with the breach stage, which was then followed by the crisis stage, in which the problem appeared in the middle of a social drama between ideas and values associated with human rights and social justice and those associated with individualism and neoliberalism. We summarize this social drama through the history, values, and interactions of the major adversaries: the Reagan administration versus the advocates for the homeless. The chapter ends when the advocates, along with their insistence on structural explanations for homelessness, have the upper hand.

In Chapter 4 we explore broader perspectives on the causes of and solutions to homelessness of the advocates, the administration, social scientists, physicians, and the nonprofit sector that influenced how the problem was framed. We explore the implications of structural versus individual

explanations for homelessness. We examine how would-be allies of grassroots advocates helped to reframe homelessness from a social justice issue to one assuming the primacy of individual pathology.

In Chapter 5 we examine the drive for federal attention to the problem of homelessness, tracing the development of legislative efforts leading up to passage of the McKinney Act. We describe early federal efforts to provide emergency relief and their limitations. We present the final passage of the McKinney Act and its provisions in three distinct ways: a win for advocates, a compromise, and a reflection of the dominance of neoliberal ideology. There is some historical overlap across Chapters 3, 4, and 5, as each have content from 1980 to 1986. In Chapters 3 and 4 the overlap involves the major players in this narrative: the administration and the advocates. Chapter 3 focuses on the history, philosophy, and values of each, and Chapter 4 compares their understanding of the problem of homelessness and ideas about solutions. Chapter 5 also extends backward to 1980 in order to catalog legislation involving homelessness passed before the McKinney Act.

Chapter 6 presents the first two years of implementation of the McKinney Act, as the law was passed into the hands of a hostile administration charged with putting the law's provisions into action. It details implementation efforts across major federal agencies. This chapter also examines the administration's efforts to impede implementation of the act.

Chapter 7 covers what we call the liminal period post passage of the McKinney Act, in which there was the possibility for homelessness to be addressed as a social justice issue or a psychiatric issue. When we conclude Chapter 7 the efforts to solve the problem rest squarely with a social service approach that helps individuals, and manages the problem rather than ameliorating it.

Chapter 8 introduces three strategies that are used post passage of the McKinney Act to manage the problem of homelessness. The first is the management of exclusion in which jails become shelters; the second is the management of behavior that relies on diagnosing homeless people's behavior and linking housing to changes in behavior. The third was sold, in part, as a cost-saving effort and here certain groups of people are targeted for permanent housing. This chapter follows the Clinton, George W. Bush, and Obama years.

Finally, in Chapter 9 we revisit the factors that we argue perpetuate the normalization of homelessness and discuss what current efforts to manage homelessness look like. We also present an alternative way forward.

This book can be viewed as both a stand-alone investigation into homelessness as well as a discussion of extreme poverty and social policy that uses homelessness as a case study. We hope that in the pages that follow we answer the root question: How did homelessness go from an issue of public outrage to what Hopper called an "all-but-expected feature of the landscape"? (2003, p. 193).