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CONSUMER PARTICIPATION - THE CASE OF PUBLIC HOUSING

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ABSTRACT

The participation of consumers, especially those from the deprived segments of society, in administrative decision-making, poses some perplexing dilemmas for public officials. Can the demands for participation be reconciled with the exigencies of administrative efficiency and effective service delivery. Our study focuses on consumer participation in public housing, an institution that today serves three million of the most deprived groups in society. The data used in the study came from a national sample of housing projects and was collected in 1978 by HUD's division of Policy Studies. It was used to test the hypothesis that tenant participation would explain part of the variance in our dependent variable, the quantity and quality of housing services and resources. The findings are consistent with existing research that postulates that by granting the poor increased participation in the decisions of agencies that allocate goods and services, their access to such services was increased. The findings also make clear that tenant organizations lack the power to alter the provision of local government neighborhood services outside the projects.

Despite the generous attention devoted to the concept of citizen or consumer participation by both scholars and researchers in the last decade, the issues raised remain shrouded by controversy and debate. It has been eulogized both as an end value and as an instrumental means to certain highly desirable ends. It has come to occupy a central place in discussions of organization as well as community theory and practice without any real agreement on who the "citizens" are, and how and with what consequences they participate. A review of a range of federal programs during the past several decades indicates that the federal government itself has not maintained a single policy with respect to citizen participation. The types of citizens participating and the nature and extent of their involvement has varied from program to program.

The existence of several federal citizen participation policies reflects the lack of agreement among federal officials and administrators of the different programs and agencies on their objectives in involving citizens.²

The indications are that the objectives of government officials in promoting citizen participation have varied according to the political climate and have ranged from developing support for a program, developing democratic values, to overcoming apathy and alienation when the unit of service is the neighborhood. What is increasingly clear is that federal officials have stressed or solicited different types of participation, from 3 different classes of citizens, at varying time periods.

Over the years, the forms of citizen involvement in federal programs has evolved from being merely informed by administrators, to giving information and advice and even in a few instances in sharing in policy making and exercising control over the program.

Kramer indicates in his study of citizen participation in four Bay Area communities in 1968

the concept of the participation of the poor was perceived in multiple and divergent ways by various groups with high stakes in the War on Poverty.⁴

These different views were in part based on conflicting 5 ideological assumptions regarding citizen participation.

The new concern for the participation of the poor in the 1960's arose with the context of the real or imagined failure of government to respond appropriately to the needs of the poor. Among elements of the planning and policy making community, there were those who perceived participation as a means of achieving social reform and redistribution objectives. Sherry Arnstein, a spokeswoman for this group flatly asserts

It is the redistribution of power that enables the have-not citizens, presently excluded from the political and economic processes, to be deliberately included in the future. It is the strategy by which the have-nots join in determining how

information is shared, goals and policies set, tax resources allocated, programs are operated and benefits...are parcelled out. In short, it is the means by which they can induce significant social reform which enables them to share in the benefits of the affluent society⁶

Other advocates asserted that the large professionally staffed bureaucracies were insensitive to the needs and concerns of poor neighborhoods. Public agencies, it was thought would become more responsive to client needs, only if the clients themselves were adequately represented on the decision-making structures. One approach was to put direct representatives of consumer interests into administrative roles and policy-making boards.

Participation gathered a new meaning in the next decade. Citizen participation now has as its objective administrative reform to combat the problematic nature of over-centralized decision-making.⁷ Rather than being part of a social reform movement, the shift in the 1970's has been in the devolution of power to groups of program beneficiaries, so that federal programs can be more responsive to local and consumer preferences. These beneficiaries are not necessarily the poor and the deprived. It is also part of the movement to decentralize decision-making away from the federal government and consumer input was a means of making state and local government and even private agencies more accountable and responsive to the needs of their constituents.

Characteristics of Consumer Participation

The meager research on consumer participation in administrative decision-making indicates that considerable variation exists in the requirements for consumer participation in various federal programs. A Rand study shows that the existing citizen participation requirements reflect the unique historical development of specific programs and are subject to huge variations.⁸

A second characteristic identified is that neither the regulations nor the legislation spell out precisely, the structural form or content of participation. A further complication is the lack of clarity regarding the respective roles of citizen representatives and service providers which predictably can lead to conflict and frustration. The combination of vague requirements

and the lack of a clear-cut policy have resulted in outcomes being determined by local factors such as the local administrator's enthusiasm or lack of it for consumer input and the degree of organization and interest of beneficiary groups in being involved in the participatory process.

The problems and issues that have been identified in institutionalized forms of consumer participation relate in the main to:-

- a. Conflicts in control between consumer representatives and service providers.
- b. The nature of consumer participation which has been mostly limited to the transmission of information, rather than actions involving control over policy and program implementation.⁹

The Rand Corporation study categorizes organizational forms of citizen participation according to their degree of authority or control. At one end of the continuum, citizens may serve as a citizen or consumer dominated governing board that determines the policies of a project. Board members can hire or fire the management or staff of a project, approve the budget, set policies to guide programmatic operation and make judgements about the quality of service delivery. At the other extreme, citizens participate as part of an advisory committee. The opinions of the citizens serving on these committees or attending open meetings will be considered at the discretion of public officials operating the programs. In some instances the advisory boards are not even empowered to represent the program beneficiaries and act as public forums about plans and programs.¹⁰ Existing research indicates however that in fact much public participation falls between these extremes. Usually citizen groups have at least a few limited responsibilities.

The paucity of systematic research across diverse programs involving a large number of cases renders it difficult to draw definitive conclusions regarding effective participation. The extent and degree of consumer participation in federal programs is at present unknown, because no systematic monitoring or enforcement procedures exist. Some slight evidence suggests that while compliance is the rule rather than the exception, significant departures exist. Because of the lack of systematic

monitoring practices, it is difficult to assess the impact of citizen participation on agency policies.

Without doubt, the participation of consumers, especially of the poverty stricken variety, in the planning and administration of public programs, raises interesting issues and perplexing dilemmas for public officials. Should decision-making be the end result of rational reasoning and factual research or the consensus product of inter-group pressure?¹¹ Today, with the stress on decentralization and local control, the demands for citizen participation in matters affecting social welfare and the quality of life will receive renewed emphasis and new direction. Now the demands for participation can be reconciled with the exigencies of administrative efficiency and effective service delivery is an issue that has come to the forefront. Some questions raised by the existent research relate to whether local factors and conditions are more influential than federal guidelines in terms of outcomes and can meaningful outcome measures be devised in light of varying local conditions? Montgomery and Esman call for the empirical testing of strategic propositions relating to participation.¹² They assert that analyses of cases with comparable program and environmental dimensions should indicate that administrative outputs like effectiveness and service levels can be linked to various dimensions of participation.

Our study focussed on consumer or tenant participation in public housing, an institution that today serves three million of the most deprived groups in society. The major thrust of the tenant participation movement in public housing has been towards mandatory regulations that would give tenants the right to determine the nature and extent of their involvement in such areas as housing administration, budget allocations, maintenance and tenant services. This emphasis on tenant participation especially in its ultimate form of tenant management of Public Housing rests on the assumption that it will result in improved management performance and increase services to tenants. Tenant participation was to be a means of reversing the tide of impotence and despair that threatened to overwhelm some housing projects. The focus of our study was on resident involvement as a means of improving the quantity and quality of housing services to the residents of public housing.

The data analyzed in this study came from a national survey of housing projects, collected during

the summer of 1978, by HUD's Division of Policy Studies. It consisted of a stratified random sample of HUD's entire housing inventory. The information for the most part was derived from the second of a four part questionnaire completed by staff in HUD area offices. The questionnaire included factual data on each project and housing authority within which the projects in the sample were located, as well as subjective ratings on the specified items, that were filled out by personnel in the HUD area office that was most familiar with the projects. Factual information was also derived from HUD files and reports turned in periodically by Housing Authorities.

STUDY DESIGN

The data was primarily used to test our hypothesis that tenant participation would explain part of the variance in our dependent variable, the quantity and quality of housing services and resources. While analytically participation is many faceted and multi-dimensional, we defined participation in terms of exerting influence on administrative behavior and on the outputs of administrative action. Our indicator for influential participation was derived from responses of HUD area officials to a question asking if tenant organizations were influential in the determination of policy. An ordinal scale was developed to denote degrees of influence.

Several variables provided us with significant measures of resources available to tenants of public housing. Our research indicates that many housing projects made facilities available to neighborhood social agencies, to provide on-site services to tenants of public housing. As a result tenant services were developed by some housing authorities to realize the social goals of public housing which had been mandated by congress.

Some programs and services such as the Modernization Program and the Target Project Program were special initiatives undertaken and underwritten by HUD to overcome the process of social and physical malaise that was affecting public housing. The former, while focussing on improving the physical environment of public housing, had certain social objectives as did the latter. We included the number of live-in personnel in the project as this was part of a move by housing authorities to be more responsive to the needs of tenants and can certainly affect the quality of services

that the tenants receive. Protective services were provided by housing authorities in response to the high crime rate affecting urban projects and the inability or unwillingness of the local police to afford public housing tenants protection. We also included certain neighborhood public services on the grounds that tenant organizations could theoretically have some impact on them. The resources and service indicators used in our analysis are listed below:-

Amounts of Modernization Funds approved*
Amounts of Modernization Funds expended*
Amounts of Target Project Funds awarded*
Number of Tenant Services personnel in projects*
Number of Protective Services personnel*
Number of Live-in personnel in projects*
Neighborhood Police Protection**
Neighborhood Social Services**
Neighborhood Parks and Recreational areas**
Overall quality of neighborhood services**
(fire, police protection, recreational facilities, employment and information facilities, counselling services and daycare)

The housing literature had indicated that significant differences were to be found among projects occupied primarily by the elderly and those occupied by families. We utilized the type of occupancy as a control variable that could possibly elucidate the relationships between participation and outcome. Did our model of participation apply to certain tenant populations and not to others? Earlier research had stressed that the elderly (primarily whites) were better able to organize themselves and were more potent as organized groups than other low-income populations.

Our data also included information categorized by race, although of somewhat dubious quality. Despite this drawback, we included it in our analysis to determine if they substantiated or refuted current notions regarding the organizing potential and potency of blacks and whites.

Data Analysis

The goal of the analysis was to explain the variance in the outcome variables in the Housing Survey Data. This was accomplished through cross-tabulations
* derived through HUD questionnaire
** ratings by HUD area officials

linking two or more variables to distinguish their individual impacts on each other. The variables utilized in this research were nominal, ordinal and interval, the independent variables measuring participation belonging to the second category. It was decided in the early phases of the analysis to focus on contingency (cross-tabulation) analysis. In keeping with our decision to utilize cross-tabulations, we used the Chi-Square statistic to determine if the relationships were significant or not. The measure of association gamma was used in conjunction with Chi-square to indicate the strength of the association between the variables measured.

Our research hypothesis was that projects with tenant participation differed significantly from projects without such participation on key indicators of outcome. Table 1 indicates that our predictions relating to the provision of services and resources is generally borne out. The relationships are quite strong and the odds that these occurred by chance, in some instances, are 1 in 10,000. Seemingly there exists a strong correspondence between the presence and absence of a tenant organization and the non-housing related services provided by the housing authority. This connection by no means indicates that causal factors are at work, although that possibility exists. It is not impossible that the apparent relationships are spurious. The seeming relationship may in fact be attributed to the influence on both of a third variable.

When we turn to consider the impact of tenant participation on neighborhood resources, our findings appear much more ambiguous. There appears to be some relationship between the quality of neighborhood social services and tenant participation. In terms of other neighborhood variables, they were either not significant or the relationship was negative. It would seem that while tenant organizations did have some influence on the quality of neighborhood social services, their ability to influence the provision of other neighborhood services was circumscribed.

When we turn our attention to demographic characteristics of projects, we find that clear differences emerge between two major types of projects in our sample. While in a few instances there are relationships between tenant participation and the resources and services provided to elderly tenants, the relationships are not significant (i.e. tenant services and Target Projects

Program funding). In the case of families there is a strong significant relationship between participation and the resource and service variables. These findings are summarized on Table 2.

Race

Our findings relating to race are summarized on Table 3. Projects with varying percentages of blacks and whites displayed some variances in participation in tenant organizations. Differences and similarities emerged when projects were controlled for the type of occupation. Projects for the elderly show an association between participation and race for both blacks and whites, although the relationships are not statistically significant. This may be due to the small size of the sample. There is a reversal of this pattern when we consider family projects. Participation is strongly related to race in family projects. The relationship is positive with blacks (gamma is .259) and negative for whites (gamma is -0.278)

Conclusions

What impact does consumer participation have on the organization and the organizational participants? Our study attempted to determine the impact that the participation of the poor had within a specific administrative context. The objective of participation in public housing was both administrative reform and the improvement of the life conditions of tenants. Richardson contends that while most theorists on tenant participation assume either that tenants and management have identical or conflicting objectives regarding housing management, these assumptions reflect only a partial view of reality. The aims of tenants and management are neither fully congruent nor completely opposed, but a combination of the two. Participation schemes provide a forum for bargaining and are essentially mechanisms for institutionalizing interaction between two sets of protagonists. Bargaining is the process by which seemingly incompatible interests are accommodated.

Our findings would seem to indicate that tenant participation as a mechanism to improve the services available in a project can have some success. They lend support to some of the emerging research, which has examined the impact of consumer participation, in areas besides housing. Participation of the poor, in decision-making, was a device intended by the Office of Economic

Opportunity to redistribute federal dollars flowing through local agencies to the urban poor in central cities. According to some analysts, a major result of the Great Society programs was to create a demand for a variety of local services on the part of the urban poor.¹⁴ Haveman argues that by granting the poor increased participation in the decisions of agencies that allocate goods and services, their access to such services was increased and it enabled the poor to alter the composition of services available.¹⁵ Certainly the enormous increases in spending for major social welfare programs in areas such as housing, income maintenance, health and nutrition would lend credence to this argument. More positive reassessments of the participation of the poor should result from these unplanned and unexpected developments, than would be implied by cost-benefit analyses of specific programs.

Haveman's analysis is consistent with our data. The strong positive relationship that has been observed between tenant participation and the increased availability of services and resources, becomes even more pronounced when controlled by race and type of occupation. Participation by blacks is strongly associated with the provision of services and increased resources in family projects. This finding appears to contradict the conclusions of researchers like Banfield and Mazda who contend that alienation, disorganization and lack of participation were most prevalent among the lowest strata of society, especially among blacks.¹⁶ It is also at variance with research that had indicated that the white, elderly in housing projects were potent in impacting on management policies through their tenant organizations.¹⁷

These findings should not be especially surprising if one considers the organizational mission of the Office of Economic Opportunity as interpreted by some of its key personnel. As Peterson and Greenstone observe

.....organizational maintenance considerations induced CAP's to affirm citizen participation as a primary concern.... this organizational interest in mounting an attack on political poverty, especially among black Americans accounts for the racial bias with which these agencies interpreted their organizational mandate.¹⁸

The difficulties experienced by community organizers in organizing the poor, lead them to focus on concrete issues like housing. Public housing, within which all the ills of urban America were concentrated provided the perfect situation where organizing efforts could mobilize a community around tangible grievances and produce significant gains. The surprising element is that these organizing efforts should continue to have an impact many years after the demise of OEO and the War on Poverty. Less astonishing is the finding that tenant organizations appear powerless to alter the provision of local government services. Traditionally the voices of the weak and powerless members of society are not heard in City Hall.

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TABLE 1
RELATIONSHIP OF OUTCOME MEASURES TO TENANT
PARTICIPATION

<u>Services and Resources</u>	<u>Significance</u>	<u>Gamma</u>	<u>N</u>
Tenant Services *	.0001	.4307	694
Protective Services*	.0001	.4537	694
Live-in Employees*	.01	.4860	683
Expenditure of Mod Funds*	.0001	.2898	675
Approval of Mod Funds*	.001	.384	646
Allocation of TPP Funds*	.001	.5112	646
Social Services** (Neighborhood)	.07	.1636	603
Parks and Playgrounds**	.07	.0556	602
Police Protection**	.02	-0.1796	601
Overall Service Quality**	not significant	-0.0125	602

* derived from MWD questionnaire

** ratings by MWD area officials of neighborhood services on a 5 point scale

TABLE 2
RELATIONSHIP OF OUTCOME MEASURES TO TENANT PARTICIPATION
CONTROLLING FOR TYPE OF OCCUPATION

<u>Services & Resources</u>	<u>Significance</u>	<u>Gamma</u>	<u>N</u>
Tenant Services			189
Elderly	not significant	.0769	
Family	.01	.354	492
Protective Services			
Elderly	not significant	.0882	189
Family	.0001	.4	492
Live-in Employees			
Elderly	not significant	.4477	192
Family	.005	.3884	500
Alloc: Mod Funds			
Elderly	not significant-0.1091		175
Family	.0001	.4772	446
Exp: Mod Funds			
Elderly	not significant	.1205	175
Family	.001	.5560	446
Alloc: TPP			
Elderly	not significant	.4587	175
Family	.05	.4699	446

* Data on Live-in employees was derived from Housing Authorities quarterly reports to HUD on Form 51235

Other data was derived from the HUD questionnaire to area office personnel

TABLE 3
RELATIONSHIP BETWEEN RACE AND PARTICIPATION CONTROLLING
FOR TYPE OF OCCUPATION

<u>Category</u>	<u>Significance</u>	<u>Gamma</u>	<u>N</u>
Elderly Projects			
Blacks	not significant	.22	192
Whites	not significant	.158	192
Family projects			
Blacks	.0005	.2593	500
Whites	.0001	-0.2436	500

* Data derived from Housing Authorities quarterly reports to HUD on Form 51235