

Neighbors are key to recovery, study says

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WASHINGTON -- More than halfway through their five-year study on post-Katrina recovery efforts, researchers for the Virginia-based Mercatus Center are reporting the neighborhoods that rebounded the fastest generally had the strongest community leaders -- not the most government help.

The finding is contained in a series of reports issued by the conservative think tank that incorporate one overriding theme: that displaced residents look more for signals from their old neighborhoods than at the size of the aid packages approved by the federal government.

"Signals that tell people that it's OK to move back often are unique to particular neighborhoods or communities and often serve as the tipping point for people mulling over whether to return,"

Mercatus said in a report last year. "For instance, in New Orleans East the resumption of church services at the Mary Queen of Vietnam Catholic Church soon after the storm stimulated a rapid return of the Vietnamese American community, and the opening of unified school in St. Bernard Parish drew thousands of students and their families back to the community." Mercatus, which is affiliated with George Mason University, said it is committing teams of economists and social scientists to a five-year study of communities devastated by Hurricane Katrina because of the potential to learn about the roles played by social, legal, political and neighborhood institutions since the hurricane struck in August 2005.

"The tragic dimensions of the event in terms of lives lost and lives disrupted must never be forgotten, but the opportunity to learn about the resiliency of social systems must also not be lost," Mercatus researchers said in a report last September.

Some controversial findings

Some of their findings are controversial.

While saying that neighborhood signals of recovery are the key tipping points in bringing people back to struggling neighborhoods, others, including Donald Powell, the recently retired director of the White House's Office of Gulf Coast Rebuilding, argue that a federal commitment to robust levees is the key to winning back the confidence of businesses and residents about their futures in the New Orleans area.

Amy Liu, deputy director of the Metropolitan Policy Program at the liberal Brookings Institution who developed a "New Orleans index" to track recovery progress, agrees with Mercatus that strong local leadership is critical. But she says that is only part of the solution.

A strong federal commitment is also important, especially in a relatively poor city such as New Orleans, Liu said. And she says that the emphasis on the importance of strong local leadership tends to miss one compelling picture of New Orleans neighborhoods: that a higher percentage of the city's poorest residents tended to be displaced to far-flung communities, making it harder for them to keep in touch with local officials as recovery plans for their old neighborhoods were developed.

In the most recent Mercatus report, St. Lawrence University economics professor Steven Horwitz said that a greater reliance on private sector and community organizations is critical to avoiding the mistakes made in FEMA's painfully slow initial response .

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Wal-Mart, Home Depot and Lowe's provided desperately needed supplies and water to Katrina-stricken communities well before FEMA began a meaningful response, Horwitz said. The lesson: FEMA should include representatives of these companies on its emergency planning networks, and consider giving money directly to community organizations so that people with knowledge of local needs can make the key decisions regarding evacuation and rescue efforts, Horwitz said.

"FEMA is not local to anyone except people who live in Washington, D.C.," he said.

Local solutions best

True to its emphasis on local solutions, Mercatus proposes that New Orleans do more to encourage expansion of neighborhood associations, which it says are better equipped to oversee local redevelopment than centralized city planning departments.

"The most effective solutions are being found locally, mostly in spite of government efforts, not because of them," said Daniel Rothschild, another Mercatus scholar.

Even when the federal government tried to help, such as by providing money for contractors to haul away debris after the hurricanes, it tended to pay higher wages than generally paid for such work, Mercatus said in another report last year.

The result, Mercatus said, was to force local businesses to pay even higher wages than needed by the post-Katrina labor shortage, thereby making it harder for businesses to resume full operations.

In one report, Mercatus said the future of New Orleans is dependent on the city government giving more flexibility to local neighborhood organizations to develop recovery plans that suit their special circumstances.

"There is no guarantee that New Orleans will be a great city again. However, if the city continues along the path indicated by its current post-Katrina planning, its future will almost certainly resemble its bleak recent past," Mercatus said in one of its series of research papers.

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