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Economic Prescriptions for Black Americans

by
Jeremiah P. Cotton

The following is a policy statement issued October 12, 1989, by the "Study Group on Employment, Income, and Occupations" of the Assessment of the Status of African-Americans project conducted by the William Monroe Trotter Institute. The full report of the study group is published in an article entitled "Race and Inequality in the Managerial Age," which appears in Social, Political, and Economic Issues in Black America.¹

One of the major conclusions of this report on the relative economic status of blacks in the United States is that a substantial and persisting gap exists between the general circumstances of blacks and nonblacks in this country. Some of the more notable economic dimensions of this gap are revealed in the following findings of this report:

- Black male, female, and teenage unemployment rates, approximately twice as high as the unemployment rates of their white counterparts, have been increasing both absolutely and relatively with each business downturn since the mid-1950s.
- The much-heralded income gains of young, educated, employed black males came to a halt in the late 1970s as the shift from high-paying, blue-collar jobs into low-paying, white-collar and service jobs accelerated for all black males during the 1980s.
- After having narrowed in the preceding years, black female income relative to the income of white females declined during the 1980s and, although black female income has continued to increase relative to white male income, there is still a very large white male-black female income differential.
- Black family income as a percentage of white family income has been steadily falling since the mid-1970s, and black family wealth remains a minuscule fraction of white family wealth.
- Black poverty rates, whether for individuals, children, or the elderly, have been stuck at approximately three times the poverty rates for whites for nearly three decades.



These gaps endure at a time when both the U.S. economy and capitalism itself are undergoing sea changes. The economy is transmuting from one with a wide range of well-paid, blue-collar occupations to one with a bimodal occupational structure containing a number of high-paid, managerial and professional jobs in one mode and a host of low-paid, white-collar and service jobs in the other. At the same time, control of the economy appears to be passing out of the hands of the capital-owning corporate class and into those of an information and idea-producing managerial class.

The relatively unchanging gap in the fortunes of blacks and nonblacks in the midst of a changing economic environment poses serious threats to the very survival of the black community. Several of the opening paragraphs of this report are worth repeating at length on these scores:

The gap . . . is multidimensional, reaching far beyond differences in economic well-being. The gap directly influences prospects for the health and well-being of upcoming generations, the sustenance of the spiritual and moral fiber of a people. The gap persists in the face of a host of changes: dramatic social policy initiatives such as the New Deal and the Great Society, the civil rights movement, periods of war and peace, and periods of prosperity and depression. The annual ritual of inspection of various statistical measures to assess the extent of black "progress" . . . obscures the fundamental tenaciousness and pervasiveness of the gap. For even when such measures suggest changes in the absolute position of native blacks, they do not demonstrate over the long run any changes in the relative position.²

Another interrelated and equally dismaying conclusion of this report is that despite the spate of anti-discrimination laws passed since the mid-1960s discrimination is alive and well and vigorously defend-

ing itself against attempts such as affirmative action to reduce its sway and impact. As the report states:

We are witnessing the historical outcome for the group that was always viewed by other . . . contesting groups as unworthy of entry into the ethnic social compromise over the allocation of occupational turf. Black workers consistently would be relegated to less-skilled jobs or denied jobs altogether. Matters only become worse when the range of available well-paid, blue-collar occupations narrows with structural change in the U.S. economy.³

In the light of this continuing, deepening crisis facing black Americans, it does not seem to be enough to engage in the ritual of making entreaties to the policy-making bodies of this country for policies that will positively affect the situation of African-American communities. Such entreaties have already been made over and over again and have resulted in, at best, piecemeal, underfunded, misdirected, and hugely unsuccessful efforts on the part of the policy-making establishment. Indeed, if the view espoused in this report of the emerging managerial class in control both of the economy and the policies affecting it is a correct one, and if, as one of the authors of this report forcefully argues, blacks make up a disproportionate share of that segment of the working population that will soon be considered extraneous by this new ruling class, then not very

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much in the way of serious attention can be expected to be given by these new rulers to policy recommendations aimed at relieving the increasingly dire plight of black people. Thus, while this report does urge those who are in charge of making social and economic policy in this country to begin meaningful efforts to address the problems of black people, it also appreciates the need for directing many of its policy recommendations to black people themselves.

Unlike some who find the recommendation of race-specific policies inappropriate to the times, we find them most appropriate indeed. Past macrosocial and macroeconomic policies meant to benefit the entire working class have brought little substantive relief to the masses of black Americans. For this reason we believe that policies designed specifically for the economic and social development of the black community must be the order of the day. Such policies must contain, among other things:

- Components for the provision of affordable housing in the black community;
- Adequate medical care and medical facilities in the black community;
- Adequate income maintenance and support for black families, black children, and the black elderly;
- Job training and access to decent-paying jobs, particularly for black inner-city youth;
- Strong and unremitting enforcement of antidiscrimination laws and prohibitions both in the labor and capital markets and in the larger social institutions, including schools, churches, civic organizations, and the legal system; and
- Direct access to capital for the construction and reconstruction of the decaying residential and commercial infrastructure of the black community such as broken streets and sidewalks, trash-filled vacant lots, dilapidated and abandoned buildings, and boarded-up storefronts.

Such undertakings will no doubt cost billions of dollars and require massive resensitization and re-education of the nonblack majority about this society's past and current neglect of the descendants of its former slaves. It may cost even as much as the modestly estimated \$150 to \$200 billion recently earmarked for the rehabilitation of the savings and loan industry over the next ten years or so. Certainly, though in the same spirit, it will cost more than the half billion to be paid to the former Japanese-American internees of World War II. However, it will not cost as much as the many hundreds of billions of dollars that were redistributed to the owners of capital during the Reagan administration.

The benefits of these expenditures would, of course, be enormous, and would lead to an incalculable social and economic expansion in this society. Just as every segment of the society benefited greatly from the relatively modest attempts made in the 1960s to dismantle the American apartheid system, so now would our society benefit even more by the completion of this task.

To the black community our recommendations come in the following excerpt:

First, to put it quite bluntly, it must be clearly recognized that although government has both an economic and moral obligation to provide reconstruction resources to the black community, it will not do so unless absolutely forced to. The *actual*, as opposed to *advertised*, role of government in a capitalist, racialist state is to serve as guardian and enforcer of the capitalist and racial hegemony. It is almost exclusively predisposed and responsive to these interests and will take notice of other claims only if they appear to threaten them. Therefore, the maxi-

mum necessary amount of social, political and economic pressure must be put on the government and through it on the rest of society to acknowledge and recompense the black community for past and present underdevelopment caused by the malfunctioning and in many instances malevolence of this system.

As for the forms of this pressure, it must be recognized that decorous representations and en-

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treaties to government by minor black elected officials working through the “appropriate” channels will not in themselves get the black community very far. Neither should much be expected from the polite agitations and admonitions of the so-called national establishment leadership. There will have to be an insistent and unrelenting outcry from all segments of the black community, and it may well be necessary to mount mass demonstrations on the order of those of the 1960s as part of this strategy. One former civil rights activist said “We struggled in the 50s to integrate the schools and the buses. We struggled in the 60s to integrate the lunch counters and ballot boxes. And we’ve got to struggle in the 80s to integrate the money.” And he could have added that the struggle associated with the latter may be even more intense and require even more vigorous action than the former struggles did. Jesse Jackson’s “street heat” will have to be translated into concrete social, political and economic actions. A society that can come to grips with its treatment of its Japanese-American citizens during World War II and compensate them for the injustices

done can also be made to face up to the still unpaid claims of its African-American citizens. It must not be supposed that this acknowledgement by the government of its debt to the erstwhile Japanese-American internees was brought on by some sudden fit of compunction. Not a bit of it. Rather, it had everything to do with the very considerable economic power wielded in world and U.S. markets by Japan. It was not an act of contrition but one of economic self-interest. The government must also be made to recognize that it is in the country’s self-interest to address the unfinished business of the long-standing injustices to the black community as well.

One form of economic pressure might require a return to the early boycotts, such as that of the Montgomery, Alabama, bus company, that helped kick off the civil rights movement. The black community had roughly \$220 billion in income at its disposal in 1987; and of course most of it was spent with white-owned and operated corporations and industries. Many of these businesses depend quite heavily on the black billions for their survival. The businesses that benefit from black expenditures must be made to join the chorus of black demands — it is, after all, in their economic interests as well.⁴

References

¹Darity, W., Jr. (1990). Race in the Managerial Age. In W. L. Reed, (Ed.), *Social, Political, and Economic Issues in Black America*, Vol. 4 of *Assessment of the Status of African-Americans Series*. Boston: University of Massachusetts, William Monroe Trotter Institute.

²Reed. (1990). *Social, Political, and Economic Issues*. Pp. 30–31.

³Reed. (1990). *Social, Political, and Economic Issues*. P. 76.

⁴Cotton, J. P. (Forthcoming). Towards a Theory and Strategies of Black Economic Development. In J. Jennings (Ed.), *Politics, Race and Economic Development: The Failures of Liberal and Neo-Conservative Paradigms*. London: Verso.

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