

Edue Mast

THE ECONOMICS OF RACISM by Michael Harrington

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If all the discriminatory laws in the United States were immediately repealed, race would still remain one of the most pressing moral and political problems in the nation.

Negroes in this country are not simply the victims of a series of iniquitous statutes. The American economy, the American society, the American unconscious are all racist. If suddenly all the laws were framed to provide equal opportunities, a majority of the Negroes would not be able to take full advantage of the change. There would still be the vast, silent, and automatic system directed against men and women of color. For to belong to a racial minority is to be poor, and poor in a special way. It is to live within a vicious circle of poverty which has been institutionalized for well over a century. Legislation which segregates buses or lunch counters is only part of this process.

Some optimistic people do not understand how deeply racism is established in American life. Given time, they argue, these people will rise in the society like the Irish, the Jews, the Italians and all the rest. But this notion misses two decisive facts: that the Negro is colored, and no other group in the United States has ever really faced this problem; that the Negro of today is an internal migrant who will face racism wherever he moves, who cannot leave his oppression behind like a Czar or a potato famine. To be equal, the Negro requires something much more profound than a way "into" the society; he needs a transformation of some of the basic institutions of the society.

Perhaps the simplest way to point up the racism of the American economy is to recall a strange case of jubilation. Late in 1960, the Department of Labor issued a study, "The Economic Situation of Negroes in the United States." It noted that in 1939, non-white workers earned, on the average, forty-one per cent as much as whites; and that by 1958, their wages had climbed to fifty-eight per cent of those of whites. Not a little elation greeted this announcement, with some editorialists citing these statistics as indicating that slow and steady progress was being made. (At this rate, the Negro would reach parity with the white some time well past the year 2000.)

To begin with, the figures were somewhat more optimistic than the reality. Part of the Negro gain reflected the shift of rural Negroes to cities, and Southern Negroes to the North. In these cases, the people involved increased their income by going into a more prosperous section of the economy as a whole. But within each area - Northern city, Southern city, agriculture, - their relative position remained the same: at the bottom. Part of the gain, then, was the result of economic geography rather than of the workings of the society. Then taking a depression year (1939) as a base and comparing it to a year of recession (1958) also tended to exaggerate the advance, for Negroes in 1939 were particularly victimized.

Another important aspect of the problem was obscured by the sweeping comparison most editorialists made between the 1939 figures and those of 1958. Even the Department of Labor figures themselves indicate that the major gain was made during World War II (the increase from 1939 to 1947 was from 41.4 per cent for Negro males to 54.2 per cent.) In the postwar period, the rate of advance slowed down by two thirds. Moreover, most of the optimism was based upon figures for Negro men. When the women are included, and one takes a median family income from the Current Population Reports, Negroes rose from 51 per cent of white family income in 1947 to 57 per cent in 1952 and then declined back to the 1947 level by 1959!

But even without these qualifications, the fact is stark enough: that the United States found cause for celebration in the fact that Negro workers had reached 58 per cent of the way to the wage level of white workers. And this situation is deeply imbedded in the very structure of the American economy.

For one thing, Negroes in the United States are concentrated in the worst jobs. A third continue to live in the rural South, most of them merely subsisting within an economy of poverty and a society of more or less open terror. The third who live in Southern cities, and the third who live in Northern cities, have bettered their position when compared to the sharecropper. But they are in the lowest paying jobs, the jobs hardest hit by recession, and they are in any case hired last and fired first.

Thus, according to the Department of Labor, in 1960 four per cent of Negro employees were "professional, technical and kindred workers" (compared to 11.3 per cent for the whites). 2.7 per cent were "managers, officials and proprietors" (compared to 14.6 for the whites). At the economic and status top of the occupational structure, in short, there were 6.7 per cent of the Negroes - and 25.9 per cent of the whites. And this, in itself, represented considerable gains for the Negroes as compared to 1940.

Going down the occupational scale, the Negroes are primarily grouped in the lowest-paying, dirtiest jobs. In 1960, 20 per cent of the whites had high skill industrial jobs, while the Negro share of this classification was 9 per cent. Semi-skilled mass production workers and laborers constituted around 48 per cent of the Negro male population (and 25.3) per cent of the white males.) When it comes to Negro women, one confronts a discriminated minority within a minority. According to a New York State study, Negro female income as a percentage of white actually declined between 1949 and 1954 (and, in 1960, over a third of Negro women were still employed as domestics.)

In part, this occupational structure of the Negro community in the United States is the inheritance of the past. It reflects what happens to a people who have been systematically oppressed and denied access to skill and opportunity. If this exhausted the problem, there would be a basis for optimism. One could assume that the Negro would leave behind the mess of pottage which the white American has bequeathed him, and move into the future at a much improved rate. But that is not the case. For the present position of the Negro in the economy has been institutionalized.

Unless something basic is done, the situation will reproduce itself for years to come.

Take, as an example, the problems of automation. This has caused "structural" unemployment throughout the American work force, i.e. jobs have been destroyed and not just temporarily suspended. When this happens, the blow falls disproportionately upon the Negro. As the last significant group to enter the factory, the Negroes have low seniority (if they are lucky enough to be in union occupations) and they are laid off first. As one of the least skilled groups in the work force, they will have the hardest time getting another job. The "older" Negro (that is, above forty) will certainly never find another job as good, and he may well be condemned to job instability for the rest of his life.

All of this is immediate and automatic. It is done without the intervention of a single racist; yet it is a profound part of racism in the United States. In the long run, however, automation will pose an even larger problem. The new structure of American industry is doing away with semi-skilled jobs and dividing the workers into polar groups: the highly skilled technicians, the unskilled sweepers and janitors, the low-paid workers of various service industries, the unemployed. At this particular point in time, the deficiency in skill and education which American has imposed upon the Negro becomes a special burden. It means, in some cases, wiping out the gains made by semi-skilled workers in mass production industries. Generally, it points toward the concentration of Negroes in even lower sectors of the economy.

Much of this is "automatic", that is the consequence of an economic structure which has absorbed the consequences of racism and thereby hurts the Negro whether there is malice or not. However, there is another aspect of the situation which does involve conscious racism. In 1960, according to the report of Herbert Hill, Labor Secretary of the National Association for the Advancement of Colored People, Negroes made up only 1.69 per cent of the total number of apprentices in the economy. (The exact figure offered by Hill has been disputed; the shocking fact which he describes is agreed upon by everyone.) In short, Negroes were being denied the possibility of changing their plight.

The main cause of this problem is the attitude of management, which fundamentally determines hiring policy. But in the case of apprenticeship programs, the labor movement and the Federal and state agencies involved also bear part of the responsibility. The exact assignment of blame has been a controversial subject recently, yet no one has really questioned the existence of a problem of tremendous magnitude and consequence.

Thus Negroes in the United States are concentrated in low paying jobs, in non-union jobs, in jobs without seniority. Where they are union members, they have low seniority. They suffer discrimination in both hiring and firing, and they tend to be grouped in occupations which are peculiarly vulnerable to unemployment (in the current recession, the Negro unemployment rate is over fourteen per cent, i.e. about twice that of whites). And they are not becoming the prime victims of the revolution in technology taking place in the United States.

These facts should make it possible to define the peculiar characteristics of Negro poverty, its special miserable place in the general American culture of poverty. The Negro finds himself in this plight because of what has been done to him throughout American history: he has been systematically prepared for taking the lowest position within the economy. In this context, the past weighs upon the Negro present. But at the same time, the Negro arrives at this impasse at a particular time in American history; not, as was the case for the great immigrant waves, during a period of movement west, of growth and expansion but rather when growth rates are slackening, when automation is destroying the mechanism whereby a man could gradually work his way up the skill ladder even if he lacked education. In this context, the present weighs upon the Negro future. If the "automatic" trends are left to themselves, American industry will continue to produce racism as a basic commodity.

It would, however, be a mistake to reduce the plight of the Negro to a consequence of the workings of unconscious economic laws. The attitudes and prejudices of American Society reinforce the tendency to keep the Negro at the bottom of the occupational structure. And the fact that the Negroes have the worst jobs, the lowest incomes, the most miserable neighborhoods, in turn reinforces racist attitudes. It confirms all of the stereotypes: that Negroes are lazy, inefficient, stupid, and so forth. Not only are these people held down, a majority of them at levels well below any standard of decency, they are then reviled for being where society put them.

Perhaps the easiest way to pinpoint the effect of a non-automatic and conscious racism is to see what happens when a Negro does get an education and begins to move up within the economy. North, South, East, and West, the pattern is the same: Negroes are paid less than whites with the same educational background; and the more educated a Negro, the more he is discriminated against in this regard. Herman Miller, one of the best known authorities on income statistics has computed that the white Southern college graduate receives 1.85 times the compensation of his Negro counterpart; and in the North, the white edge is 1.59. This kind of situation is the result of something more than automatic laws of the market, for it demonstrates that the Negro is paid less even when he has the skill, and that this aspect of discrimination increases as he becomes educated.

Indeed, the office is one of the main problem areas in the system of discrimination. Office work is regarded as more personal, more social than the factory. To at least some of the people involved, integrated working verges on the integration of the neighborhood or the home, and it is resisted mightily. The result is that Negroes are cut off from advancement into the better paying, higher status jobs by a wall of management and white-collar prejudice. (In 1960, almost a third of white women were in the office; the figure of Negro women was 8.9 per cent.)

This social isolation finds its classic expression, of course, in the ghetto. As a result of the segregation of neighborhoods, it is possible for a city like New York to have a public policy in favor of integration, and yet to maintain a system of effective segregation. In the mid-fifties, for example, New York public school system took a look at itself, dividing the schools into Group X with a high concentration of Negroes or Puerto Ricans, and Group Y where the Negro and Puerto Rican population was less than ten per cent of the student body. They found that the X schools which Negroes attended were older and less adequate, had more probationary and substitute teachers, more classes for retarded children and fewer for bright pupils. This situation had developed within the framework of a public, legal commitment to integrated education (some steps have been taken to remedy this situation, but it is still basically the same.)

But the other groups in the United States live in ghettos when they first came. Isn't this simply a repetition of the pattern which obtained for the Irish, Jews, Italians, and the other? The enormous difference here is one of visibility. The talented and adventurous white immigrant could establish a store outside of the ghetto, could get a better job outside of the ghetto, eventually could rise in a profession outside of the ghetto and then move. But the Negro takes the sign of the ghetto with him wherever he goes: like the Jew under Nazism wearing a Star of David, he is always identifiable, he will always excite what prejudice there is.

This becomes more of a problem the higher up in the economy one moves. The bright son of an immigrant family who got an education could begin to move in the society at large. He could be an Irish lawyer, or a Jewish doctor and have white, Anglo-Saxon Protestant clients and patients. But, outside of government service and a few other areas, the Negro professional is confined to the Negro world. Even when there is success, racism limits it.

All of this has had a profound effect upon the Negro psychology. Some theorists believe that Negroes have a lower level of aspiration, of ambition, than whites because of their position in the economy and in the society. But, in a study of the New York State Commission Against Discrimination, an even more serious situation was described: one in which Negro children had more aspiration than whites from the same income level - but less of a chance to fulfill their ambition.

In this study, Aaron Antonovsky and Melvin Lerner described the result as "a pathological condition...in our society." The Negro child, coming from a family structure, was forced to reject the parents, and to put forth new and different goals for himself. At the same time as the level of aspiration was thus higher than that of the white child (who would feel the bitterness of their material poverty less, since it was not mixed with the degradation of racism), their ambitions were much more unrealistic, for they continued to live in essentially the same world as their parents.

In a sense, there is a symmetry in the social impact of racism in the United States. White American keeps the Negro down, and then uses the fact that the Negro is on the bottom of the pile as an argument for keeping him there, as a definition of what the Negro naturally is. On the one hand, the Negro is enough of an American to participate in the cult of success and of advancement believing that he should rise in the society like everyone else.

On the other hand, the Negro is not enough of an American (because the whites will not let him be) to participate in the fact of success and advancement in proportion to his numbers. Prejudice and hatred from the whites join with impossible ambition and disillusion from many Negroes and together they create a psychology of racism, a society of racism, even when all the statutes say very nice things.

This whole process of economic and social discrimination is a vicious circle (the concept of the vicious circle was originally put forward in this field by Gunnar Myrdal). In the last quarter of the nineteenth century, racist laws played an important part in establishing this pattern by effectively nullifying the emancipatory potential of the Civil War. Today, almost a century later, the laws are a small part of the problem, and the pattern has become institutionalized.

All of this can be expressed quite simply: that America has decreed a particular kind of poverty for its racial minorities, that it will not let them out. This impoverishment breeds an inability to take advantage of the opportunities of the society, even when they do open up. If this situation is to be changed, it will be the result of a massive shift in public policy. That is the only force strong enough to deal with this complex situation.

Once it is realized that the problem of the Negro is the problem of institutionalized poverty, then the fate of the Negro is inextricably mixed with the fate of the poor generally. If, for instance, the scandal of American housing were really challenged, that could have an enormous impact upon this whole problem. Miserable housing is probably the largest single problem of the poor generally, the force that creates and recreates poverty in generation after generation. Sharing this plight with all poor people, the Negro adds to it the indignity of the ghetto. If there was a public housing program which built the value of integration into its work, if it were decided that the ghetto was to be eradicated from the cities of America, it would mean more than decent housing for the Negro. It would mean a frontal assault on one of the prime mechanisms of racism in American Society.

On the job, the situation is perhaps even more difficult. The Negro is the most injured victim of automation: the Negro "type" of job is being destroyed at a much faster rate than those in which white workers are concentrated. To deal with the whole problem is going to require an enormous governmental effort, one which will include funds for retraining, for a different type of educational system, and for some kind of planning of industrial growth and location.

In a sense, this technological crisis offers America a unique opportunity. For if the nation were to attack the problem as a whole, if it were to deal with structural unemployment, it could at the same time change the position of the Negro within the economy. Any serious program aimed at providing displaced workers with skill and opportunity will automatically help the Negro as a Negro, if it does not contain racist features. The authority to act against discrimination in governmental and government-related employment already exists. If it is coupled with a program to deal with the consequences of automation, the social gain would be enormous.

Yet, one wonders. Housing and automation are two of the most crucial and controversial problems of American society generally. As they become more and more obvious in the late fifties, resistance to the effort required to deal with them increased. The forces of conservatism prepared for a bitter fight. Politically, the Negro is a minority and consequently incapable of putting across these programs on his own. His fate, as so often happens in this nation of profound "unofficial" racism, depends largely on what the white folks do.

If, as is quite possible, America refuses to deal with the social evils of structural unemployment and miserable housing, it will at the same time have refused to deal with the problem of race. There will be speeches on equality, there will be good Court decisions, and the United States will move toward a constitutional definition of itself as completely egalitarian. The Negro, from within his world of double poverty (almost as if there were a race class condemned to be poor) will watch all this bitterly. There will be occasional celebrations - perhaps the next one will be called in twenty years when the Negro nears seventy per cent of the white wage level. But nothing basic will have changed.

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