Articles

Race-Specific Policies and the Truly Disadvantaged

William Julius Wilson*

On the thirtieth anniversary of the 1954 Supreme Court decision against racial separation and the twentieth anniversary of the 1964 Civil Rights Act, a troubling dilemma confronts proponents of racial equality and social justice. The dilemma is that while the socioeconomic status of the most disadvantaged members of the minority population has deteriorated rapidly since 1965 and especially since 1970, that of advantaged members has steadily improved. This is perhaps most clearly seen in the changes that have occurred within the American black population in recent years.

In several areas, blacks have not only improved their social and economic positions in recent years, but have made those improvements at a faster rate than the reported progress of comparable whites. The most notable gains have occurred in professional employment, income of married couple families, higher education, and home ownership. The number of blacks in professional, technical, managerial and administrative positions increased by 57 percent (from 974,000 to 1,533,000) from 1973 to 1982, while the number of whites in such positions increased by only 36 percent.1 The median annual income for black married couple families in 1982 was $20,586, compared to $26,443 for white married couple families. The gap was even narrower in households where both husband and wife were employed; this was especially true for couples between the ages of 24 and 35 where the difference in annual income between blacks and whites was less than $3,000. And the fraction of black families earning $25,000 or more (in 1982 dollars) increased from 10.4 percent in 1960 to 24.5 percent in 1982.2 Meanwhile, the number of blacks enrolled full-time in American colleges and universities nearly

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Race-Specific Policies

doubled between 1970 and 1980, going from 522,000 to over one million. Blacks recorded a 47 percent increase in home ownership during the 1970s (from 2.57 million to 3.78 million), compared to a 30 percent increase for whites.

But for millions of other blacks, most of them concentrated in the ghettos of American cities, the past three decades have been a time of regression, not progress. These low-income families and individuals are, in several important respects, more socially and economically isolated than before the great civil rights victories, particularly in terms of high unemployment and the related problems of family instability and welfare dependency. The employment rate, for example, among the heads of black families below the poverty level decreased from almost 41 percent in 1970 to 29 percent in 1981 (see table one). By contrast, the proportion of poor white householders who were employed remained at 44 percent. The sharp rise in joblessness among poor black householders has been accompanied by a significant growth in the number of poor female-headed households. In 1970, 56 percent of all poor black householders were female. The figure grew to 74 percent in 1978, dipped to 70 percent in 1981, and rose to 71 percent by 1982. The corresponding figures for white householders were 30 percent in 1970, 39 percent in 1978 and 1981 and 35 percent in 1982. This rise in the number of poor black families headed by women is inextricably related not only to poverty, but also to increasing dependency. By 1977, more black families than non-Hispanic white families received Aid to Families with Dependent Children, despite the far greater white population.

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3. *Id.* at 75.
6. SOCIAL SECURITY ADMINISTRATION, U.S. DEP’T OF HEALTH AND HUMAN SERVICES,
This increased poverty and dependency among blacks is associated with a growing economic schism between lower-income and higher-income black families. As shown in table two, the percentage of total black family income attributable to the lowest two-fifths of black families declined from 15.8 percent in 1966 to 13.4 percent by 1981; the upper two-fifths of black families contributed 67.3 percent of the total in 1966, but 70.6 percent in 1981. The lowest two-fifths of white families, on the other hand, contributed 18.2 percent to the total white family income in 1966, and 17.1 percent in 1981; the upper two-fifths of white families contributed 64.0 percent in 1966, and 65.4 percent in 1981. The index of income concentration (a statistical measure of income ine-
Race-Specific Policies

quality ranging from 0, which indicates perfect equality, to 1, which indicates perfect inequality), indicates that income inequality is greater and has increased at a faster rate among black families than among white families from 1966 to 1981.

The fundamental question, therefore, is why the socioeconomic condition of low-income blacks was much worse in terms of several key indicators by the beginning of the 1980s than before the great civil rights victories of the 1960s.

As I have argued elsewhere, the factors associated with the growing woes of low-income blacks are exceedingly complex and go beyond the narrow issue of contemporary discrimination. Indeed, it would not be unreasonable to contend that the race-specific policies emanating from the civil rights revolution, although beneficial to the more advantaged blacks (i.e., those with higher income, greater education and training, and more prestigious occupations), do little for those who are truly disadvantaged, such as the ghetto underclass. By the ghetto underclass I mean that heterogeneous grouping of inner-city families and individuals who are outside the mainstream of the American educational system—including those who lack training and skills and either experience long-term unemployment or have dropped out of the labor force altogether, and those who are more or less permanent recipients of public assistance. The Harvard black economist Glenn Loury has argued in this connection that:

It is clear from extensive empirical research on the effect of affirmative action standards for federal contractors, that the positive impact on blacks which this program has had accrues mainly to those in the higher occupations. If one examines the figures on relative earnings of young black and white men by educational class, by far the greater progress has been made among those blacks with the most education. If one looks at relative earnings of black and white workers by occupation going back to 1950, one finds that the most dramatic earning gains for blacks have taken place in the professional, technical, and managerial occupations, while the least significant gains have come in the lowest occupations, like laborer and service worker. Thus a broad array of evidence suggests, at least to this observer, that better placed blacks have simply been able to take more advantage of the opportunities created in the last twenty years than have those mired in the underclass.

8. See Wilson, Inner City Dislocations, id., Wilson, The Black Underclass, id., for a discussion of these broader societal changes.
9. Glenn C. Loury, On the Need for Moral Leadership In the Black Community 13-14
The crucial point is not that the deteriorating plight of the ghetto underclass is associated with the greater success enjoyed by advantaged blacks as a result of race-specific programs, but rather that these programs are mistakenly presumed to be the most appropriate solution to the problems of all blacks regardless of economic class. In the following sections this argument is explored in some detail, beginning with a critical discussion of the basic assumptions associated with two liberal principles that underlie recent, but entirely different, policy approaches to problems of race—namely, equality of individual opportunity, which stresses the rights of minority individuals, and equality of group opportunity, which embodies the idea of preferential treatment for minority groups.

I. Egalitarian Principles of Race and Disadvantaged Members of Minority Groups

The goals of the civil rights movement have changed considerably over the last 15 to 20 years. This change has been reflected in the shift in emphasis from the rights of minority individuals to the preferential treatment of minority groups. The implementation of the principle of equality of group rights results in the formal recognition of racial and ethnic groups by the state, as well as economic, educational and political rewards based on distributive formulas of group membership.\(^1\) Although many of the proponents of this principle argue that preferential treatment for minority groups is only a temporary device for overcoming the effects of previous discrimination, this shift in precepts has long divided the civil rights movement, which in the early 1960s was unified behind the principle of equality of individual opportunity. However, neither programs based on equality of individual opportunity nor those organized in terms of preferential group treatment are sufficient to address the problems of truly disadvantaged minority group members.

Let us consider, first of all, the principle of equality of individual rights which dominated the early phases of the civil rights movement. At mid-twentieth century, liberal black and white leaders of the movement for racial equality agreed that the conditions of racial and ethnic minorities could best be improved by an appeal to the conscience of white Americans to uphold the American creed of egalitarianism and democracy. These leaders directed their efforts to eliminating Jim Crow

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Race-Specific Policies

segregation statutes through Supreme Court litigation, to pressing for national legislation to outlaw discrimination in employment and housing, and to breaking down the extralegal obstacles to black voting in the South.\footnote{Gordon, \textit{Toward a General Theory of Racial and Ethnic Group Relations}, in \textit{Ethnicity: Theory and Experience} 84 (N. Glazer and D. Moynihan eds. 1975).}

It was assumed that the government could best protect the rights of individual members of minority groups not by formally bestowing rewards and punishments based on racial or ethnic categories, but by using antidiscrimination legislation to enhance individual freedom of choice in education, employment, voting and public accommodations. The individual, therefore, was \textit{"the unit of attribution for equity consideration,"}\footnote{Gordon, \textit{supra} note 10.} and the ultimate goal was to reward each citizen based on his or her merits and accomplishments. In short, equality of opportunity meant equality for citizens.

Thus, from the 1950s to 1970, emphasis was on the equality of individual opportunity, or freedom of choice; the approved role of government was to ensure that people were not formally categorized on the basis of race. Antidiscrimination legislation was designed to eliminate racial bias without considering the actual percentage of minorities in certain positions. These actions upheld the underlying principle of equality of individual rights, namely that candidates for positions stratified in terms of prestige or other social criteria should be judged solely on individual merit and therefore ought not be discriminated against on the basis of race or ethnic origin.

It would be ideal if programs based on this principle were sufficient to address problems of inequality in our society because they are consistent with the prevailing ideals of democracy and freedom of choice, do not call for major sacrifices on the part of the larger population, and are not perceived as benefitting certain groups at the expense of others. The \textit{"old"} goals of the civil rights movement, in other words, were more in keeping with \textit{"traditional"} American values, and thus more politically acceptable than the \textit{"new"} goals of equal opportunity for groups through a system of collective racial and ethnic entitlements. However, programs based solely on the principle of equality of individual opportunity are inadequate to address the complex problems of group inequality in America.

More specifically, as James Fishkin appropriately points out, this principle does not address the substantive inequality that exists at the
time the bias is removed.\textsuperscript{13} In other words, centuries or even decades of racial subjugation can result in a system of racial inequality that may linger on for indefinite periods of time after racial barriers are eliminated. This is because the most disadvantaged minority members, who have been crippled or victimized by the cumulative effects of both race and class subordination (including those effects passed on from generation to generation), are disproportionately represented among that segment of the total population which lacks the resources to compete effectively in a free and open market. The black columnist William Raspberry recognized this problem when he stated:

There are some blacks for whom it is enough to remove the artificial barriers of race. After that, their entry into the American mainstream is virtually automatic. There are others for whom hardly anything would change if, by some magical stroke, racism disappeared from America. Everyone knows this of course. And yet hardly anyone is willing to say it. And because we don’t say it, we wind up confused about how to deal with the explosive problems confronting the American society, confused about what the problem really is.\textsuperscript{14}

It is important to recognize that in modern industrial society the removal of racial barriers creates the greatest opportunities for the better trained, talented, and educated segments of the minority population—those who have been crippled the least by the weight of past discrimination. This is because they possess the resources that allow them to compete freely with dominant group members for valued positions. In this connection, as Leroy D. Clark and Judy Trent Ellis have noted, there must be a recognition that civil rights legislation can only benefit those in a position to take advantage of it. To the extent that some members of minority groups have been denied education and certain work experience, they will be able to compete for only a limited number of jobs. Certain disabilities traceable in general to racism may deprive some minority members of the qualifications for particular jobs. Title VII, however, protects only against arbitrary use of race or its equivalents as barrier to work; it does not assure one of employment or promotion if legitimate qualifications are lacking.\textsuperscript{15}

In short, the competitive resources developed by the advantaged minority members—resources that are the direct result of the income, schooling, family stability, and peer groups that their parents have been able to provide—result in their benefitting disproportionately from poli-


Race-Specific Policies

cies that promote the rights of minority individuals, policies that remove artificial barriers and thereby enable individuals to compete freely and openly for the more desirable and prestigious positions in American society.

However, since 1970 government policy has tended to focus on the equitable distribution of group rights, so that people have been formally categorized or recognized on the basis of race or ethnicity. Formal programs have been designed and created not only to prevent discrimination, but also to ensure that minorities are adequately represented in certain positions. Thus emphasis has shifted from equality of opportunity, stressing individual rights, to equality of condition, emphasizing group rights. Between the mid-1950s and 1970, the elimination of existing discrimination was the sole concern of liberal policymakers; since 1970, however, serious attention has also been given to negating the effects of past discrimination. This has resulted in a move from the simple investigation and adjudication of complaints of racial discrimination by fair employment practices commissions and civil rights commissions to government-mandated affirmative action programs designed to ensure minority representation in employment, in public programs and in education.\(^{16}\)

Nonetheless, if the more advantaged minority members profit disproportionately from policies built on the principle of equality of individual opportunity, they also reap disproportionate benefits from policies of preferential treatment based solely on their group membership. I say this because minority individuals from the most advantaged families are likely to be disproportionately represented among the minority members most qualified for preferred positions—such as higher-paying jobs, college admissions, promotions and so forth. Accordingly, if policies of preferential treatment for such positions are conceived not in terms of the actual disadvantages suffered by individuals but rather in terms of race or ethnic group membership, then these policies will further enhance the opportunities of the advantaged without addressing the problems of the disadvantaged. In other words, programs such as affirmative action "can be very effective in increasing the rate of progress for minorities who are doing reasonably well."\(^{17}\) Special admission programs that enlarge the number of minorities in law schools and medical schools, and special programs that increase minority representation in high level government jobs, in the foreign service, and on university faculties not only favor minorities from advantaged backgrounds but re-

\(^{16}\) Gordon, supra note 10.

\(^{17}\) Raspberry, supra note 14.
quire a college education to begin with. To repeat: programs of preferential treatment applied merely according to racial or ethnic group membership tend to benefit the relatively advantaged segments of the designated groups. The truly deprived members may not be helped by such programs.

It has been argued, however, that group preferential treatment based on race, although more directly beneficial to advantaged minority members, will "trickle down" to the minority poor. Thus, a government policy favoring minority businesses would ultimately lead to greater employment opportunities for the black poor. Affirmative action programs designed to increase the number of blacks in medical schools would thus ultimately result in improved medical care for low-income blacks. Indeed, these programs are often justified on the ground that they would improve the black poor's chances in life. "The question should be raised though as to how the black poor are to be benefitted by the policy actions extracted from the system in their name," observes Glenn Loury.

The evidence of which I am aware suggests that, for many of the most hotly contested public policies advocated by black spokesmen, not much of the benefit 'trickles down' to the black poor. There is no study, of which I am aware, supporting the claim that set-asides for minority businesses have led to a significant increase in the level of employment among lower class blacks.¹⁸

But what about the argument, often heard during the heated debate over the *Bakke* decision, that increasing the percentage of blacks in medical schools will result in improvements in medical care for lower-income blacks? Although there is virtually no definitive research on this question, I believe that we would not improve the health of the ghetto underclass, in either the long or the short run, even if we tripled the number of black physicians in our large central cities.

This is not to say that a sharp increase in the number of black physicians would have no impact in the black community. Blacks who can afford to pay for adequate medical care would certainly have more black physicians to choose from, and poor blacks would undoubtedly witness the opening of more clinics, staffed by black physicians, in their neighborhoods. But the ultimate determinant of black access to medical care is not the supply of black physicians, even if an overwhelming majority choose to practice in the black community,¹⁹ but the availability

¹⁹. There is a question as to whether black physicians actually prefer to practice medicine within the black community, especially the poor black community. It is reasonable to assume that the typical black physician, like the typical white physician, would seek out the areas of

280
Race-Specific Policies

of programs such as Medicaid, Medicare, National Health Insurance, or other benefits designed, regardless of race, to give people who lack economic resources access to expensive medical care. There are plenty of doctors for those who can afford them.

If truly disadvantaged minority members are not significantly helped by programs of racial group preferential treatment, often gleaned from the system in their name, poor whites are altogether excluded from such programs despite the fact that they are, in objective terms, more disadvantaged than the more privileged minority members who have reaped the greatest benefits from "reverse discrimination." As some observers have argued in considering the application of affirmative action to college admission procedures, since most poor people in the United States are white, and since most members of American minority groups are not poor, we can expect programs of reverse discrimination to place relatively affluent minority members ahead of poor whites who are actually more disadvantaged in terms of competitive resources.20

However, there does exist a third liberal philosophy concerned with equality and social justice—namely the principle of equality of life chances. According to this principle, if we can predict with a high degree of accuracy where individuals will end up in the competition for preferred positions in society merely by knowing their race, ethnicity, sex, or family background, then the conditions that shaped their experiences, talents, and motivations must be exceedingly unequal. To use an example of this assumption from James Fishkin, "I should not be able to enter a hospital ward of healthy newborn babies and, on the basis of class, race, sex, or other arbitrary native characteristics, predict the eventual positions in society of those children."21 In other words, it is unfair that some individuals "are given every conceivable advantage while others never really have a chance, in the first place, to develop

practice providing the greatest financial and professional rewards. Accordingly, the more opportunities a black physician has to practice in attractive areas, the less likely that he or she will choose to serve poor blacks.

Of course, racial barriers have restricted the movements of many black physicians. It is ironic that the removal of racial barriers would result in a decrease in the percentage of the most qualified black physicians practicing medicine in the black community.


Of course, this says nothing about the stigma attached to affirmative action programs and the inevitable psychological costs that stigma entails. Indeed, some individuals automatically attribute the very presence of a minority student in a college classroom to affirmative action regardless of the student's qualifications. Moreover, many minorities experience feelings of low self-esteem on predominantly white campuses because they are associated with affirmative action programs and are therefore stigmatized—or feel that they are stigmatized—as "inferior" to those students admitted through regular admissions channels.

their talents." 22

Proponents of equality of life chances recognize that not only do those from higher social strata have greater life chances or more-than-equal opportunities, but that "they also have greater than equal influence on the political process and greater than equal consideration from the health care and legal systems." 23 The major factor that distinguishes the principle of equality of life chances from the principles of equality of individual opportunity and equality of group opportunity is the recognition that the problems of truly disadvantaged individuals—class background, low income, a broken home, inadequate housing, poor education, or cultural or linguistic differences—may not be clearly related to the issue of previous discrimination. Nevertheless, "children growing up in homes affected by these disadvantages may be deprived an equal life chance because their environments effectively inhibit the development of their talents or aspirations." 24

Accordingly, programs based on this principle would not be restrictively applied to members of certain racial or ethnic groups but would be targeted to truly disadvantaged individuals regardless of their race or ethnicity. Thus, whereas poor whites are ignored in programs of reverse discrimination based on the desire to overcome the effects of past discrimination, they would be targeted along with the truly disadvantaged minorities for preferential treatment under programs to equalize life chances by overcoming present class disadvantages.

Under the principle of equality of life chances, efforts to correct family background disadvantages through such programs as income redistribution, compensatory job training, compensatory schooling, special medical services and the like would not "require any reference to past discrimination as the basis for justification." 25 All that would be required is that the individuals targeted for preferred treatment be objectively classified as disadvantaged in terms of the competitive resources associated with their economic-class background.

Ironically, the shift from preferential treatment for those with certain racial or ethnic characteristics to those who are truly disadvantaged in terms of their life chances would not only help the white poor, but would also address more effectively the problems of the minority poor. If the life chances of the ghetto underclass are largely untouched by programs of preferential treatment based on race, the gap between the

22. Id. at 5.
23. Id. at 17.
24. Id.
25. Id.
Race-Specific Policies

“haves” and the “have nots” in the black community will widen, and the disproportionate concentration of blacks within the most impoverished segments of our population will remain. As Fishkin appropriately points out, programs based on the principle of equality of life chances would prevent the mistargeting of benefits to those who are already relatively affluent.\(^2\)

II. Targeted Programs and the Problems of Political Support

Despite the emphasis placed on helping disadvantaged members of minority groups through programs based on the principle of equality of individual opportunity and those based on the principle of equality of group opportunity (as brought out in the previous section), only programs based on the principle of equality of life chances are capable of substantially helping the truly disadvantaged. Nonetheless, even these, however comprehensive and however carefully constructed, may not represent the most efficacious or viable way to lift the truly disadvantaged from the depths of poverty today.

An important consideration in assessing public programs targeted at particular groups (whether these groups are defined in terms of race, or ethnicity, or class) is the degree of political support those programs receive, especially when the national economy is in a period of little growth, no growth, or decline. Under such economic conditions, the more that public programs are perceived by members of the wider society as benefitting only certain groups, the less support those programs receive. I would like to deal with the implications of this argument by briefly contrasting the institutionalization of the programs that emanated from the New Deal legislation of the Roosevelt Administration with the demise of the Great Society programs of the Johnson Administration—bearing in mind that Johnson’s Great Society program was the most ambitious effort in our nation’s history to implement the principle of equality of life chances.

In 1932, Franklin D. Roosevelt received a popular mandate to attack the catastrophic economic problems created by the Depression. He then launched a series of programs—such as social security and unemployment compensation—designed to protect all citizens against sudden impoverishment. One of these was Aid to Families with Dependent Children, the current symbol of income-tested public welfare programs. AFDC, however, was conceived not as a permanent alternative to working but as a temporary means of support for families that were, at the time they applied for aid, clearly unemployable. Indeed, the “safety

\(^2\) Id.
net” of Roosevelt’s New Deal emphatically included the creation of public works projects designed to forestall the formation of a permanent welfare class. It was not necessary to satisfy a means test to work in these projects; the only requirement was that the applicant be unemployed, want a job, and be able to work. Furthermore, no one was denied eligibility for these jobs as a result of being either overskilled or underskilled; the programs attempted to match jobs with individual abilities.\(^2\)

Thus, jobs for able individuals, social security, and unemployment compensation for the unemployed were to provide a modicum of security to all. Economic security was not tied to the dole. By contrast, nearly all of the Great Society’s programs were tied to the dole. Job training, legal aid, and Medicaid levied income tests. In effect, one had to be on welfare to be eligible. Unlike the New Deal programs, the Great Society programs were modeled on the English poor laws. Although these programs improved the life chances of many of their recipients—because job-training programs enabled many long-term welfare recipients to find their first jobs, Medicaid enabled many to receive decent medical care for the first time, and legal aid gave many access to capable lawyers—they were increasingly perceived in narrow terms as programs for poor blacks. In the cities, especially, the Great Society programs established what amounted to separate legal and medical systems—one public and predominantly black, the other private and predominantly white. The real problem, however, was that the taxpayers were required to pay for legal and medical services that were provided to welfare recipients but not to them—services that many taxpayers could not afford to buy for themselves. In other words, this system amounted to taxation to pay for programs that were perceived to benefit mostly minorities, programs that excluded taxpayers perceived to be mostly white.\(^2\)\(^8\) Thus, these programs were cut back or phased out during the recent periods of recession and economic stagnation because they could not sustain sufficient political support.\(^2\)\(^9\)

From the New Deal to the 1970s, the Democrats were able to combine


\(^{28}\) Id.

\(^{29}\) A number of political activists have argued against considering seriously potential political resistance on the grounds that it is better to press for the adoption of certain programs even when it is clear that they are doomed to failure than to bow to political pressures. But it is one thing to ignore political realities because certain programs are noble; it is quite another thing to channel scarce energy into programs that could have significant long-term payoffs for the truly disadvantaged. The question is not the abandonment of noble programs because of political realities, but the shaping of those programs so that they can achieve noble goals while still receiving vital political support. Cf. Gewertz, *Remedies and Resistance*, 92 *Yale L.J.* 585 (1983).
Race-Specific Policies

Keynesian economics and prosperity for the middle-class with social welfare programs and pressures for integrating the poor and minorities into the mainstream of American economic life. The MIT economist Lester Thurow reminds us that:

In periods of great economic progress when [the incomes of the middle classes] are rising rapidly, they are willing to share some of their income and jobs with those less fortunately situated than themselves, but they are not willing to reduce their real standard of living to help either minorities or the poor.\(^3\)

In the face of hard economic times, President Reagan was able to persuade the middle classes that the drop in their living standards was attributable to the poor (and, implicitly, minorities), and that he could restore those standards with sweeping tax and budget cuts. In short, the New Deal coalition collapsed when Reagan was elected. In 1980, the only groups that did not leave the Democratic party in significant numbers were blacks, Hispanics and the poor—groups that constitute only a quarter of the American population, hardly enough to win a national election\(^3\) and certainly not enough to sustain noble programs, incorrectly perceived as benefitting only the minority poor, based on the principle of equality of life chances. What is interesting, however, is that the Administration has shown far less willingness to cut significantly the much more expensive universal programs such as Social Security and Medicare, programs that are not income tested and therefore are available to people across class lines. In this connection, one of the reasons why Western European social welfare programs enjoy wide political support (especially in countries such as the Federal Republic of Germany, France, Austria, Sweden, the Netherlands, Belgium, and Norway) is that they tend to be universal—applied across class and racial/ethnic lines—and therefore are not seen as being targeted for narrow class- or racially-identifiable segments of the population.\(^3\)

I am convinced that, in the last two decades of the twentieth century, the problems of the truly disadvantaged in the United States will have to be attacked primarily through universal programs that enjoy the support and commitment of a broad constituency. Under this approach, targeted programs (whether based on the principle of equality of group opportunity or that of equality of life chances) would not necessarily be eliminated, but would rather be de-emphasized—considered only as an offshoot of and indeed secondary to the universal programs. The hidden

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31. Id.
agenda is to improve the life chances of groups such as the ghetto underclass by emphasizing programs that the more advantaged groups of all races can positively relate to.

In the final section of this paper, I would like to amplify and support this position by focusing on what I consider to be one of the most important universal programs of equality—an economic policy to address the problems of American economic organization.

III. The Case for a Universal Program

I believe that many of the problems that plague the truly disadvantaged minorities in American society can be alleviated by a program of economic reform characterized by rational government involvement in the economy.\textsuperscript{33} I have in mind a general economic policy that would involve long-term planning to promote both economic growth and sustained full employment, not only in higher income areas but in areas where the poor are concentrated as well. Such a policy would be designated to promote wage and price stability, favorable employment conditions, and the development and integration of manpower training programs with educational programs. As I see it, the questions usually ignored when \textit{ad hoc} strategies to promote employment are discussed and proposed—questions such as the relative impact of proposed strategies on labor markets in different areas of the country; the type, variety, and volume of jobs to be generated; the extent to which residents in low-income neighborhoods will have access to these jobs; the quality of these jobs in terms of stability and pay; the extent to which proposed strategies enhance the employment opportunities of both new entrants into the labor market and the currently unemployed; and whether the benefits from economic development and employment provide reasonable returns on public investment should be systematically addressed.\textsuperscript{34}

Although the basic features of such a program are designed to benefit all segments of society, I believe that the groups which have been plagued by severe problems of economic dislocation, such as the ghetto underclass, would be helped the most. I say this because the low-income

\textsuperscript{33} Many have argued for governmental involvement in economic reform without stipulating the need for "rational" intervention, i.e., systematic long-term planning. Most current planning, whether undertaken by the executive, by Congress, or by the Federal Reserve, looks no farther than the next election. The results speak for themselves.

\textsuperscript{34} My recommendation for a general economic policy was originally developed as part of a policy statement on social justice issued by black scholars and leaders (A POLICY FRAMEWORK FOR RACIAL JUSTICE (1983)), and was further elaborated in testimony that I gave on industrial policy and the concerns of minorities before the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, D.C., January 25, 1984.
minority community is disadvantaged not simply by cyclical economic stagnation but by profound structural economic changes. The widely heralded shift from goods-producing to service-producing industries is polarizing the labor market into high-wage and low-wage sectors. Technological innovations in industry are affecting the number and types of jobs available. Manufacturing industries are relocating from the central city to the suburbs, to other parts of the country, and even to foreign countries. While these changes adversely affect segments of the poor and working classes in general, they have been especially devastating for low-income blacks and other minorities because these groups are concentrated in the central areas which have been hardest hit by economic dislocation. This is seen most dramatically in the nation’s largest central cities: during the 1970s, Chicago lost more than 200,000 jobs, mostly in the manufacturing sector where many inner-city minorities have traditionally found employment. New York City lost 600,000 jobs during this period, even though the number of white-collar managerial, professional, and clerical jobs in Manhattan increased. Today, the nation’s cities are being transformed into “centers of administration, information exchange, and service provision.” As a result, finding a decent-paying job now requires more than a strong back and a willing spirit.

Accordingly, those who argue that the deteriorating economic plight of the truly disadvantaged minorities can be satisfactorily addressed simply by confronting the problems of current racial bias fail to recognize how the fate of these minorities is inextricably connected with the structure and function of the modern American economy. The net effect is the recommendation of programs that do not confront the fundamental causes of poverty, underemployment, and unemployment. In other words, policies that do not take into account the changing nature of the national economy—including its rate of growth and the nature of its variable demand for labor; the factors that affect industrial employment, such as profit rates, technology, and unionization; and patterns of institutional and individual migration that are a result of industrial transformation and shifts—will not effectively handle the economic dislocation of low-income minorities.

But it is not only disadvantaged minorities who would benefit from a program of economic reform designed to promote full employment and balanced economic growth. Even the trained, talented, and educated minorities could not really benefit from the removal of racial barriers if

the economy lacked sufficient positions to absorb either them or any new entrants into higher-paying or valued positions. In other words, deracialization, or the removal of racial barriers, has far greater meaning when positions are available or become available to enhance social mobility. Indeed, the significant movement of blacks into higher-paying manufacturing positions from 1940 to the 1960s had much more to do with fairly even and steady economic growth in the manufacturing sector than to equal employment legislation. It is noteworthy, however, that the uneven economic growth since the latter half of the 1960s resulted in a much more rapid rate of social mobility for trained and educated blacks than for the untrained and uneducated. While deindustrialization was subjecting the latter to the gradual reduction of the more desirable blue-collar positions into which workers can enter without special skills or higher education, the former, that is, trained and educated blacks, were experiencing increasing job opportunities in the expanding corporate and government sectors.36

Thus, the necessary factor for minority mobility is the availability of positions. For example, affirmative action programs have had little impact in a slack labor market, where the labor supply is greater than the labor demand. This has been the case with higher-paying blue collar positions in which employment opportunities for lesser-trained and experienced blacks remain restricted due to increases in plant closings, labor-saving technology, and the efforts of unions to protect remaining jobs. On the other hand, the impact of antibias programs to enhance minority jobs tends to be greater in a tight labor market. This argument should come as no surprise.37

In a tight labor market, job vacancies are numerous, unemployment is of short duration, and wages are higher. Moreover, the labor force becomes larger because increased job opportunities not only reduce unemployment but also draw into the labor force those workers who, in periods when the labor market is slack, respond to fading job prospects by dropping out of the labor force altogether. Thus, the status of minority workers improves in a tight labor market because unemployment is reduced and better jobs are available.

Affirmative action and other antibias programs are accordingly more successful in tight labor markets than in slack ones. Not only are there sufficient positions for many qualified workers, but also employers faced with a labor shortage are not as resistant to affirmative action. Further-

36. See W. Wilson, The Declining Significance of Race (2d ed. 1980).
37. In developing the arguments that follow, I have benefitted from Tobin, On Improving the Economic Status of the Negro, 94 Daedalus 878 (1965).
Race-Specific Policies

more, in a favorable economic climate, those who support affirmative action are encouraged to push such programs because they perceive greater chances for success. Finally, non-minority employees are less likely to oppose affirmative action when there are sufficient jobs available because they are less likely to see minorities as a threat to their own employment.

In a slack labor market, on the other hand, employers tend to be more selective in recruiting and in promoting; they can afford to demand greater experience, skill, and education than a job actually requires. They are thus more resistant to affirmative action pressures. And the longer the labor market is slack, the less pressure they receive from supporters of affirmative action who become increasingly discouraged in the face of shrinking resources. The situation is exacerbated by increased hostility to affirmative action by dominant group workers who fear the loss of their own jobs to minority competition. In short, the success of affirmative action and other antidiscrimination programs is in no small measure related to the state of the economy.

Thus, unlike programs based on equality of individual opportunity and equality of group opportunity, a universal program of economic reform would benefit both advantaged and disadvantaged minority members as well as non-minority groups, including women.

However, to embrace the idea of a universal program of reform does not mean a shift in focus away from the current suffering of racial minorities. Many of their problems, especially those of the truly disadvantaged among them, call for immediate attention and therefore cannot wait for the launching of long-term programs. Short-term programs consistent with the principle of equality of life chances (such as manpower job training and education for the disadvantaged, and public assistance) are needed now. But such programs are hardly a solution to the current woes of groups such as the ghetto underclass. Although they provide some short-term relief, these programs do not address problems of societal organization, including economic organization (e.g., plant closings and layoffs due to deindustrialization), that impact heavily on disadvantaged groups in society. Moreover, as I have tried to show in the previous section, without a tight labor market or a full employment situation the very survival of targeted programs for low-income groups is threatened. To repeat: income-tested programs are much less likely to be introduced or to receive continuing support in a stagnant economy. Although sustained full employment and balanced economic growth would ultimately render targeted programs for the able-bodied superflu-
ous, they would create the economic climate to help preserve such programs when they are needed in the short run.

Moreover, without full employment it is much more difficult to shift from income-tested and stigmatized public assistance programs to the kinds of universal programs of social welfare (for example, family allowances) found in western European democracies. Universal welfare programs, usually tied to employment and labor market policies, depend on conditions approximating full employment so that workers can combine their income from transfers with income from employment, maximize tax revenues, and thereby reduce the strain on the welfare budget inflated by the broad coverage of transfer payments.

In short, to speak of the need for long-term economic reform in the United States is not to disregard the need for short-term targeted programs for the disadvantaged. Rather, it is to recognize that the more effective the universal program of reform, the less that targeted programs are required.

In the final analysis, the question of reform is a political one. Accordingly, if the issues are couched in terms of promoting economic security for all Americans, if the essential political message underscores the need for economic and social reform that benefits all groups in society, not just poor minorities, a basis for generating a broad-based political coalition to achieve such reform would be created. Minority leaders could play an important role in this coalition once they fully recognize the need to shift or expand their definition of racial problems in America and to broaden the scope of suggested policy programs to address them. This would certainly not mean the abandonment of race-specific policies that embody either the principle of equality of individual rights or that of group rights. It would simply mean that such programs are no longer central to advancing the cause of minorities, especially the cause of the truly disadvantaged such as the ghetto under-class.