The Frank E. Seidman Distinguished Award In Political Economy

Acceptance Paper By

William Julius Wilson

The Political Economy and Urban Racial Tensions

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RHODES COLLEGE
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THE FRANK E. SEIDMAN DISTINGUISHED AWARD IN POLITICAL ECONOMY

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The Seidman Award recognizes distinguished contributions to Political Economy by economists or other political and social scientists who, by conventional and/or innovative approaches, have demonstrated their dedication to improving human conditions. The Award seeks to honor scholars who have advanced general understanding of the roles of democratic values, public institutions, government policies, private enterprises, and free markets in promoting economic well-being and social welfare.

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Each year nominations are solicited worldwide from the economics and social science professions. Following a defined process, the recipient is chosen by the Board of Trustees, acting upon recommendations of a Selection Committee composed of eminent economists appointed for limited terms. The Award is presented annually at a formal banquet hosted by the Award's Trustees and Rhodes College.

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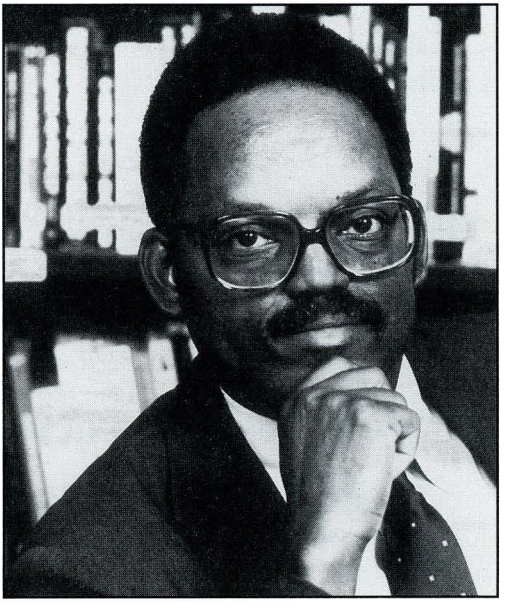

WILLIAM JULIUS WILSON

Recipient of 1994
Frank E. Seidman Distinguished Award
In Political Economy

Presentation of the Award
by Robert M. Solow
1983 Award Recipient
1987 Nobel Laureate in Economics
Institute Professor of Economics
Massachusetts Institute of Technology

The Seidman Award is reserved for "political economy." This means, in practice, that it is not intended to recognize just prowess in analytical economics. Instead it looks for great breadth of thought and for contributions to public policy and the public understanding of important social problems. Until now, however, all of the Award winners have been professional economists. Even those who may be best known for their work outside of economics, like Gunnar Myrdal, J.K. Galbraith, Kenneth Boulding and Thomas Schelling, all began as proper economists with Ph.D.s in economics and successful professional lives.

This year, for the first time, the Seidman Award in Political Economy goes to someone who is not an economist at all, but a sociologist and political scientist. He is undoubtedly the scholar who has contributed most to our understanding of the systematic pathology of impoverished inner cities. To anyone who knows the subject, it will be obvious that I have defined William Julius Wilson, who is Lucy Flower University Professor at the University of Chicago, where he has a box seat from which to observe the very thing he studies, not to mention the Bulls and the Bears (and that is not a reference to the Commodity Exchange).

Bill Wilson graduated from Wilberforce College in 1958, took a Masters degree at Bowling Green State University in 1961 and a Ph.D. from Washington State in 1966. That is not an academic silver spoon. He taught at the University of Massachusetts at Amherst from 1965 to 1971, at the University of Chicago since 1972, and has been University Professor since 1990. He was named a Prize Fellow of the MacArthur Foundation in 1987, but I do not know if that is when he took up golf. In 1991 he was Gilliland Lecturer at Rhodes College.

He is the author of *Power, Racism and Privilege*, published in 1973, of *The Declining Significance of Race: Blacks and Changing American Institutions*, published in 1978, and the very important, influential and splendid *The Truly Disadvantaged*, in 1987. He and his students are continuing to do research on the social organization of communities of color in large American cities, seeking for the sources of function and malfunction that

determine their trajectory. There seems to be no danger that he will work himself out of a job any time soon.

One of Bill Wilson's important insights is that explicable social processes have combined to weaken and damage the institutional stability of poor neighborhoods in economically declining cities. In particular the emigration of stable working-class and middle-class families leaves the poor neighborhoods without the role models, without the social networks, without the reserves of moral and economic support that they need to get through hard times with any degree of success. Without the intervention of public policy this cumulative depreciation of social capital may be irreversible (and maybe even with the intervention of public policy that threat remains). To an economist like me, it is fascinating that this process can result in continuing decay even if the narrowly economic environment fluctuates around a steady level. The inner city does not necessarily gain back on the upswings what it loses on the downswings.

The importance of socially enforced norms of acceptable behavior in making any system function is, in my opinion, a lesson that economists have yet to learn, even in their own narrow bailiwick. I doubt that even my friend Bill Wilson can muster the intellectual force to teach economists lessons that they prefer not to learn. I have more hope that he can teach this capital city and our national political leadership what they have to do to reverse the decay that wounds the people caught up in it, and frightens those who can escape it. He might as well begin by teaching you who are here this evening.

I have the honor to read this citation to Bill Wilson as the holder of the 1994 Seidman Award in Political Economy, to present him with a check for $15,000—which ought to buy a few rounds at Pebble Beach—and to invite him to address you.

CITATION

This Award is bestowed in recognition of your career as a distinguished scholar and teacher; for your deep commitment and efforts as a social scientist; for your widely heralded achievements in exploring the multiple social pathologies of our inner cities; more particlularly, for your analysis of the social dynamics of underclass neighorhoods, as demonstrated by the complexities of unemployment, illegitimacy, family disorganization, welfare dependency and serious crime; for your contributions to the interdisciplinary advancement of political economy; and, for your dedication to improving human conditions.

THE POLITICAL ECONOMY AND URBAN RACIAL TENSIONS

by William Julius Wilson

Recent books such as Andrew Hacker's *Two Nations* (1992) and Derrick Bell's *Faces at the Bottom of the Well* (1992) promote the view that racial antagonisms are so deep seated, so primordial that feelings of pessimism about whether America can overcome racist sentiments and actions are justified. The events surrounding the recent rebellion in Los Angeles, the worst race riot in the nation's history, aggravated these feelings. However, in this atmosphere of heightened racial awareness we forget or overlook the fact that racial antagonisms are products of situations—economic situations, political situations, and social situations.

To understand the manifestation of racial antagonisms during certain periods, is to comprehend, from both analytic and policy perspectives, the situations that increase and reduce them. As revealed in the title I have chosen for this paper ("The Political Economy and Urban Racial Tensions"), I shall try to demonstrate this important point by showing how the interrelations of political policies and economic and social processes directly and indirectly affect racial tensions in urban America. In the tradition of the Seidman Award, this paper integrates insights from economics and the other social sciences not only in the analysis of urban racial tensions, but in the presentation of policy options as well.

Political Policies, Economic Processes and the City-Suburban Racial Divide

Since 1960, the proportion of whites inside central cities has decreased steadily, while the proportion of minorities has increased. In 1960 the nation's population was evenly divided between cities, suburbs, and rural areas (Weir 1993). By 1990, both urban and rural populations had declined, leaving suburbs with nearly half of the nation's population. The urban population dipped to 31 percent by 1990. As cities lost population they became poorer and more minority in their racial and ethnic composition. Thus in the eyes of many in the dominant white population, the minorities symbolize the ugly urban scene left behind. Today, the divide between the suburbs and the city is, in many respects, a racial divide. For example, whereas 68 percent of all the residents in the city of Chicago were minority

in 1990—blacks (1,074,471), Hispanics (545,852), and Asian & others (152,487) and whites (1,056,048)—83 percent of all suburban residents in the Chicago metropolitan area were white. Across the nation, in 1990, whereas 74 percent of the dominant white population lived in suburban and rural areas, a majority of blacks and Latinos resided in urban areas.

These demographic changes relate to the declining influence of American cities and provided the foundation for the New Federalism, an important political development that has increased the significance of race in metropolitan areas. Beginning in 1980, the federal government drastically reduced its support for basic urban programs. The Reagan and Bush administrations sharply cut spending on direct aid to cities, including general revenue sharing, urban mass transit, public service jobs and job training, compensatory education, social service block grants, local public works, economic development assistance and urban development action grants. In 1980 the Federal contribution to city budgets was 18 percent, by 1990 it had dropped to 6.4 percent. In addition, the most recent economic recession sharply reduced urban revenues that the cities themselves generated, thereby creating budget deficits that resulted in further cutbacks in basic services and programs, and increases in local taxes (Caraley 1992).

The combination of the New Federalism, which resulted in the sharp cuts in federal aid to local and state governments, and the recession created for many cities, especially the older cities of the East and mid-West, the worst fiscal and service crisis since the Depression. Cities have become increasingly under-serviced and many have been on the brink of bankruptcy. They have therefore not been in a position to combat effectively three unhealthy social conditions that have emerged or become prominent since 1980: (1) the outbreaks of crack-cocaine addiction and the murders and other violent crimes that have accompanied them; (2) the AIDS epidemic and its escalating public health costs; and (3) the sharp rise in the homeless population not only for individuals, but for whole families as well (Caraley 1990).

Fiscally strapped cities have had to watch in helpless frustration as these problems escalated during the 1980s and made the larger city itself seem like a less attractive place in which to live. Accordingly, many urban residents with the economic means have followed the worn-out path from the central city to the suburbs and other areas, thereby shrinking the tax base and further reducing city revenue.

The growing suburbanization of the population influences the extent to

which national politicians will support increased federal aid to large cities and to the poor. Indeed, we can associate the sharp drop in federal support for basic urban programs since 1980 with the declining political influence of cities and the rising influence of electoral coalitions in the suburbs (Weir 1993). Suburbs cast 36 percent of the vote for President in 1968, 48 percent in 1988, and a majority of the vote in the 1992 election.

In each of the three presidential elections prior to the 1992 election, the Democratic presidential candidate scored huge majorities in the large cities only to lose an overwhelming majority of the states where these cities are located. This naked reality is one of the reasons why the successful Clinton Presidential campaign designed a careful strategy to capture more support from voters who do not reside in central cities.

However, although there is a clear racial divide between the central city and the suburbs, racial tensions in the metropolitan areas continue to be concentrated in the central city. They affect the relations and patterns of interaction between blacks, other minorities, and the whites who remain, especially lower income whites.

Racial Tensions in the Central City

Like inner-city minorities, lower-income whites have felt the full impact of the urban fiscal crisis in the United States. Moreover, lower-income whites are more constrained by financial exigencies to remain in the central city than their middle-class counterparts and thereby suffer the strains of crime, higher taxes, poorer services, and inferior public schools. Furthermore, unlike the more affluent whites who choose to remain in the wealthier sections of the central city, they cannot easily escape the problems of deteriorating public schools by sending their children to private schools, and this problem has grown with the sharp decline in urban parochial schools in the United States.

Many of these people originally bought relatively inexpensive homes near their industrial jobs. Because of the deconcentration of industry, the racially changing neighborhood bordering their communities, the problems of neighborhood crime, and the surplus of central-city housing created by the population shift to the suburbs, housing values in their neighborhoods have failed to keep pace with those in the suburbs. As the industries that employ them become suburbanized, a growing number of lower-income whites in our central cities find that not only are they trapped in their neighborhoods because of the high costs of suburban housing, but they

are physically removed from job opportunities as well. This situation increases the potential for racial tension as they compete with blacks and the rapidly growing Latino population for access to and control of the remaining decent schools, housing, and neighborhoods in the fiscally strained central city.

Thus the racial struggle for power and privilege in the central city is essentially a struggle between the have-nots; it is a struggle over access to and control of decent housing and decent neighborhoods, as exposed by the black-white friction over attempts to integrate the working-class ethnic neighborhoods of Marquette Park on Chicago's South side; it is a struggle over access to and control of local public schools, as most dramatically demonstrated in the racial violence that followed attempts to bus black children from the Boston ghettoes of Roxbury and Dorchester to the working-class neighborhoods of South Boston and Charlestown in the 1970s; finally, it is a struggle over political control of the central city, as exhibited in cities like Chicago, Newark, Cleveland, and New York in recent years when the race of the mayoralty candidate was the basis for racial antagonism and fear that engulfed the election campaign.

In some cases the conflicts between working-class whites and blacks are expressed in ethnic terms. Thus in a city such as Chicago white working-class ethnics are stressing that their ethnic institutions and unique ways of life are being threatened by black encroachment on their neighborhoods, the increase of black crime, and the growth of black militancy. The emphasis is simply that blacks pose a threat to whites but that they also pose a threat to, say, the Polish in Gage Park, the Irish in Brighton Park, the Italians in Cicero, or the Serbians, Rumanians, and Croatians in Hegewich. These communities are a few of the many ethnic enclaves in the Chicago area threatened by the possibilities of a black invasion, and their response has been to stress not only the interests of whites but the interests of their specific ethnic group as well. The primary issue is whether neighborhood ethnic churches and private ethnic schools can survive if whites leave their communities in great numbers and move either to other parts of the cities or to the suburbs. The threatened survival of ethnic social clubs and the possible loss of ethnic friends are also crucial issues that contribute to the anxiety in these communities.

Although the focus of much of the racial tension has been on black and white encounters, in many urban neighborhoods incidents of ethnic antagonisms involve Latinos. According to several demographic projec-

tions, the Latino population, which in 1990 had exceeded 22 million in the United States, will replace African-Americans as the nation's largest minority group between 1997 and 2005. They already outnumber African-Americans in Houston and Los Angeles and are rapidly approaching the number of blacks in Dallas and New York. In cities as different as Houston, Los Angeles, and Philadelphia "competition between blacks and Hispanic citizens over the drawing of legislative districts and the allotment of seats is intensifying" (Rohter 1993, p. 11). In areas of changing populations, Latino residents increasingly complain that black officials currently in office cannot represent their concerns and interests (Rohter 1993).

The tensions between blacks and Latinos in Miami, as one example, have emerged over competition for jobs and government contracts, the distribution of political power, and claims on public services. It would be a mistake to view the encounters between the two groups solely in racial terms, however. In Dade County there is a tendency for the black Cubans, Dominicans, Puerto Ricans, and Panamanians to define themselves by their language and culture and not by the color of their skin. Indeed, largely because of the willingness of Hispanic whites and Hispanic blacks to live together and mix with Haitians and other Caribbean blacks in neighborhoods relatively free of racial tension, Dade County is experiencing the most rapid desegregation of housing in the nation (Rohter 1993).

On the other hand, native-born, English speaking African-Americans continue to be the most segregated group in Miami. They are concentrated in neighborhoods that represent high levels of joblessness and clearly identifiable pockets of poverty in the northeast section of Dade County (Rohter 1993). Although there has been some movement of higher income groups from these neighborhoods in recent years, the poorer blacks are more likely to be trapped because of the combination of extreme economic marginality and residential segregation.

Race and the New Urban Poverty

The problems faced by blacks in poor segregated communities are even more severe in the older cities of the East and Midwest. Indeed, there is a new poverty in our nation's metropolises that has far ranging consequences for the quality of life in urban areas, including race relations. By the "new urban poverty," I mean poor segregated neighborhoods in which a substantial majority of individual adults are either unemployed or have dropped out of the labor force. For example, in 1990 only one in three adults (35%) ages

16 and over in the twelve Chicago community areas with poverty rates that exceeded 40 percent held a job.[1] Each of these community areas, located on the South and West sides of the city, is overwhelmingly black. We can add to these twelve high jobless areas three additional predominantly black community areas, with rates of poverty of 29, 30 and 36 percent respectively, where only four in ten (42%) adults worked in 1990. Thus, in these fifteen black community areas, representing a total population of 425,125, only 37 percent of all the adults were gainfully employed in 1990. By contrast, 54 percent of the adults in the seventeen other predominantly black community areas in Chicago, with a total population of 545,408, worked in 1990. This was close to the city-wide figure of 57 percent. Finally, except for one largely Asian community area with an employment rate of 46 percent, and one largely Latino community area with an employment rate of 49 percent, a majority of the adults held a job in each of the forty-five other community areas of Chicago.[2]

To repeat, the new urban poverty represents poor segregated neighborhood in which a substantial majority of the adults are not working. To illustrate the magnitude of the changes that have occurred in inner-city ghetto neighborhoods in recent years, let me take the three Chicago community areas (Douglas, Grand Boulevard and Washington Park) featured in St. Clair Drake and Horace Cayton's Classic book entitled *Black Metropolis*, published in 1945. These three community areas, located on the south side of the city of Chicago, represent the historic core of Chicago's black belt.

A majority of adults were gainfully employed in these three areas in 1950, five years after the publication of *Black Metropolis*, but by 1990 only four in ten in Douglas worked, one in three in Washington Park, and one in four in Grand Boulevard. In 1950, 69 percent of all males 14 and over worked in the Bronzeville neighborhoods of Douglas, Grand Boulevard, and Washington Park, by 1990 only 37 percent of all males 16 and over held jobs in these three neighborhoods.[3]

Upon the publication of the first edition of *Black Metropolis* in 1945, there was much greater class integration in the black community. As Drake and Cayton pointed out, Bronzeville residents had limited success in "sorting themselves out into broad community areas designated as 'lower class' and 'middle class' . . . Instead of middle class areas, Bronzeville tends to have middle-class buildings in all areas, or a few middle class blocks here and there" (pp. 658-660). Though they may have lived on different streets,

blacks of all classes in inner-city areas such as Bronzeville lived in the same community and shopped at the same stores. Their children went to the same schools and played in the same parks. Although there was some class antagonism, their neighborhoods were more stable than the inner-city neighborhoods of today; in short, they featured higher levels of social organization.

By 'social organization' I mean the extent to which the residents of a neighborhood are able to maintain effective social control and realize their common values. There are two major dimensions of neighborhood social organization: (1) the prevalence, strength, and interdependence of social networks; and (2) the extent of collective supervision that the residents direct and the personal responsibility they assume in addressing neighborhood problems (Sampson 1992).

Both formal institutions and informal networks reflect social organization. In other words, neighborhood social organization depends on the extent of local friendship ties, the degree of social cohesion, the level of resident participation in formal and informal voluntary associations, the density and stability of formal organizations, and the nature of informal social controls. Neighborhoods that integrate the adults by an extensive set of obligations, expectations, and social networks are in a better position to control and supervise the activities and behavior of children, and monitor developments—e.g., the breaking up of congregations of youth on street corners and the supervision of youth leisure time activities (Sampson 1992).

Neighborhoods plagued with high levels of joblessness are more likely to experience problems of social organization. The two go hand-in-hand. High rates of joblessness trigger other problems in the neighborhood that adversely affect social organization, ranging from crime, gang violence, and drug trafficking to family break-ups and problems in the organization of family life. Consider, for example, the problems of drug trafficking and violent crime. As many studies have revealed, the decline of legitimate employment opportunities among inner-city residents builds up incentives to sell drugs (Fagan 1993). The distribution of crack in a neighborhood attracts individuals involved in violence and other crimes. Violent persons in the crack marketplace help shape its social organization and its impact on the neighborhood. Neighborhoods plagued by high levels of joblessness, insufficient economic opportunities, and high residential mobility are unable to control the volatile drug market and the violent crimes related to

it (Fagan 1993, Sampson 1986). As informal controls weaken in such areas, the social processes that regulate behavior change (Sampson 1988).

A more direct relationship between joblessness and violent crime is revealed in recent longitudinal research by Delbert Elliott (1992) of the University of Colorado, a study based on National Youth Survey data from 1976 to 1989, covering ages 11 to 30. As Elliott (1992) points out, the transition from adolescence to adulthood usually results in a sharp drop in most crimes, including serious violent behavior, as individuals take on new adult roles and responsibilities. "Participation in serious violent offending (aggravated assault, forcible rape, and robbery) increases from ages 11 to 12 to ages 15 and 16 then declines dramatically with advancing age" (Elliott 1992, p. 14). Although black and white males reveal similar age curves, "the negative slope of the age curve for blacks after age 20 is substantially less than that of whites" (p. 15).

The black-white differential in the percentage of males involved in serious violent crime, although almost even at age 11, increases to 3:2 over the remaining years of adolescence, and reaches a differential of nearly 4:1 during the late twenties. However, when Elliott (1992) only compared employed black and white males, he found no significant differences between the two groups in rates of suspension or termination of violent behavior by age 21. Employed black males experienced a precipitous decline in serious violent behavior following their adolescent period. Accordingly, a major reason for the substantial overall racial gap in the termination of violent behavior following the adolescent period is the large proportion of jobless black males, whose serious violent behavior was more likely to extend into adulthood.[4] The new poverty neighborhoods feature a high concentration of jobless males and, as a result, experience rates of violent criminal behavior that exceed those of other urban neighborhoods.

Also, consider the important relationship between joblessness and the organization of family life. Work is not simply a way to make a living and support one's family. It also constitutes the framework for daily behavior and patterns of interaction because of the disciplines and regularities it imposes. Thus in the absence of regular employment, what is lacking is not only a place in which to work and the receipt of regular income, but also a coherent organization of the present, that is, a system of concrete expectations and goals. Regular employment provides the anchor for the temporal and spatial aspects of daily life. In the absence of regular employment, life, including family life, becomes more incoherent. Persistent unemployment

and irregular employment hinder rational planning in daily life, the necessary condition of adaptation to an industrial economy (Bourdieu 1965). This problem is most severe for a jobless family in a low employment neighborhood. The family's lack of rational planning is more likely to be shared and therefore reinforced by other families in the neighborhood. The problems of family organization and neighborhood social organization are mutually reinforcing.

Factors Associated with the Increase in Neighborhood Joblessness and Decline of Social Organization

Although high jobless neighborhoods also feature concentrated poverty, high rates of neighborhood poverty are less likely to trigger problems of social organization if the residents are working. To repeat, in previous years the working poor stood out in neighborhoods like Bronzeville. Today the non-working poor predominate in such neighborhoods. What accounts for the rise in the proportion of jobless adults in inner-city communities such as Bronzeville?

An easy explanation is racial segregation. However, as we shall soon see, a race-specific argument is not sufficient to explain recent changes in neighborhoods like Bronzeville. After all, Bronzeville was just as segregated in 1950 as it is today, yet the level of employment was much higher back then.

Nonetheless, racial segregation does matter. If large segments of the African-American population had not been historically segregated in inner-city ghettos we would not be talking about the new urban poverty. The segregated ghetto is not the result of voluntary or positive decisions of the residents to live there. As Douglas Massey and Nancy Denton (1993) have carefully documented, the segregated ghetto is the product of systematic racial practices such as restrictive convenants, redlining by banks and insurance companies, zoning, panic peddling by real estate agents, and the creation of massive public housing projects in low-income areas. Moreover, urban renewal and forced migration uprooted many urban black communities. Freeway networks built through the hearts of many cities in the 1950s produced the most dramatic changes. Many viable low income communities were destroyed. Furthermore, discrimination in employment and inferior educational opportunities further restricted black residential mobility.

Segregated ghettos are less conducive to employment and employment preparation than other areas of the city. Segregation in ghettos exacerbates

employment problems because it embraces weak informal employment networks, contributes to the social isolation of individuals and families and therefore reduces their chances of acquiring the human capital skills that facilitate mobility in a society. Since no other group in society experiences the degree of segregation, isolation, and poverty concentration as African-Americans, they are far more likely to be at a disadvantage when they have to compete with other groups in society, including other "discriminated against" groups, for resources and privileges.

But, to repeat, neighborhoods like Bronzeville were highly segregated decades ago when employment rates were much higher. Given the existence of segregation, one then has to account for the ways in which other changes in society interact with segregation to produce the recent escalating rates of joblessness and problems of social organization. Several factors stand out.

Prominent among these is the impact of changes in the economy, changes that have had an adverse effect on poor urban blacks, especially black males. In 1950, 69 percent of all males 14 and over worked in the Bronzeville neighborhoods of Douglas, Grand Boulevard, and Washington Park, and in 1960, 64 percent of this group were employed. However, by 1990 only 37 percent of all males 16 and over held jobs in these three neighborhoods.[5]

Thirty and forty years ago, the overwhelming majority of black males were working. Many of them were poor, but they held regular jobs around which their daily family life was organized. When black males looked for work, employers considered whether they had strong backs because they would be working in a factory or in the back room of a shop doing heavy lifting and labor. They faced discrimination and a job ceiling, but they were working. The work was hard and they were hired. Now, economic restructuring has broken the figurative back of the black working population.

Data from our Urban Poverty and Family Life Study show that 57 percent of Chicago's employed inner-city black fathers (aged 15 and over and without bachelor degrees) who were born between 1950 and 1955 worked in manufacturing industries in 1974. By 1987 that figure fell to 27 percent. Of those born between 1956 and 1960, 52 percent worked in manufacturing industries as late as 1978. By 1987 that figure had declined to 28 percent.[6]

The loss of traditional manufacturing and other blue-collar jobs in Chicago have resulted in increased joblessness among inner-city black males and a concentration in low wage, high-turnover laborer and service-sector jobs. Embedded in segregated ghetto neighborhoods that are not

conducive to employment, inner-city black males fall further behind their white and their Hispanic male counterparts, especially when the labor market is slack. Hispanics "continue to funnel into manufacturing because employers prefer" them "over blacks, and they like to hire by referrals from current employees, which Hispanics can readily furnish, being already embedded in migration networks" (Krogh, p. 12). Inner-city black men grow bitter about and resent their employment prospects and often manifest or express these feelings in their harsh, often dehumanizing, low wage work settings.

Their attitudes and actions create the widely shared perception that they are undesirable workers. The perception then becomes the basis for employer decisions to deny them employment, especially when the economy is weak and many workers are seeking jobs. The employment woes of inner-city black males gradually grows over the long term not only because employers are turning more to the expanding immigrant and female labor force, but also because the number of jobs that require contact with the public continues to climb. Because of the increasing shift to service industries, employers have a greater need for workers who can effectively serve and relate to the consumer. Our research reveals that they believe that such qualities are lacking among black males from segregated inner-city neighborhoods.

The position of inner-city black women in the labor market is also problematic. Their high degree of social isolation in poor segregated neighborhoods, as reflected in social networks, reduces their employment prospects. Although our research indicates that employers consider them more desirable as workers than the inner-city black men, their social isolation decreases their ability to develop language and other job related skills necessary in an economy that rewards employees who can work and communicate effectively with the public.

The increase in the proportion of jobless adults in the inner city is also related to the outmigration of large numbers of employed adults from working and middle-class families. The declining proportion of nonpoor families and increasing and prolonged joblessness in the new poverty neighborhoods make it considerably more difficult to sustain basic neighborhood institutions. In the face of increasing joblessness, stores, banks, credit institutions, restaurants, and professional services lose regular and potential patrons. Churches experience dwindling numbers of parishioners and shrinking resources; recreational facilities, block clubs, community

groups, and other informal organizations also suffer. As these organizations decline, the means of formal and informal social control in the neighborhood become weaker. Levels of crime and street violence increase as a result, leading to further deterioration of the neighborhood.

As the neighborhood disintegrates, those who are able to leave do so, including many working and middle-class families. The lower population density created by the outmigration exacerbates the problem. Abandoned buildings increase and provide a haven for crack dens and criminal enterprises that establish footholds in the community. Precipitous declines in density also make it more difficult to sustain or develop a sense of community or for people to experience a feeling of safety in numbers. (Jargowsky 1994: 18)

The neighborhoods with many black working families stand in sharp contrast to the new poverty areas. Research that we have conducted on the social organization of Chicago neighborhoods reveals that in addition to much lower levels of perceived unemployment than in the poor neighborhoods, black working and middle class neighborhoods also have much higher levels of perceived social control and cohesion, organizational services and social support.

The rise of new poverty neighborhoods represents a movement from, what the historian Allan Spear (1967) has called an institutional ghetto—which duplicates the structure and activities of the larger society, as portrayed in Drake and Cayton's description of Bronzeville—to an unstable ghetto, which lacks the capability to provide basic opportunities, resources, and adequate social controls.

New Poverty Neighborhoods and Urban Racial Tensions

The problems associated with the high joblessness and declining social organization (e.g., individual crime, hustling activities, gang violence) in inner-city ghetto neighborhoods often spill over into other parts of the city, including the ethnic enclaves. The result is not only hostile class antagonisms in the higher income black neighborhoods near these communities, but heightened levels of racial animosity, especially among lower income white ethnic and Latino groups whose communities border or are in proximity to the high jobless neighborhoods.

The problems in the new poverty neighborhoods have also created racial antagonisms among some of the higher income groups in the city. The new poverty in ghetto neighborhoods has sapped the vitality of local businesses

and other institutions, and it has led to fewer and shabbier movie theaters, bowling alleys, restaurants, public parks and playgrounds, and other recreational facilities. Therefore residents of inner-city neighborhoods more often seek leisure activity in other areas of the city, where they come into brief contact with citizens of different racial, ethnic, or class backgrounds. Sharp differences in cultural style and patterns of interaction that reflect the social isolation of neighborhood networks often lead to clashes.

Some behavior of residents in socially isolated inner-city ghetto neighborhoods—e.g., the tendency to enjoy a movie in a communal spirit by carrying on a running conversation with friends and relatives during the movie or reacting in an unrestrained manner to what they see on the screen—offends the sensibilities of or is considered inappropriate by other groups, particularly the black and white middle classes. Their expression of disapproval, either overtly or with subtle hostile glances, tends to trigger belligerent responses from the inner-city ghetto residents who then purposefully intensify the behavior that is the source of middle-class concerns. The white, and even the black middle class, then exercise their option and exit, to use Albert Hirschman's (1970) term, by taking their patronage elsewhere, expressing resentment and experiencing intensified feelings of racial or class antagonisms as they depart.

The areas left behind then become the domain of the inner-city ghetto residents. The more expensive restaurants and other establishments that serve the higher income groups in these areas, having lost their regular patrons, soon close down and replaced by fast-food chains and other local businesses that cater to the needs or reflect the economic and cultural resources of the new clientele. White and black middle-class citizens, in particular, complain bitterly about how certain conveniently located areas of the central city have changed following the influx of ghetto residents.

Demagogic Messages

I want to make a final point about economic, political and social situations that have contributed to the rise of racial antagonisms in urban areas. During periods of hard economic times, it is important that political leaders channel the frustrations of citizens in positive or constructive directions. However, for the last few years just the opposite frequently occurred. In a time of heightened economic insecurities, the negative racial rhetoric of some highly visible white and black spokespersons increased racial tensions and channeled frustrations in ways that severely divide the

racial groups. During hard economic times people become more receptive to demagogic messages that deflect attention from the real source of their problems. Instead of associating their declining real incomes, increasing job insecurity, growing pessimism about the future with failed economic and political policies, these messages force them to turn on each other—race against race.

As the new urban poverty has sapped the vitality of many inner-city communities, many of these messages associate inner-city crime, family breakdown and welfare receipt with individual shortcomings. Blame the victim arguments resonate with many urban Americans because of their very simplicity. They not only reinforce the salient belief that joblessness and poverty reflect individual inadequacies, but discourage support for new and stronger programs to combat inner-city social dislocations as well.

What Must Be Done?

I have outlined some of the situations that inflate racial antagonisms in cities like Chicago—namely those that involve the interrelation of recent political policies and economic and social processes (including the emergence of the new urban poverty). Let me conclude this paper with some thoughts on social policy that build on this situational perspective.

I believe that it will be difficult to address racial tensions in our cities unless we tackle the problems of shrinking revenue and inadequate social services, and the gradual disappearance of work in certain neighborhoods. The city has become a less desirable place in which to live, and the economic and social gap between the cities and suburbs is growing. The groups left behind compete, often along racial lines, for the declining resources, including the remaining decent schools, housing, and neighborhoods. The rise of the new urban poverty neighborhoods exacerbate the problems. Their high rates of joblessness and social disorganization create problems that not only affect the residents in these neighborhoods but that spill over into others parts of the larger city as well. All of these factors aggravate race relations and elevate racial tensions.

Ideally it would be great if we could restore the federal contribution to the city budget that existed in 1980, and sharply increase the employment base. However, regardless of changes in federal urban policy, the fiscal crisis in the cities would be significantly eased if the employment base could be substantially increased. Indeed, the social dislocations cause by the steady disappearance of work have led to a wide range of urban social problems,

including racial tensions. Increased employment would help stabilize the new poverty neighborhood, halt the precipitous decline in density, and ultimately enhance the quality of race relations in urban areas. The employment situation in inner-city ghetto neighborhoods would improve if the United States' economy, which is now experiencing an upturn, could produce low levels of unemployment over a long period of time.

I say this because in slack labor markets employers are—and indeed, can afford to be—more selective in recruiting and in granting promotions. They overemphasize job prerequisites and exaggerate experience. In such an economic climate, disadvantaged minorities suffer disproportionately and the level of employer discrimination rises. In contrast, in a tight labor market, job vacancies are numerous, unemployment is of short duration, and wages are higher. Moreover, in a tight labor market the labor force expands 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. Accordingly, in a tight labor market the status of disadvantaged minorities improves because of lower unemployment, higher wages, and better jobs (Tobin 1965).

Moreover, affirmative action and other anti-bias programs are more successful in tight labor markets than in slack ones. Not only are sufficient positions available for many qualified workers, but also employers, facing a labor shortage, are not as resistant to affirmative action. Furthermore, a favorable economic climate encourages supporters of affirmative action to push such programs because they perceive greater chances for success. Finally, non minority workers are less resistant to affirmative action when there are sufficient jobs available because they are less likely see minorities as a threat to their own employment.

However, a rising tide does not necessarily lift all boats. Special additional steps to rescue many inner-city residents from the throes of joblessness should be considered, even if the economy remains healthy. Such steps might include the creation of job information data banks in the new poverty neighborhoods and subsidized car pools to increase access to suburban jobs. Training or apprenticeship programs that lead to stable employment should also be considered.

Nonetheless, because of their level of training and education, many of the jobs to which the inner-city poor have access are at or below the minimum wage and are not covered by health insurance. However, recent policies

created and proposed by the Clinton Administration could make such jobs more attractive. By 1996, the expanded Earned Income Tax Credit will increase the earnings from a minimum-wage job to $7-an-hour. If this benefit is paid on a monthly basis and is combined with health care, the condition of workers in the low wage sector would improve significantly, and the rate of employment would rise.

Finally, given the situational basis of much of today's racial tensions, I think that there are some immediate and practical steps that the President of the United States can take to help create the atmosphere for serious efforts and programs to improve racial relations. I am referring to the need for strong political and moral leadership to help combat racial antagonisms. In particular, the need to create and strongly emphasize a message that unites, not divides racial groups.

It is important to appreciate that the poor and the working classes of all racial groups struggle to make ends meet, and even the middle class has experienced a decline in its living standard. Indeed, Americans across racial and class boundaries worry about unemployment and job security, declining real wages, escalating medical and housing costs, child care programs, the sharp decline in the quality of public education, and crime and drug trafficking in their neighborhoods. Given these concerns, perhaps the President ought to advance a new public rhetoric that does two things: focuses on problems that afflict not only the poor, but the working and middle classes as well; and emphasizes integrative programs that contribute to the social and economic improvement of all groups in society, not just the truly disadvantaged segments of the population. In short a public rhetoric that reflects a vision of racial unity.

The President of the United States has the unique capacity to command nationwide attention from the media and the general public, the capacity to get them to consider seriously a vision of racial unity and of where we are and where we should go.

I am talking about a vision that promotes values of racial and inter-group harmony and unity; rejects the commonly held view that race is so divisive in this country that whites, blacks, Latinos, and other ethnic groups cannot work together in a common cause; recognizes that if a message from a political leader is tailored to a white audience, racial minorities draw back, just as whites draw back when a message is tailored to racial minority audiences; realizes that if the message emphasizes issues and programs that concern the families of all racial and ethnic groups, individuals of these

various groups will see their mutual interests and join in a multi-racial coalition to move America forward; promotes the idea that Americans across racial and class boundaries have common interests and concerns including concerns about unemployment and job security, declining real wages, escalating medical and housing costs, child care programs, the sharp decline in the quality of public education, and crime and drug trafficking in neighborhoods; sees the application of programs to combat these problems as beneficial to all Americans not just the truly disadvantaged among us; recognizes that since demographic shifts have decreased the urban white population and sharply increased the proportion of minorities in the cities, the divide between the suburbs and the central city is, in many respects, a racial divide and that it is vitally important, therefore to emphasize city-suburban cooperation not separation; and, finally, pushes the idea that all groups, including those in the throes of the new urban poverty, should be able to achieve full membership in society because the problems of economic and social marginality are associated with inequities in the larger society not with group deficiencies.

If the President were to promote vigorously this vision, efforts designed to address both the causes and symptoms of racial tensions in cities like New York, Chicago, Philadelphia, Miami, and Los Angeles would have a greater chance for success.

ENDNOTES

Parts of this paper are based on a larger study, *Race and the New Urban Poverty*, to be published by Knopf in 1995.

[1]The figures on adult employment presented in this paragraph are based on calculations from data provided by the 1990 U.S. Bureau of the Census and the *Local Community Fact Book for Chicago*, 1950. The adult employment rates represent the number of employed individuals (14 and over in 1950 and 16 and over in 1990) among the total number of adults in a given area. Those who are not employed include both the individuals who are members of the labor force but are not working and those who have dropped out or are not part of the labor force. Those who are not in the labor force "consists mainly of students, housewives, retired workers, seasonal workers enumerated in an 'off' season who were not looking for work, inmates of institutions, disabled persons, and persons doing only incidental unpaid family work" (*The Chicago Fact Book Consortium*, 1984, p.xxv).

[2]A community area is a statistical unit derived by urban sociologist at the University of Chicago for the 1930 census in order to analyze varying conditions within the city of Chicago. These delineations were originally drawn up on the basis of settlement and history of the area, local identification and trade patterns, local institutions, and natural and artificial barriers. Needless to say, there have been major shifts in population and land use since then. But these units remain useful to trace changes over time, and they continue to capture much of the contemporary reality of Chicago neighborhoods.

[3]The figures on male employment are based on calculations from data provided by the 1990 U.S. Bureau of the Census and the *Local Community Fact Book for Chicago*, 1950.

[4]In Elliott's study 75 percent of the black males who were employed between the ages of 18-20 had terminated their involvement in violent behavior by age 21, compared to only 52 percent of those who were unemployed between the ages of 18-20. Racial differences remained for persons who were not in a marriage/partner relationship or who were unemployed.

[5]The figures on male employment are based on calculations from data provided by the 1990 U.S. Bureau of the Census and the *Local Community Fact Book for Chicago*, 1950.

[6]For a discussion of these findings, see Maryilyn Krogh, "*A Description of the Work Histories of Fathers Living in the Inner-City of Chicago*." Working paper, Center for the Study of Urban Inequality, University of Chicago, 1993. *The Urban Poverty and Family Life Study* (UPFLS) includes a survey of 2,495 households in Chicago's inner-city neighborhoods conducted in 1987 and 1988; a second survey of a subsample of 175 respondents from the larger survey who were reinterviewed solely with open-ended questions on their perceptions of the opportunity structure and life chances; a survey of a stratified random sample of 185 employers, designed to reflect the distribution of employment across industry and firm size in the Chicago metropolitan area, conducted in 1988; and comprehensive ethnographic research, including participant observation research and life-history interviews conducted in 1987 and 1988 by ten research assistants in a representative sample of black, Hispanic and white inner-city neighborhoods.

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