

THE ECONOMICS OF CIVIL RIGHTS

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Economics and economic history are usually the neglected step-children at sessions on Civil Rights history. This neglect is unfortunate, because expanding economic opportunity was an important motivation for the Civil Rights movement from its earliest days. And the perception of failure on the economic front is generally the main reason for pessimistic assessments of the movement's overall success. Glenn Eskew concludes his recent book on Birmingham: "Clearly the civil rights movement failed to solve the problems experienced by many black people. The movement...gained access for a few while never challenging the structure of the system."¹ Indeed one often hears that integration inflicted heavy losses on black business and black communities, leaving the overall balance unclear. Peter Applebombe for example writes that the Civil Rights revolution was "a mixed blessing for southern blacks, who won a measure of integration into a white world at the expense of some of the enduring and nurturing institutions of the old black one." Applebombe reports that black nostalgia for the era of segregation has become "a common theme throughout the South."²

Are these appraisals accurate? We will not know until the full economic history of the Civil Rights revolution has been written, and this project has barely begun. As one economic historian said when asked about the impact of the French Revolution on world economic growth: "It's too early to say." This presentation attempts a modest beginning by surveying the record of the movement from an economic perspective.

One confession is in order at the outset. I have not made a specialized study of South Carolina, and for this reason my discussion will be somewhat more general than is the objective for this conference. But perhaps there will be some offset for this shortcoming in the regionally-specific propositions that I will put forward. I will argue first, that the Civil Rights revolution was an economic as well as a political and social revolution, and that its effects included economic gains for blacks in the South that were tangible and enduring; second, that the Civil Rights revolution was a liberating economic breakthrough for the Southern regional economy as well as for its black population; and third, that the black presence in economic as well as political life continues to be a distinguishing feature of the South, a development that I see as a consequence of the Civil Rights revolution of the 1960s.

Economic Goals of the Civil Rights Movement

Although one may read many historical accounts without realizing it, demands for economic justice were an important feature of the grass-roots mobilizations that we now know as the Civil Rights movement. Of course there was an economic dimension to the campaigns for equal treatment of blacks as consumers – at lunch counters, movie theaters, hotels, amusement parks – which were the immediate objects of pressure in boycotts of downtown business districts. But just as prominent were the demands for “responsible jobs” that had long been denied to blacks, no matter how large the black share in the local population or consumer base. As documentary support for this assertion, let me introduce into evidence this flyer from Warrenton, North Carolina, summer of 1963. Note the use of traditional American political rhetoric (“Citizens Who Truly Believe in Real Democracy”) in support of both consumer rights and employment rights: “Why Spend Your Dollars In Any Store Where They Do Not Hire Any Negroes In Responsible Jobs?” Similar examples can be found throughout the South. In Birmingham, pickets wore sandwich boards that read: “Don’t buy where you cannot be a salesman,” and continued their pressure until each of the five downtown department stores had hired at least one black clerk.³ Calls for equity in municipal hiring were also prominent.

In industrial settings, black workers had long struggled against segregated promotion lines that denied them access to higher-paying skilled and supervisory positions – if indeed they were not excluded entirely from the industry, as was virtually true in the case of textiles. For those of us inclined to believe in the power of economic incentives, it is chilling to acknowledge how readily southern employers acquiesced in these discriminatory policies, including northern firms with southern plants such as the Scott Paper Company.⁴ In Alabama, with one of the longest industrial histories in the South, a survey of firms in all major branches of the economy found not a single case before the 1960s where management:

drawing on cost calculations, business norms, or some abstract concept of justice, chose to desegregate the work place or break down job discrimination...Even in retrospect, off the record, within the confines of their own offices, businessmen did not recall that the racial order created any “impediments” or “difficulties” for their enterprises.⁵

African-American workers struggled against these barriers for years with little success. But they were keenly aware of the relevance of the Civil Rights movement for their objectives.

The Civil Rights Revolution and the Labor Market

The federal legislative breakthroughs of 1964 and 1965 had a dramatic effect on this situation. Let me concentrate here on the textiles industry, the most extreme example of segregation and the most discontinuous break with historical practice. Southern textiles had been virtually all-white for one hundred years until the 1960s. But the share of black employees jumped to 15 percent between 1960 and 1970, and continued to grow thereafter (Figure 1). According to a detailed study of South Carolina by James Heckman and Bruce Payner, the timing may be narrowed even more precisely to the mid-1960s, and was associated both with the passage of the Civil Rights Act of 1964 and with exertion of federal pressure through government contracts.⁶ The integration of the textiles industry was thus an authentic part of the Civil Rights movement, not just through “top-down” channels from Washington, but in the minds of the participants. Floyd Harris, one of the first black textile workers in West Point, Georgia, recalled:

I was active in the social revolution that went on from the fifties, through the sixties and early seventies, so I was aware of what the black leaders were talking about. We wrote the laws and they passed the Civil Rights bill, and I knew that if the federal government made it a law it'd have to be followed. Our management here is smart, and they knew it too. Besides, that was the only way they could survive.⁷

According to oral histories, blacks in textile areas referred to integration as “The Change,” and believed that the opening of these job opportunities accounts for the reversal of black migration flows between the 1960s and the 1970s.

Several aspects of the textiles story deserve closer scrutiny. One is the allegation one sometimes hears that employment of blacks did not represent a “change of heart” on the part of the companies, but was merely a life-saving response to tight labor-market conditions during the boom years of the 1960s. Is this what Floyd Harris meant in saying “that was the only way they could survive?” Indeed there is something in this. Textile firms did have a self-interest in employing black workers, a consideration that may help to explain the puzzle of how a small, underfunded agency such as the Equal Employment Opportunity Commission could have such a powerful impact with such limited resources devoted to overt enforcement. One mill executive wrote in 1968 that the Civil Rights bill was “a blessing in disguise for us,” because it allowed

them to blame the federal government in justifying integration to resistant white workers.

Timothy Minchin quotes the personnel manager of another firm: “The government gave us a nice way to facilitate it and if anybody wanted to complain about it, white people who would say ‘hey why are you hiring all of these black people,’ you’d say ‘because the government forces us to do this,’ you could place the blame on the government.”⁸

But the element of employer self-interest does not diminish the central role of the Civil Rights movement -- both the legislation and the broader change in atmosphere -- in promoting “The Change.” Sixty and seventy years before, textile firms faced similar labor market incentives to hire black workers, and numerous “experiments” were conducted in Georgia and North and South Carolina. In that early case of “market-driven integration,” all of the experiments failed. When blacks were introduced into existing plants, white workers rebelled. All-black mills failed because of a lack of skills and capital – which is to say, because of a lack of patience – perversely confirming the prevailing prejudice that blacks could not handle factory work. Evidently, employer self-interest and tight labor markets in themselves were not enough.

Another feature of textiles integration brought out by Minchin is that it would be quite mistaken to say that there was just one breakthrough historical moment in 1964-65, after which integration was all downhill, propelled by market forces. Although some firms were ready to jump at the first legal excuse, many others made their move only after the filing of EEOC charges or under the threat of litigation. The J.P. Stevens plant in Abbeville, South Carolina, for example, rapidly increased its hiring of African Americans after the filing of a case in 1972. Between 1971 and 1972, the share of female hires who were black tripled, from 10 to 30 percent. The proportion of blacks doffers jumped from 3.8 to 28.6, spinners from 9.6 to 24.5, and warper and creel tenders from zero to 16.7 percent.⁹

Even with the backing of the federal government and the laws and supply and demand, the first pioneer black textile workers often had to cope with hostile reactions from white workers, and doubts about their competence on the part of supervisors. Minchin tells the story of a personnel manager at Dan River Mills, who in 1969 was genuinely astonished to read a newspaper article in which a textile executive claimed that blacks had proven to be good textile workers. The manager wrote to a colleague: “When I read [this] comment..., I was curious

because, from all I have heard, the Negroes we are employing are shiftless, lazy, don't want to work and leave as soon as they are hired." So, a Dan River team undertook a systematic study of comparative worker performance in their own company, the results of which showed conclusively that blacks had lower turnover rates and absenteeism than whites, and "no discernible difference in productivity," except that black workers scored marginally higher than whites in certain job classifications.¹⁰

Exactly as an economist would predict in a situation where an entire race had long been excluded, the first cohorts of black textile workers were better qualified and performed better on the job than the average for whites; and because they had fewer outside employment opportunities, they displayed greater attachment to their textile jobs. In at least some cases, relations between the races on the shop floor were reported to have improved over time, as stereotypes on both sides were undermined by experience.¹¹

Textiles was the largest southern industry, but not the only one to be integrated as the result of Civil Rights legislation and litigation. For South Carolina, we actually have rather good data on the racial composition of employment, because of annual state labor reports established in the 1930s to enforce the segregation laws. Figure 2 displays the remarkable fact that between 1940 and 1964, 90 percent of new manufacturing jobs in South Carolina went to whites. Within fifteen years of the Civil Rights Act, more than one-third of these jobs were held by blacks, a share nearly equal to their representation in the state population.

Figure 2 actually understates the significance of integration for black job opportunities, because in contrast to textiles, other southern industries employed blacks but restricted their potential for advancement by means of segregated progression lines or seniority ladders. In the paper industry, a prime growth sector in the 20th century "second wave" of southern industrialization, blacks were consigned from the beginning to heavy, low-paying, laboring jobs. Skilled positions were controlled by segregated (all-white) unions, which the companies preferred not to challenge. This racial structure showed no signs of moderating over time, but was if anything more entrenched during the 1950s than before World War II.¹² In oral history recollections, both black and white workers agreed segregation would have persisted indefinitely if it had not been for the Civil Rights Act of 1964.¹³

As with textiles, the Act itself was only the beginning, a landmark that gave black workers the confidence to launch a series of lawsuits against companies and unions. The breakthrough in this case was the 1968 decision against the Crown-Zellerbach company of Bogalusa, Louisiana, which determined that a superficially neutral seniority system could be illegal if it impeded rectification of historical restrictions on black workers to less desirable jobs. The decision led in turn to the Jackson Memorandum of 1968, in which International Paper and its southern unions accepted the principle that blacks advance to their “rightful place” on the company-wide seniority ladder. Under this system, black representation in industry blue collar jobs increased from 15 to nearly 30 percent by the 1990s, including many of the higher-paying, machine-tending jobs they had previously been denied.¹⁴ In the Alabama pulp and paper industry, minority representation in clerical and sales jobs increased from less than one percent in 1966 to 15 percent by 1981.¹⁵

Overall, national figures show a sharp upward shift in relative black incomes between 1965 and 1975. And on closer examination, these gains are almost entirely attributable to black workers in the South.¹⁶ To these “Title VII” effects we can add the effects of court decisions and “Title VI” of the 1964 Civil Rights Act, which invalidated exclusion of blacks from white-only hospital facilities in the South. In Mississippi, the black infant mortality rate was cut nearly in half between 1965 and 1971, a reduction primarily driven by a fall in post-neonatal deaths due to diarrhea and pneumonia.¹⁷ (See Figure 3.) Although infant mortality rates fell in all parts of the country during this period, the reduction for southern blacks was by far the largest.

Pulling the broader picture together, I am not ready to accept the conclusion that the Civil Rights revolution had little impact on the lives of ordinary people.

Economic Liberation for the Whole South?

If southern business interests stood to gain from integration, can we say that acquiescence was essentially an expression of *regional* economic interests? Was the Civil Rights revolution an economic revolution for the South as a whole, not just for its black population? I believe the answer is yes. Unfortunately for historical methodology, we cannot confirm this proposition with a simple before-and-after test. Figure 4 shows that the South began its convergence on national per capita income levels around the time of World War II, a full generation prior to its emancipation in the 1960s. What we have to argue, therefore, is that the South's forward economic progress would not have continued at its 25-year pace, if it had not been for Civil Rights. But this case can be made.

On one level, postwar regional economic convergence had a basis in long-term trends in the scientific roots of technology, including the falling cost of distance effected by new modes of transportation and communication. Science-based technologies have relaxed many of the constraints that implicitly limited the geographic spread of modern practices to the temperate zone – air conditioning being only the most popularly cited example, by no means the only one. The result has been a steady trend towards geographic dispersion in economic activity since World War II, to the western and southwestern parts of the country as well as to the southeast.¹⁸

As it happened, however, the proximate causes of the Southern economic “takeoff” took the form of a series of discrete historical events, beginning with national policy shifts in the 1930s and culminating with the diffusion of mechanical cotton harvesting in the late 1950s. Together, these developments tipped the political balance in southern states towards vigorous efforts to attract business through tax breaks, municipal bonds for plant construction, industrial development corporations, research parks, and expenditures on publicity far beyond those of other regions. James C. Cobb calls the phenomenon itself the “selling of the South.”¹⁹ It was reflected not just in business recruitment but in aggressive competition for defense spending and federal transportation funding.²⁰ One still hears it said that the South has not changed all that much, deep down. But on the economic policy front, the transformation was nearly total. Numan Bartley writes: “In 1940 the *raison d’être* of Southern state governments was the protection of white supremacy and social stability; thirty years later their central purpose was the

promotion of business and industrial development.”²¹

In this first phase of the economic revolution, the South was trying to modernize economically while retaining “white supremacy and social stability.” Few of the region’s political and economic leaders questioned the viability of this strategy at the time. But their new central purpose had unintended consequences for the race issue, when the forces of boosterism collided with the emerging Civil Rights movement in the 1950s and 1960s. The leverage of the movement derived from the fact that competition for outside capital required southern leaders to present their towns and cities as safe, civilized communities, with a labor force that was well behaved and eager for work. The most famous case in point was Little Rock, Arkansas, where a promising postwar development program came to a standstill when Orval Faubus called out the National Guard to block court-ordered school integration in 1957. Though the city had attracted eight new plants in 1957, not a single new plant came to Little Rock during the next four years. A widely discussed *Wall Street Journal* headline for May 26, 1961, read: “Business in Dixie: Many Southerners Say Racial Tension Slows Area’s Economic Gains.”

In her systematic review of the role of southern businessmen in the desegregation crisis, Elizabeth Jacoway writes:²²

In the 1950s and 1960s, white businessmen across the South found themselves pushed – by the federal government and civil rights forces as well as by their own economic interests – and values – into becoming reluctant advocates of a new departure in southern race relations.

To be sure, more often than not these businessmen favored only the minimum accommodation necessary for an “absence of turmoil,” “community stability,” “racial harmony.” Surveys conducted in the late 1950s showed that community leaders expressed almost unanimous preference for preserving segregation, but not at the expense of extreme measures that might jeopardize their primary goal of promoting economic growth.²³ But as Jacoway goes on to say: “The changes they accepted were the entering wedge for the much greater changes that have since taken place in southern life and race relations.”²⁴ Although few were willing to say so in public, many local leaders and business proprietors were privately grateful for Civil Rights legislation of the 1960s, at least after the fact. These measures largely put an end to disputes over

public accommodations and employment segregation, while providing managers the ready-made excuse that the matter was no longer in their hands.

Intended or not, the results were liberating for the regional economy as well as for its African-American members. The South has been the fastest-growing section of the country for the past half-century, a continuous trajectory that would scarcely have been possible if the racial turmoil of the 1960s had continued. Accommodating the Civil Rights revolution allowed the region to return to an agenda in which support for economic growth has been the highest priority. Much of the region's continuing distinctiveness in economic life is traceable to this pro-growth regime. Relative to the rest of the country, the South in recent decades has been characterized by low corporate taxes; by inattention to the environmental consequences of economic growth; by low levels of expenditure on public education; and by a favorable "business climate," sometimes taken as euphemism for an absence of labor unions. Politically appealing or not, pursuit of this agenda has succeeded in attracting capital, enterprise, and affluent migrants into the region over an extended period. In the southeast, the economic gap with the rest of the country has all but ceased to exist.

Moving Up in the Labor Market

My guess is that many of you are not yet convinced. If not, perhaps it is because you know that there have been economic downs as well as ups since the 1960s, in the South as in the rest of the nation. If integrating the textiles industry were the biggest success of the movement, this would not be much of a rock on which to stand for the long haul. Employment in American manufacturing has been declining since the 1950s, especially in labor intensive, import-competing industries like textiles. My sense is that much of the disillusionment with the movement is traceable to broad trends in the national labor market, which have resulted in virtual stagnation in the real wages of labor since the 1970s, despite the continuation of economic growth. The reasons for the trend are still debated: slow productivity growth, skill-biased technology, immigration, and yes, political factors such as the weakening of unions and the decline in the real value of the minimum wage. Although in history everything is related to everything else, I do not see most of these factors as consequences of the Civil Rights movement. But the South has by no means been spared, and blacks have been disproportionately affected.

What we can say is that education has become increasingly essential for economic advancement in twentieth century America, and that there have been long-term gains in black access to education in the South. The positive trend in relative spending on black students and educational attainment long predates the modern Civil Rights movement. From the disastrous setback that accompanied disfranchisement at the turn of the twentieth century, there was a long, slow improvement in the relative quality of black schools, propelled by agitation, litigation and private philanthropy – in short by the forerunners of the Civil Rights movement, broadly construed.²⁵ For the era in which we can clearly assign resources to students by race – ironically, the era of segregated schools – we know that by such indicators as pupil-teacher ratios, term length, and relative teacher pay, black schools had progressed to near-equality with whites by the late 1950s.²⁶ With the Civil Rights Act, the proportion of southern black students in schools more than 90 percent black declined from 77.8 percent in 1968 to 24.7 percent in 1972, a shift that we can reasonably interpret as a further gain in at least the objectively measurable resources allocated to black education.²⁷ Indeed, some economists attribute virtually the entire gain in relative black incomes to this long-term increase in black human capital.²⁸

The problem with this reductionist perspective is that it neglects the feedback effects from the labor market on the value of black schooling. This relationship is an old story in southern economic history. Why educate the Negro, the planter wanted to know, “when as soon as one of the younger class gets so he can read and write and cipher, he wants to go to town. It is rare to find one who can read and write and cipher in the field at work.”²⁹ Ostensibly sympathetic whites, even philanthropic northerners, believed “that it is a crime for any teacher, white or black, to educate the negro for positions which are not open to him,” and that the purpose of black schools should be to “educate [blacks] for their environment and not out of it.”³⁰ When the Rosenwald Fund sought to provide financial support for black high schools in the 1920s and 1930, the fund sponsored a series of surveys of “Negro jobs” in various cities, so as to adapt the curriculum to the jobs actually available. In place after place, the responses indicated that there were no black jobs for which a high school education would be useful. Thus, black schools typically did not offer training in such subjects as stenography, accounting, bookkeeping, printing, or typing. The black high school in Greenville, South Carolina, excluded textiles entirely.³¹

In the face of such disincentives, it is remarkable how much progress was achieved through sheer effort and willpower on the part of the NAACP. But even if resources for black schools were increased, the dampening effects of labor market discrimination on the schools could not be fully overcome in the Jim Crow era. Glaring gaps in curricula between black and white high schools were still present as late as the 1960s. By that time, training in auto mechanics was one of the more popular options in vocational education, but with a few exceptions, these courses were offered only at white high schools, not black. High school officials defended their programs by saying that their curriculum was a rational response to job availability.³² Persistent black students who overcame discouragements to complete high school sometimes found that they had to conceal this fact in order to gain employment. James Fields was hired as a laborer at Union Bag in Savannah in the 1940s, and was told “they didn’t want no smart black man.” As Fields recounted: “When I filled my application out...I put ninth grade instead of twelfth, because I figured they didn’t want...no smart black man, in order to get hired. I was hired.”³³

Thus we find that the labor market breakthroughs of the mid-1960s coincided with a sharp increase in the black high school graduation rate in the South, from 35 percent (of the 20 to 24 year-old population) in 1960 to 57 percent in 1970 and to 71 percent by 1977. Black enrollment in higher education grew even more dramatically, from 84,000 in 1960 (overwhelmingly in historically black institutions) to 426,000 in 1976. Historically black colleges shared in this expansion, but the largest single component was the increase in black enrollment at predominantly white institutions, from virtually zero in 1960 to 243,000 in 1976.³⁴ In recent years, many observers have expressed frustration over the fact that black enrollments in higher education have not increased as a share of the total since the 1970s, in the South as in the rest of the nation.³⁵ The frustrations are real, as are the concerns for the future of historically-black institutions of higher education. But we should place these debates in historical perspective. In essence, the Civil Rights revolution of the 1960s launched a rapid upgrading of black education in the South, and these gains have largely been maintained if not extended over the intervening years.

Black Southerners and the New South

Perhaps the most conclusive evidence that the Civil Rights revolution of the 1960s was real and economic is the reversal of prevailing racial patterns of regional migration. After the political breakthroughs of the 1960s, more than fifty years of net black outmigration came to an end, and blacks have been moving into the region ever since. The timing of the shift was directly related to the opening of new job opportunities. On the basis of her survey of black textile workers, Mary Fredrickson attributed the shift to “the fact that black children no longer have to leave the region to become successful, that a decent education in an integrated public school is attainable for both black and white, and that black workers are not denied industrial jobs on the basis of their race.” She quotes a black employment manager: “There is a marked difference now, and people who couldn’t get away from here fast enough are coming back comfortably.”³⁶ Evidence from the 2000 Census indicates that this trend was stronger than ever in the 1990s. Demographer William H. Frey reports that net black migration into the South was more than 579,000 during the 1990s, whereas each of the other census regions saw net black outmigration.³⁷

There are many indications that the attraction of the New South for blacks has economic as well as cultural, political and geographic aspects. Surveys report that as many blacks as whites self-identify as southerners.³⁸ Although the southern black population is disproportionately poor and rural, regional black in-migrants are most likely to reside in the suburbs or burgeoning metropolitan areas. Seven of the ten fastest growing counties for blacks are in the suburbs of metropolitan Atlanta. Other areas of strong black population growth include Charlotte, Raleigh-Durham and Greensboro in North Carolina; Norfolk and Richmond in Virginia; Miami, Tampa, and Jacksonville in Florida. A story about the spread of affluent suburbanites into rural areas such as Newton County, Georgia, reports: “Many well-educated natives of the county who once assumed they would have to leave to find a good job, like Michael David, the plant scheduler at SKC, now say they are thrilled to be able to work where they grew up.”³⁹ When they self-identify as southerners, very likely it is the presence of viable middle-class black communities that they find attractive. Tourist sites in the South now self-consciously cater to black visitors, especially at now-historic Civil Rights locales but also rediscovered landmarks from earlier eras.⁴⁰

Despite the frustrations of minority representation, the African-American presence is apparent in southern politics as well as in economic life. It is not that southern whites are more racially enlightened than American whites elsewhere: Studies recounting the persistence of racially polarized voting and of white efforts to “dilute” the black vote make depressing reading.⁴¹ But the Voting Rights Act of 1965 did bring an end to the extreme racist rhetoric that until that time had been the hallmark of southern politics. Since then, the number of black officeholders in the South has steadily increased. Figure 5 reveals the perhaps surprising fact that since the early 1980s, it is *only* in the South that black political representation has continued to grow. Even if they do not control any one state, the black presence cannot be ignored in the post-Civil Rights South. Senator Strom Thurmond, who fought all Civil Rights legislation for forty years, in 1969 became the first southern senator to appoint a black staff aide, and he was the first to sponsor an African-American for a federal judgeship.⁴² Political participation has had at least some positive effect on black access to government services: such things as street paving, garbage collection, recreation facilities, access to FHA loans and agricultural extension services.⁴³ After the election of a black mayor in Atlanta, employment of black municipal administrators jumped from 7.1 percent to 32.6 percent of the total, professionals from 15.2 percent to 42.2 percent. Inevitably, this political presence spills over into economics.⁴⁴ Although southern white public opinion is strongly opposed to race-based employment policies -- a good example of a dramatic change in prevailing ideology -- Southern-based corporations are generally more comfortable with affirmative action programs than are companies elsewhere in the country.

The southern African-American community offers business opportunities as well as a sense of identity. As of 1977, the majority of the nation’s black-owned businesses have been in the South. The number of southern black-owned firms grew from 92,838 in 1972 to 330,791 in 1992, and leaped to 435,290 in 1997, keeping pace with the rise of the black population.⁴⁵ The share of firms that were black-owned was larger in the southern states than in any other part of the country (Figure 6). To be sure, most of these firms were small, not in themselves evidence of affluence. But the figures refute the myth that African-Americans are any less business-minded than other ethnic groups, under favorable conditions.⁴⁶ Exactly what the linkages are between political representation, economic gains and the rise of black-owned businesses is not known

with confidence. Election of black mayors often has a dramatic effect on the allocation of municipal contracts.⁴⁷ The example of Atlanta and the H.J. Russell construction and development company is case in point. But there are many less well-known examples, such as the black-owned investment firm Daniels and Bell, whose entry into public finance began with a public housing project in Bayou Mound, Mississippi, a town that had recently elected a black mayor.⁴⁸

Can we identify these developments as consequences of the Civil Rights movement? I believe we can, because in my view the movement was fundamentally a southern regional phenomenon, and these patterns are distinctively regional to this day. Research on the geography of self-employment confirms a strong southern regional effect for black-owned business.⁴⁹ The same body of research shows a significant positive association between racial income levels in a metropolitan area and the *returns* to self-employment.⁵⁰ This finding suggests that the linkages are essentially positive, not symptoms of unemployment or economic marginality. Note furthermore that the complementarity between black political leadership and black business has persisted in the South even after the 1989 *Richmond vs. Croson* decision challenging racial set-aside programs. Elsewhere in the country, the decision had devastating effects on contracts awarded to minority-owned enterprises.

Confirming this complementarity, Figure 8 shows that median black income grew faster in the South than in any other region of the country during the 1990s. This remarkable regional trajectory has gone virtually unnoticed in the national discussion about race. But by the end of the decade, median black income in the South was virtually equal to that in the Northeast and the Midwest. Median black income in the West remained somewhat higher. And yet we saw net black outmigration even from the high-income Western region in favor of the South during the 1990s. Clearly something was happening in the South that was not happening elsewhere in the country. My understanding of this connection between region and race is extremely incomplete, but I do feel confident in regarding it as a legacy of the Civil Rights revolution, broadly understood.

Conclusion

My conclusion is that the Civil Rights revolution of the 1960s was indeed an economic as well as a political and cultural revolution. In one sense it is quite correct to say that the revolution “did not challenge the basic structure of the system,” if “the system” refers to the pro-growth political regime that has prevailed for the past half-century. But it did offer access to the rewards of that regime to substantial numbers of black as well as white southerners -- not to all, but to considerably more than a fortunate elite. Many other countries and regions of the world, immersed in racial, ethnic or religious conflict, have not made or have not been able to make that kind of collective choice. When mutual suspicion reaches the level where communication is difficult and compromise agreements all but impossible to maintain, the economic costs are extremely high. Instead, the South has followed the American path of boosterism and inclusion, and given the likely alternatives, on the whole we can be grateful for that.

But although the South has converged on national economic standards, the region is still quite distinct in essential respects. Among many dimensions of distinctiveness that one might list, perhaps the most relevant for present purposes is the black presence in the South – in economic as well as political and cultural life. Far more so than any other part of the country, the South operates as an explicitly biracial society. Orlando Patterson calls this the “Atlanta model” of race relations and believes it will become increasingly anachronistic as the nation at large moves toward generalized multiculturalism. I am not so sure about that. The new Southern system has displayed considerable resiliency and attractiveness to black as well as white incomers. To me it seems equally plausible that the African-American presence will continue to be a distinguishing part of the fabric of life in the South. The looming question for the region is whether this political structure can redirect the economic policy equilibrium that has prevailed in the post-Civil Rights era, towards a program that is not only racially tolerant, but also balanced in its priorities toward growth, the environment, and the quality of life.

Notes

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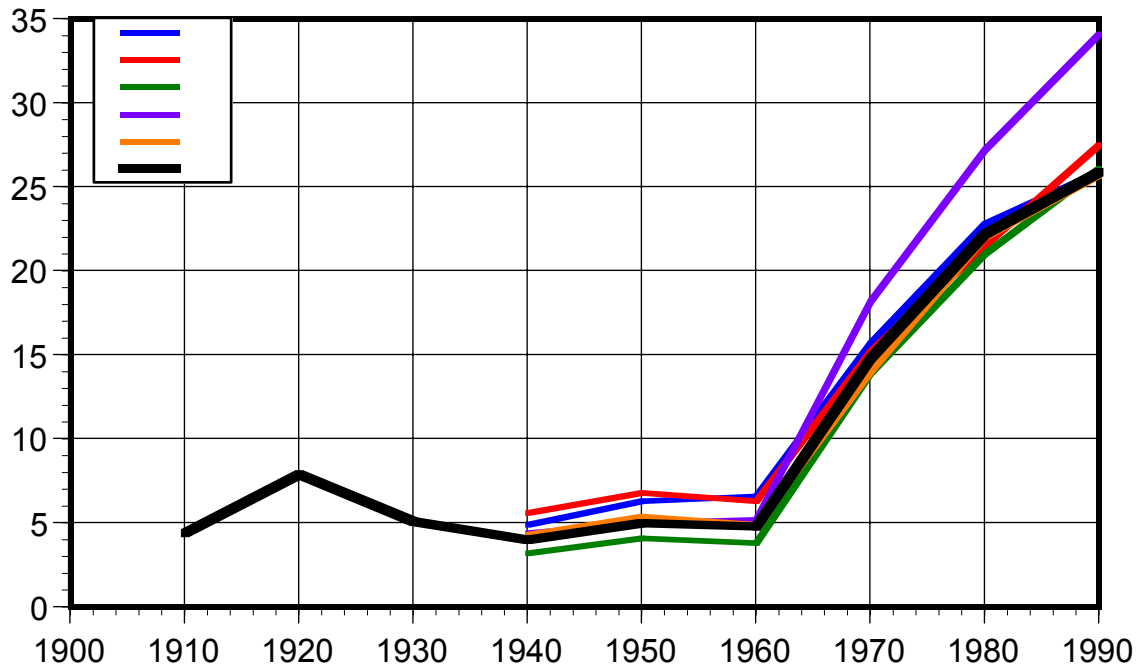
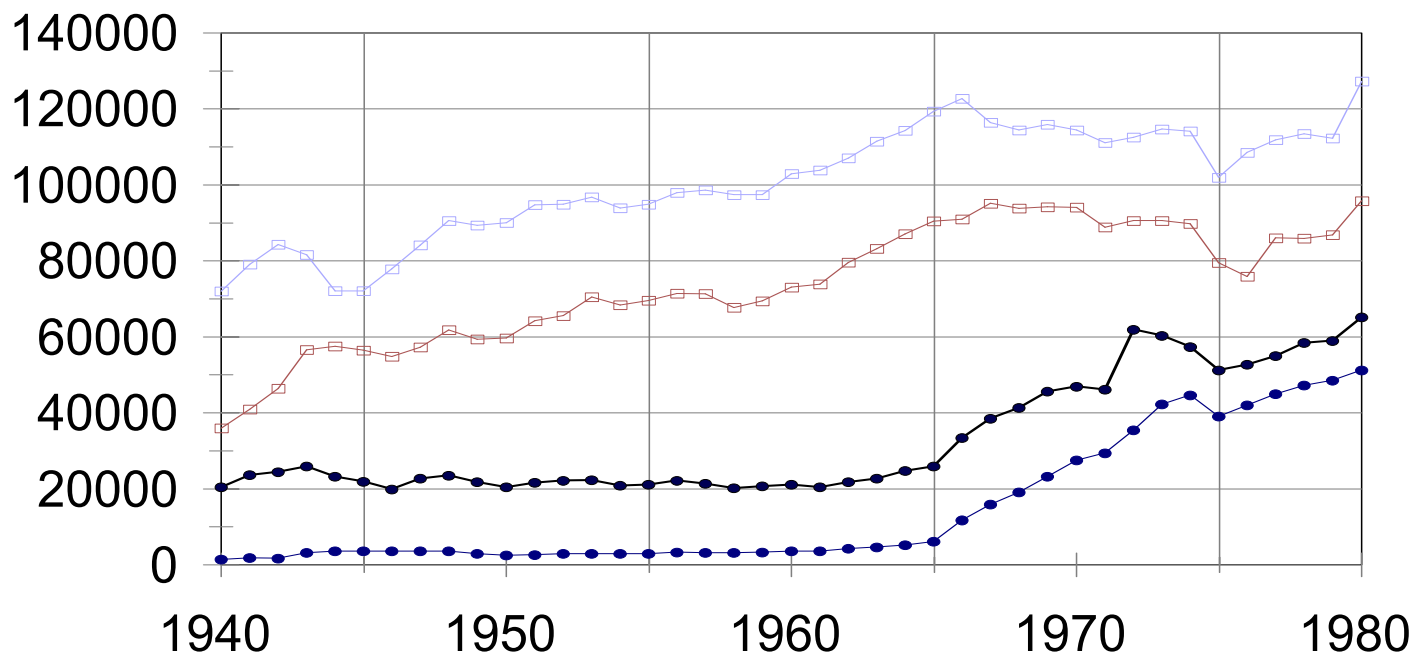


Figure 1. Percentage of Textile Workers Who Are Black, Five Southern States, 1910-1990

Source: U.S. Census, decennial volumes

**Figure 2. Employment in South Carolina
Manufacturing: 1940-1980**



—□— White Males
 —□— White Females
 —●— Black Males
 —●— Black Females

Figure 3: Number of Post-Neonatal Infant Deaths due to Diarrhea and Pneumonia by Race All of Mississippi, 1955-1975

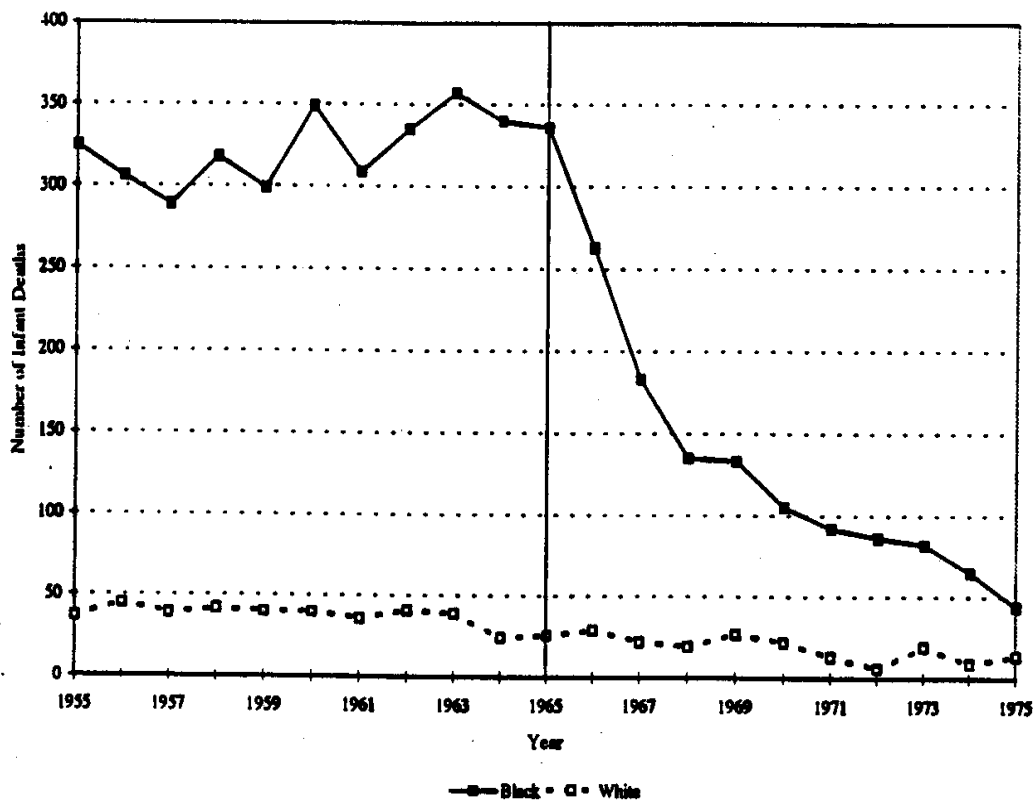


FIGURE 4

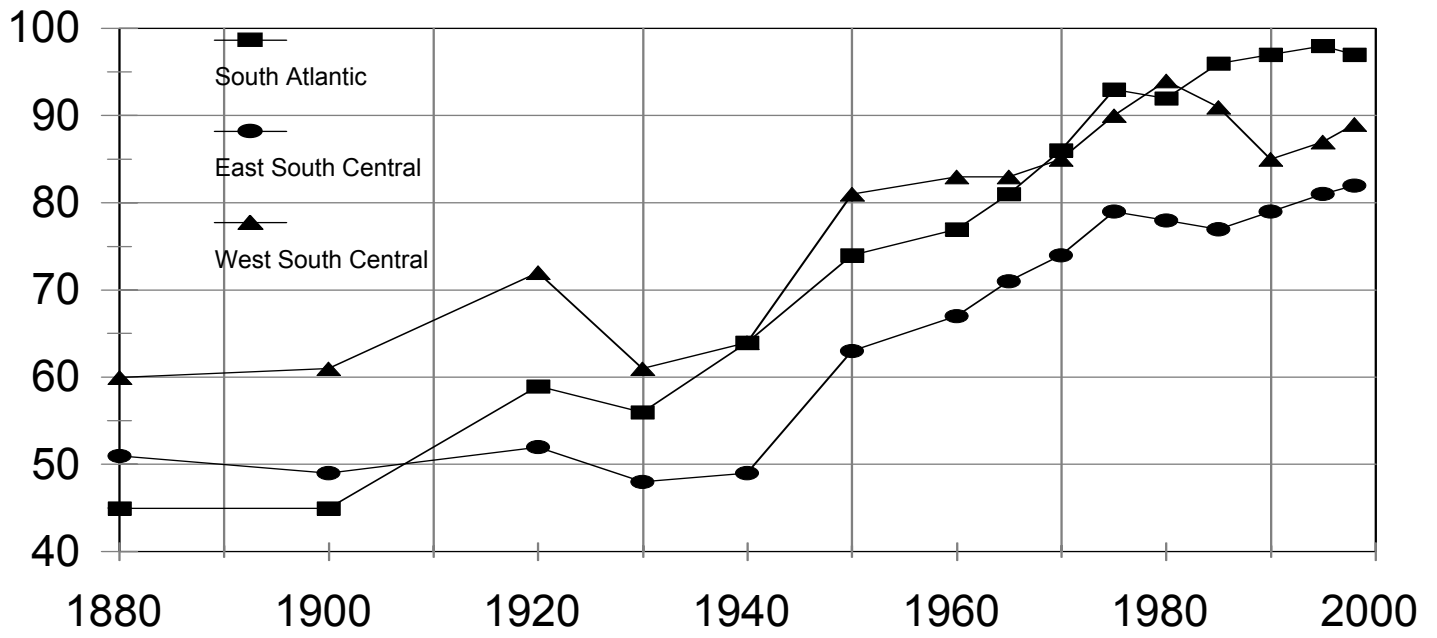
PER CAPITA INCOME, SOUTH/US
1880-1998

FIGURE 5

Black Elected Officials, 1969-1997

South and Non-South

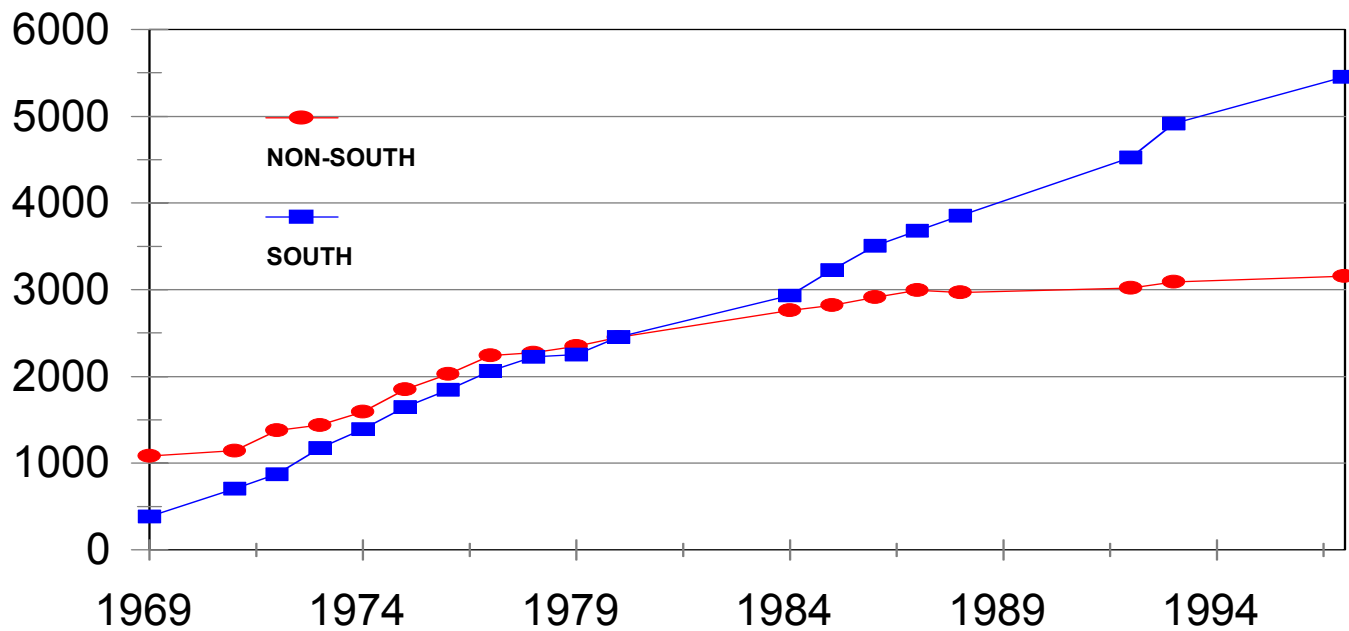


Figure 6

Black-Owned Firms as a Percent of Total Firms in State: 1997

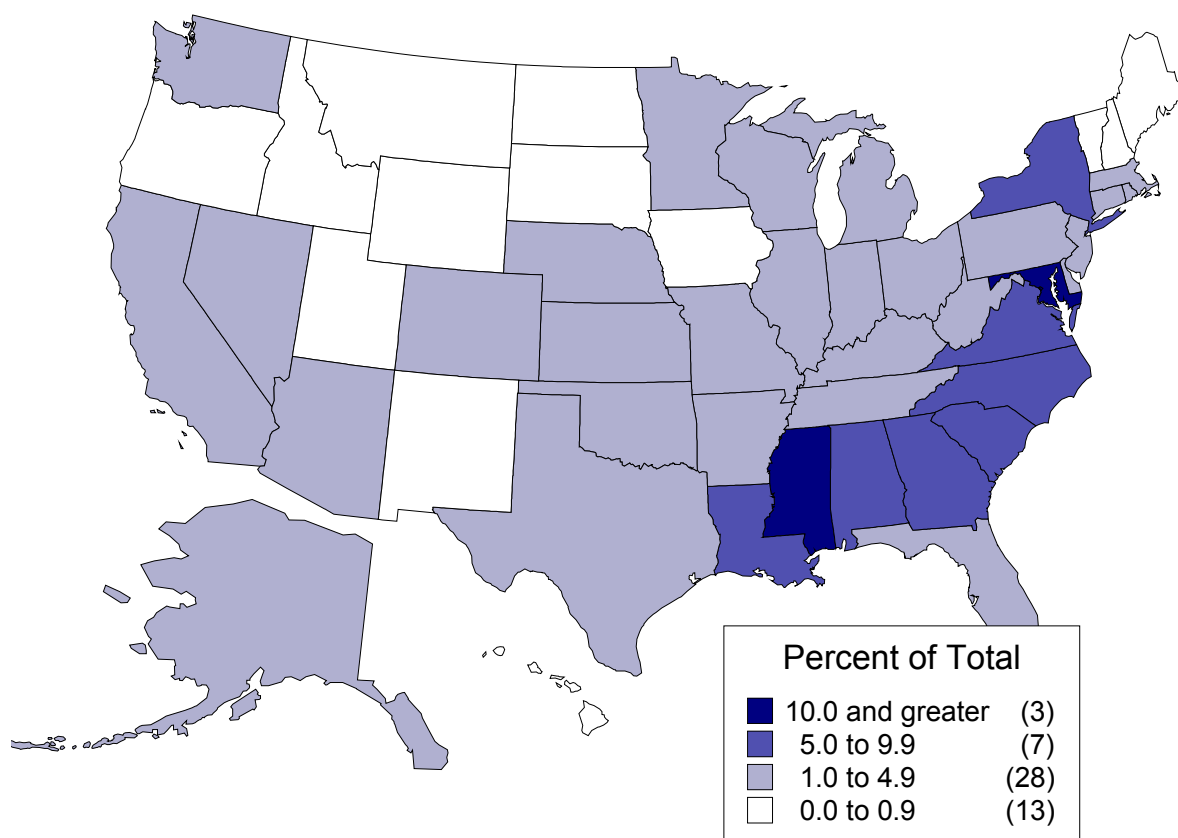
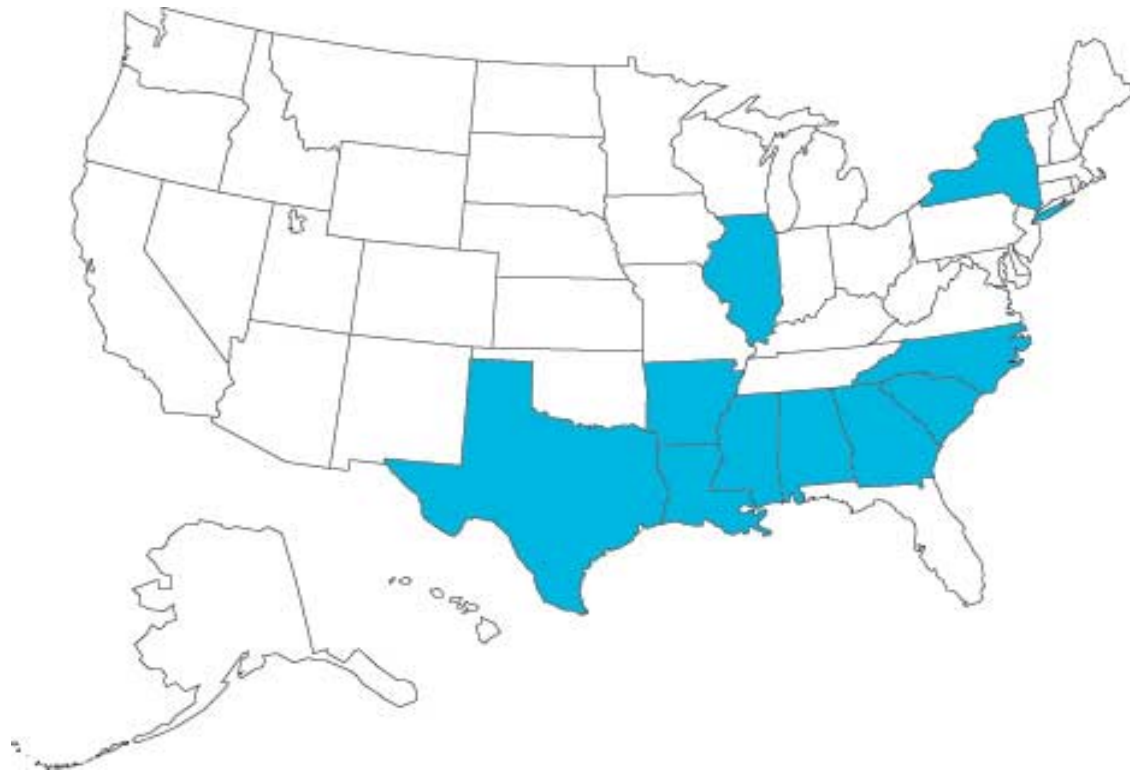


Figure 7. Top Ten States in Growth of Black Elected Officials, 1970-2000



**Figure 8. BLACK MEDIAN INCOME BY REGION
1974-1999**

