

STRUCTURAL RACISM AND ECONOMIC POLICY

IN BRIEF

- White supremacy and slavery were created by political and economic elites to divide working people and limit their power; White supremacy has continued to do that throughout American history.
- Slavery and racial discrimination against people of color is so contrary to American ideals that it has been justified by racist depictions of Black people that are used to describe all people with low incomes.
- Structural racism has created enormous barriers to Black economic progress and largely accounts for the substantial differences in income and wealth between Black and white people.
- White supremacy also harms white people with low and moderate incomes by undermining efforts to raise wages and create an inclusive and well-funded safety net for all.

INTRODUCTION

This policy brief, unlike the others in the We The People series, is not focused on a particular public policy but on the critical background issue relevant to all public policies in Pennsylvania: structural racism in America. Our goal in this paper is to provide a brief introduction to the issue of structural racism as it affects public policies related to the distribution of political power and economic goods. This is a vast question, and it encompasses not just policies that directly disadvantage Black people or seek to ameliorate those disadvantages but broader public policies as well. We can only scratch the surface of these historically important and deep issues. But it is critical that everyone who seeks public office in Pennsylvania has some introduction to them.

Structural racism has been part of our political and social structure from long before the United States was founded. The first enslaved African came to North America in 1619. So, this is an immense topic that plays a role in every part of American life. Because this issue is so important we can no longer pretend to give Pennsylvanians—whether people at large, political leaders or those who aspire to political leadership—any guidance about public policy without at least providing an introduction to the subject. Nor can we talk about particular issues for which understanding structural racism is critical, such as fair policing, without providing some grounding in the broader issue. So, however inadequate this brief might be to the importance and breadth of the topic, we must address it. There is a huge literature on the subject, and since here we can only scratch the surface of this issue, we provide a guide to further reading at the end of this brief.

TWO CRITICAL POINTS

We begin with two critical points on which we elaborate throughout the brief.

The first is that American history is the history of structural racism. Structural racism is more than just racial prejudice or dislike or hatred for people of color. It is more than just implicit or explicit discrimination in how we treat others in our work or personal lives. By structural racism we mean that institutions, practices, and policies have systematically denied Black people the rights accorded white

people and have systematically put Black people at a disadvantage in securing the opportunities for well-being that white people take for granted. Prejudice is appalling. Discrimination must be eliminated. But even if we have made progress in reducing racial prejudice—and there is evidence we have—and even if discrimination could be reduced substantially—and sadly the evidence is that we have a very long way to go—the structural barriers that stand in the way of Black people securing all the advantages of American life will still remain in place if we do not deliberately address them.

The second critical point is that structural racism did not just happen. It was created, and is sustained today, by political elites who sought, and still seek, to divide working-class and middle-class people on racial grounds and by doing so protect their own political and economic advantages. While structural racism has been deliberately created primarily by government, it persists because we all fail to recognize and overcome the racial inequities built into our way of life.

THE PECULAR INSTITUTION AND WHITE SUPREMACY

Human history is the story of conflict between villages, tribes, cities, and countries. And many of these conflicts have been exacerbated by conflicts between people from different ethno-national groups and religions.

The United States has long been dedicated to the idea that different people can live together under one government that protects the rights and liberty of everyone to follow their own path in life and their own religion and to take part in the political process. And the history of the United States has, with one glaring exception, been the story of immigration and ethno-national mixing in which recurrent discrimination against new immigrants—and attempts to limit immigrations—are gradually overcome.

The glaring exception, however, is the long history of violence and discrimination against Black and brown people, most of whom came to this country enslaved and in chains.

American slavery is distinctive. Since the invention of agriculture, the vast majority of human beings have been unfree—they have been slaves, serfs, or indentured servants. But slavery is an extraordinary institution in a country like our own that is dedicated to the proposition that all men are created equal and have a right to life, liberty, and the pursuit of happiness. Slavery in the pre-modern world was not justified by the assumption that slaves are inferior to slave holders. Slavery was an unfortunate state, found everywhere, thought to be (and probably truly) necessary to generate the economic surplus that supported political and military institutions and in most cases the result of one community conquering another. But slavery is totally unjustifiable ~~even less justifiable~~ in the modern world and it and violates the fundamental assumption of human equality that is central to modern liberal thought. And that's why it has been justified by deeply and profoundly wrong ideas about racial inferiority. White supremacy—the notion that white people are morally and intellectually superior to Black and brown people—developed in Europe and America to justify slavery. The ideology of white supremacy is needed to defend the indefensible: the continued injustice to Black and brown people that began, but did not end, with slavery.

THE PURPOSE OF WHITE SUPREMACY

The practice of slavery in America and the ideology of white supremacy didn't just happen. The ideology and practices of white supremacy were invented for a reason and have been reinvented in new forms throughout our history for fundamentally the same reason. Plantation owners sought to keep power over their multi-racial work force by dividing them by race. Black workers were enslaved, while whites were given limited freedom and a slightly higher standard of living. Working people were thus divided; poor white people were encouraged to identify with their white overlords in standing together to sustain a racial divide that was maintained by violence and cruelty that scarred the bodies of Black slaves and divided their families. Meanwhile, white people were encouraged to believe that Black people were inferior beings with limited capacity to reason and exercise self-control.

This pattern has been replayed over and over in our history. That Southern slave owners were determined to defend slavery is one of the primary reasons we have a constitution that limits majority rule so severely. And our constitution, together with other institutions that developed to serve that same political purpose, such as the filibuster and the seniority system in Congress, has done the work of blocking the aspirations of Black people in particular, and working people in general, throughout our history.

THE 19TH AND 20TH CENTURIES

Racism has continued to be a tool in which upper-class white people divide working people. That was true in the 19th century when Black people in both the South and North were denied equal rights under law and faced discrimination in every area of life, including voting, housing, the criminal justice system, and employment. Any aspiration of liberation for Black people was met with violence in the form of lynchings, mainly, but not only, in the South. And at the same time, there was an unequal justice system that killed and imprisoned Black people at far higher rates than white people was found elsewhere in the country. The repression of Black people during this period protected the power of upper-class whites both by keeping Black people from voting—especially in the South where they were the majority in many jurisdictions—and by appealing to white working people to stand with the upper class in opposing equality for Black people.

The power of Southern Democrats in the post-Civil War Democratic Party, together with the Constitutional and other institutional barriers that limited the political power of the majority of people, has continued to operate throughout most of the 20th century. Black people were denied equal civil and political rights throughout the 20th. And the public policies that were meant to lift up working people usually left Black and brown people out. For example, Social Security did not initially apply to agricultural or domestic workers—fields in which many Black people worked. And the educational and housing benefits of the post-World War II GI Bill of Rights were largely denied to people of color. Black people received far less than their share of housing benefits because the federal government supported the “red-lining” of Black communities, denying people who lived within them the opportunity to secure mortgages. And even when federal housing programs benefited Black people, they did so in a way that encouraged racial segregation.

These institutions and practices continued even after the civil rights movement began to overcome our legacy of racial oppression in the period from the Brown v. Board decision in 1954 to the Civil Rights and Voting Rights Acts of 1965. At the same time as these advances were taking place, federal and state policies were enacted that were discriminatory in effect and often in intent. A huge number of Black people moved to take industrial jobs in Northern cities. But then those jobs began to disappear from city centers. New industrial technologies led a great deal of industrial production to move out of center cities. And then rapid suburbanization, encouraged by the development of the interstate highways system and federal support for building new schools, hospitals, and water and sewer systems outside central cities, further encouraged white flight—of both people and industry—from urban areas. Additionally, suburbs adopted zoning policies that prohibited multi-family units to ensure that people with lower incomes, who were disproportionately Black and brown, could not move there.

HOW PUBLIC POLICY SUSTAINS RACIAL INEQUALITY

White flight reduced the tax base of cities as the Black and brown percentage of their population grew. This led to underinvestment in education and other government services, including sanitation, parks, and recreation centers in those cities, where a larger proportion of Black people lived. And because of the limited political power of Black people, and in order to keep their remaining white, middle class residents and businesses from leaving, cities frequently cut services to Black and brown communities, while continuing to serve downtown areas and white middle-class neighborhoods. At the same time, the urban renewal programs of the sixties and seventies displaced Black people from long-established communities in order to create opportunities for commercial and residential developments that mainly benefited white people.

Urban renewal programs, like the barriers that kept Black and brown people from the suburbs, led to even more residential segregation within cities. That encouraged states and cities with limited resources to underfund services in those communities and discouraged commercial investment within them.

The result was that in many cities majority Black and brown communities were left with too few jobs and high levels of unemployment; inadequately funded schools (often in unsafe school buildings); and limited government, business, and other services. People in these communities were largely cut off from the otherwise dynamic economy in urban centers and the suburbs. Most of the people who lived in majority Black communities worked hard—sometimes at multiple jobs—and maintained their homes and communities. But the impact of poverty and the social ills associated with it—low rates of educational attainment, high crime rates, substance abuse disorder, family disruption, and mental illness—as well as racism itself took their toll. Young people in these communities faced multiple barriers to getting ahead in life including those social ills and the relative lack of personal connections to jobs that young people in the suburbs take for granted. Many children who grew up in these communities did very well. But the odds were always stacked against them.

The consequences of structural inequality for Black and brown people can be seen in the continuing gaps in income and wealth between people of color and white people—gaps that have been growing not shrinking in Pennsylvania.

THE IMPACT OF STRUCTURAL RACISM ON ECONOMIC POLICY AND THE SAFETY NET

The problem for Black people was not just that the human service policies put in place in the New Deal and after often left them out or actively worked against their interests. It is that, unlike European liberal democracies which tended to provide universal benefits to working people, America created a two-tier social safety net, in which far more benefits flowed to middle-class and highly paid working people than to less well-paid working people and the poor. Since World War II, the United States has provided huge subsidies for employer-sponsored health insurance received by those with middle-class and unionized working-class jobs through tax subsidies—but was late in providing support for health care for the aged through Medicare and in creating a health insurance program for poor Americans. And when Medicaid was created it had limited benefits and eligibility. Similarly, the largest housing program in the United States, the tax deduction on mortgage interest, benefits the middle class and the best paid members of the working class, while less well-paid workers and the unemployed receive far less support. Federal and state support for childcare benefits and food security are provided through means tested programs that only provide benefits to those with the lowest incomes, which tends to result in far weaker political support than for universal programs like Social Security and Medicare.

There are many reasons for the failure to create a truly universal safety net in America. Our individualist political culture and the difficulties of moving legislation through federal and state governments designed to limit the power of the majority are part of the reason (and remember that those anti-majoritarian institutions are, in part, the creation of white supremacy). But another is how racism afflicts our country. Programs that are meant to help working people—from the minimum wage to food, housing, and health care policies—are always said by their opponents to reward those who lack initiative or self-discipline, are lazy, or are incapable of “sacrificing the present for the future.” They are said to create “dependence on the government.” These are not race-neutral descriptions rooted in evidence but are false claims drawing on racist tropes used for centuries to describe Black people as inferior. In making these arguments, white politicians tell white constituents that they are opposing policies that tax them to help Black people—even though the majority of people benefited by these programs are, in fact, white. And if these racist dog-whistles are not enough, politicians use geographic dog whistles to tell their rural and suburban constituents that they oppose policies meant to help “inner cities” or in our state “Philadelphia and Pittsburgh,” even though poverty is as deep in Pennsylvania’s rural counties as it is in its urban centers.

The racist institutions, practices, and culture of America thus continue to do exactly what those who created them centuries ago meant for them to do. They divide working people and thwart their efforts to create public policies that ask the white elite in America to give up some of their income, wealth, and power to help working people and the poor. The result is that in the post-World War II era, there

has been far less government support for working people in the United States than in other liberal democracies—whether for social safety net spending, the minimum wage or support for labor unions. This has hurt not just Black and brown people but white people as well.

STRUCTURAL RACISM AND THE CHALLENGE OF GLOBALIZATION

And in the last forty years—since roughly the late '70s—these same political barriers have kept the United States from effectively responding to the challenges of an increasingly global world economy in which industrial production in low wage countries reduces employment and drives wages lower in the United States. Other developed countries have responded to globalization with efforts to re-train and educate working people to take higher skilled jobs and to ensure that benefits of economic growth are broadly shared. But the failure to do that in the United States has led to declining or stagnant real wages for workers and for reduced investment in the social safety net, education, and higher education. And, tax cuts for the rich have placed more of the burden for government spending on working people as well. As a result, the social mobility that once characterized the American economy is more and more a thing of the past.

STRUCTURAL RACISM IS EVERYONE'S PROBLEM

Thus the ideology of white supremacy and structural racism do not just harm Black and brown people. White supremacy continues to do what it has always done—divide Black and white working people, limiting their ability to challenge the political and economic power of the elite and thus undermining their economic well-being. People of color bear the worst burden of white supremacy and structural racism, but almost everyone suffers as well.

And that why it is central to the We The People PA agenda that we stand opposed to efforts to divide people on the basis of race or ethnicity and advocate for public policies that create equal opportunities for everyone.