

"Segregation and the Making of the Underclass"

from *American Apartheid* (1993)

Douglas S. Massey and Nancy A. Denton

Editors' Introduction

One hundred years after W. E. DuBois first decried that "the problem of the Twentieth Century is the problem of the color-line," Douglas Massey and Nancy Denton warn that racial segregation is still an imposing obstacle in American society. The "hypersegregation" of blacks and Latinos in urban ghettos at the turn of the new millennium is unlike the residential segregation experienced by the white ethnic minorities that preceded them. The "dark ghetto" has "invisible walls" that may be social, political, educational or economic. Contrary to popular belief, segregation is not at its worst in the South, but in the North. In 1966, Martin Luther King came to Chicago and declared it "The most segregated city in America." Despite King's and all the civil rights leaders' efforts, little has changed. Decades after the passage of the last of the great civil rights acts of the 1960s, blacks remain almost as segregated in American cities as they were in 1968.

In *American Apartheid*, Massey and Denton argue that white people created the underclass ghetto during the first half of the twentieth century in order to isolate growing urban black populations. Despite the Fair Housing Act of 1968, segregation is perpetuated today through an interlocking set of individual actions, institutional practices, and governmental policies. In some urban areas the degree of black segregation is so intense and occurs in so many dimensions simultaneously that it amounts to "hypersegregation." The authors demonstrate that this systematic segregation of African Americans leads inexorably to the creation of underclass communities during periods of economic downturn. Under conditions of extreme segregation, any increase in the overall rate of black poverty yields a marked increase in the geographic concentration of indigence and the deterioration of social and economic conditions in black communities. As ghetto residents adapt to this increasingly harsh environment under a climate of racial isolation, they evolve attitudes, behaviors, and practices that further marginalize their neighborhoods and undermine their chances of success in mainstream American society. Their book is a sober challenge to those who argue that race is of declining significance in the United States today.

This represents perhaps the greatest failure in the national effort to equalize the condition of American blacks. Compared with the substantial changes in employment and political representation and education – the growth of the black middle class, the great increase in black college attendance, the surge in the number of black mayors, state legislators, members of Congress – the indices of residential segregation show almost no change. Despite the overturning of *de jure* segregation, *de facto* segregation continues in America, through practices such as bank and insurance redlining and prejudicial real estate steering. Despite the Mortgage Disclosure Act and the Community Reinvestment Act, Banks still discriminate against Blacks in the home loan market. There is "Segregation with a smile," where realtors actively steer blacks away from white neighborhoods, a practice which is revealed by housing audit studies.

White flight and continuing segregation have isolated racial minorities in central cities, undermining political coalitions and fragmenting the political landscape and the tax base between "white suburbs" and "chocolate cities." White ethnic immigrants of the early twentieth century were able to create pan-ethnic coalitions in urban patronage machines to allocate spending in their neighborhoods and maintain the quality of their schools and infrastructure. But segregation has undermined the ability of blacks to advance their interests, form coalitions, and establish common interests with white voters. The spatial and political isolation of the ghetto makes it easier for racists to act on their own prejudices.

The emergence and persistence of the urban ghetto attests to the condition of spatial apartheid that confronts racial minorities at the turn of the millennium in American cities. Using the index of dissimilarity as a measure of residential segregation, they have collaborated in numerous exhaustive studies that confirm that while ethnics are becoming more spatially assimilated, blacks experience significant continuing segregation. Especially in older cities of the U.S. Northeast and Midwest, there was a growth of underclass communities in the 1970s and 1980s in cities experiencing greater residential segregation. Barriers to spatial mobility are also barriers to social mobility. They liken this condition of spatial and social immobility to a condition of racial apartheid.

Under conditions of extreme segregation, any increase in the overall rate of black poverty yields a marked increase in the geographic concentration of indigence and the deterioration of social and economic conditions in black communities. As ghetto residents adapt to this increasingly harsh environment under a climate of racial isolation, they evolve attitudes, behaviors, and practices that further marginalize their neighborhoods and undermine their chances of success in mainstream American society. Ghetto residents live in a very limited social world that intensifies the growth of Ebonics or Black English vernacular and reinforces the sense of an "oppositional culture" to the American cultural mainstream. Ebonics is a rich cultural phenomenon, but the oppositional culture creates peer pressure against school attendance and social mobility. There can be a climate of intimidation, violence, and fear among the youth of underclass black communities. Spatial isolation feeds cultural and linguistic isolation.

The authors suggest a more vigorous prosecution of realtors and bankers that discriminate against African Americans, stricter enforcement of the Fair Housing Law of 1968, and rental vouchers to African Americans in order to ease segregation. Segregation is a problem without any easy answers. If Massey and Denton's proposals were enacted, would that stop the problem of whites moving away? Perhaps the only real solution requires whites learning how to get along with and not fear African Americans.

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THE MISSING LINK

It is quite simple. As soon as there is a group area then all your uncertainties are removed and that is, after all, the primary purpose of this Bill [requiring racial segregation in housing].

(Minister of the Interior, Union of South Africa legislative debate on the Group Areas Act of 1950)

During the 1970s and 1980s a word disappeared from the American vocabulary. It was not in the speeches of politicians decrying the multiple ills besetting American cities. It was not spoken by government officials responsible for administering the nation's social programs. It was not mentioned by journalists reporting on the rising tide of homelessness, drugs, and violence in urban America. It was not discussed by foundation executives and think-tank experts proposing new programs for unemployed parents and unwed mothers. It was not articulated by civil rights leaders speaking out against the persistence of racial inequality; and it was nowhere to be found in the thousands of pages written by social scientists on the urban underclass. The word was segregation.

Most Americans vaguely realize that urban America is still a residentially segregated society, but few appreciate the depth of black segregation or the degree to which it is maintained by ongoing institutional arrangements and contemporary individual actions. They view segregation as an unfortunate holdover from a racist past, one that is fading progressively over time. If racial residential segregation persists, they reason, it is only because civil rights laws passed during the 1960s have not had enough time to work or because many blacks still prefer to live in black neighborhoods. The residential segregation of blacks is viewed charitably as a "natural" outcome of impersonal social and economic forces, the same forces that produced Italian and Polish neighborhoods in the past and that yield Mexican and Korean areas today.

But black segregation is not comparable to the limited and transient segregation experienced by other racial and ethnic groups, now or in the past. No group in the history of the United States has ever experienced the sustained high level of residential segregation that has been imposed on

blacks in large American cities for the past fifty years. This extreme racial isolation did not just happen; it was manufactured by whites through a series of self-conscious actions and purposeful institutional arrangements that continue today. Not only is the depth of black segregation unprecedented and utterly unique compared with that of other groups, but it shows little sign of change with the passage of time or improvements in socioeconomic status.

If policymakers, scholars, and the public have been reluctant to acknowledge segregation's persistence, they have likewise been blind to its consequences for American blacks. Residential segregation is not a neutral fact; it systematically undermines the social and economic well-being of blacks in the United States. Because of racial segregation, a significant share of black America is condemned to experience a social environment where poverty and joblessness are the norm, where a majority of children are born out of wedlock, where most families are on welfare, where educational failure prevails, and where social and physical deterioration abound. Through prolonged exposure to such an environment, black chances for social and economic success are drastically reduced.

Deleterious neighborhood conditions are built into the structure of the black community. They occur because segregation concentrates poverty to build a set of mutually reinforcing and self-feeding spirals of decline into black neighborhoods. When economic dislocations deprive a segregated group of employment and increase its rate of poverty, socioeconomic deprivation inevitably becomes more concentrated in neighborhoods where that group lives. The damaging social consequences that follow from increased poverty are spatially concentrated as well, creating uniquely disadvantaged environments that become progressively isolated—geographically, socially, and economically—from the rest of society.

[...]

We trace the historical construction of the black ghetto during the nineteenth and twentieth centuries. We show that high levels of black-white segregation were not always characteristic of American urban areas. Until the end of the nineteenth century blacks and whites were relatively integrated in both northern and southern cities; as late as 1900, the typical black urbanite still lived

in a neighborhood that was predominantly white. The evolution of segregated, all-black neighborhoods occurred later and was not the result of impersonal market forces. It did not reflect the desires of African Americans themselves. On the contrary, the black ghetto was constructed through a series of well-defined institutional practices, private behaviors, and public policies by which whites sought to contain growing urban black populations.

The manner in which blacks were residentially incorporated into American cities differed fundamentally from the path of spatial assimilation followed by other ethnic groups. Even at the height of immigration from Europe, most Italians, Poles, and Jews lived in neighborhoods where members of their own group did not predominate, and as their socioeconomic status and generations spent in the United States rose, each group was progressively integrated into American society. In contrast, after the construction of the black ghetto the vast majority of blacks were forced to live in neighborhoods that were all black, yielding an extreme level of social isolation.

We show that high levels of black-white segregation had become universal in American cities by 1970, and despite the passage of the Fair Housing Act in 1968, this situation had not changed much in the nation's largest black communities by 1980. In these large urban areas black-white segregation persisted at very high level, and the extent of black suburbanization lagged far behind that of other groups. Even within suburbs, levels of racial segregation remained exceptionally high, and in many urban areas the degree of racial separation between blacks and whites was profound. Within sixteen large metropolitan areas—containing one-third of all blacks in the United States—the extent of racial segregation was so intense and occurred on so many dimensions simultaneously that we label the pattern "hypersegregation."

We examine why black segregation continues to be so extreme. One possibility that we rule out is that high levels of racial segregation reflect socioeconomic differences between blacks and whites. Segregation cannot be attributed to income differences, because blacks are equally highly segregated at all levels of income. Whereas segregation declines steadily for most minority groups as socioeconomic status rises, levels of black-white segregation do not vary significantly by social

class. Because segregation reflects the effects of white prejudice rather than objective market forces, blacks are segregated no matter how much money they earn.

Although whites now accept open housing in principle, they remain prejudiced against black neighbors in practice. Despite whites' endorsement of the ideal that people should be able to live wherever they can afford to regardless of race, a majority still feel uncomfortable in any neighborhood that contains more than a few black residents; and as the percentage of blacks rises, the number of whites who say they would refuse to enter or would try to move out increases sharply.

These patterns of white prejudice fuel a pattern of neighborhood resegregation because racially mixed neighborhoods are strongly desired by blacks. As the percentage of blacks in a neighborhood rises, white demand for homes within it falls sharply while black demand rises. The surge in black demand and the withering of white demand yield a process of racial turnover. As a result, the only urban areas where significant desegregation occurred during the 1970s were those where the black population was so small that integration could take place without threatening white preferences for limited contact with blacks.

Prejudice alone cannot account for high levels of black segregation, however, because whites seeking to avoid contact with blacks must have somewhere to go. That is, some all-white neighborhoods must be perpetuated and maintained, which requires the erection of systematic barriers to black residential mobility. In most urban housing markets, therefore, the effects of white prejudice are typically reinforced by direct discrimination against black homeseekers. Housing audits carried out over the past two decades have documented the persistence of widespread discrimination against black renters and homebuyers, and a recent comprehensive study carried out by the U.S. Department of Housing and Urban Development suggests that prior work has understated both the incidence and the severity of this racial bias. Evidence also suggests that blacks can expect to experience significant discrimination in the allocation of home mortgages as well.

We demonstrate theoretically how segregation creates underclass communities and systematically builds deprivation into the residential structure of

black communities. We show how any increase in the poverty rate of a residentially segregated group leads to an immediate and automatic increase in the geographic concentration of poverty. When the rate of minority poverty is increased under conditions of high segregation, all of the increase is absorbed by a small number of neighborhoods. When the same increase in poverty occurs in an integrated group, the added poverty is spread evenly throughout the urban area, and the neighborhood environment that group members face does not change much.

During the 1970s and 1980s, therefore, when urban economic restructuring and inflation drove up rates of black and Hispanic poverty in many urban areas, underclass communities were created only where increased minority poverty coincided with a high degree of segregation – principally in older metropolitan areas of the northeast and the Midwest. Among Hispanics, only Puerto Ricans developed underclass communities, because only they were highly segregated; and this high degree of segregation is directly attributable to the fact that a large proportion of Puerto Ricans are of African origin.

The interaction of intense segregation and high poverty leaves black neighborhoods extremely vulnerable to fluctuations in the urban economy, because any dislocation that causes an upward shift in black poverty rates will also produce a rapid change in the concentration of poverty and, hence, a dramatic shift in the social and economic composition of black neighborhoods. The concentration of poverty, for example, is associated with the wholesale withdrawal of commercial institutions and the deterioration or elimination of goods and services distributed through the market.

Neighborhoods, of course, are dynamic and constantly changing, and given the high rates of residential turnover characteristic of contemporary American cities, their well-being depends to a great extent on the characteristics and actions of their residents. Decisions taken by one actor affect the subsequent decisions of others in the neighborhood. In this way isolated actions affect the well-being of the community and alter the stability of the neighborhood.

Because of this feedback between individual and collective behavior, neighborhood stability is characterized by a series of thresholds, beyond

which various self-perpetuating processes of decay take hold. Above these thresholds, each actor who makes a decision that undermines neighborhood well-being makes it increasingly likely that other actors will do the same. Each property owner who decides not to invest in upkeep and maintenance, for example, lowers the incentive for others to maintain their properties. Likewise, each new crime promotes psychological and physical withdrawal from public life, which reduces vigilance within the neighborhood and undermines the capacity for collective organization, making additional criminal activity more likely.

Segregation increases the susceptibility of neighborhoods to these spirals of decline. During periods of economic dislocation, a rising concentration of black poverty is associated with the simultaneous concentration of other negative social and economic conditions. Given the high levels of racial segregation characteristic of American urban areas, increases in black poverty such as those observed during the 1970s can only lead to a concentration of housing abandonment, crime, and social disorder, pushing poor black neighborhoods beyond the threshold of stability.

By building physical decay, crime, and social disorder into the residential structure of black communities, segregation creates a harsh and extremely disadvantaged environment to which ghetto blacks must adapt. In concentrating poverty, moreover, segregation also concentrates conditions such as drug use, joblessness, welfare dependency, teenage childbearing, and unwed parenthood, producing a social context where these conditions are not only common but the norm. We argue that in adapting to this social environment, ghetto dwellers evolve a set of behaviors, attitudes, and expectations that are sharply at variance with those common in the rest of American society.

As a direct result of the high degree of racial and class isolation created by segregation, for example, Black English has become progressively more distant from Standard American English, and its speakers are at a clear disadvantage in U.S. schools and labor markets. Moreover, the isolation and intense poverty of the ghetto provides a supportive structural niche for the emergence of an "oppositional culture" that inverts the values of middle-class society. Anthropologists have found

that young people in the ghetto experience strong peer pressure not to succeed in school, which severely limits their prospects for social mobility in the larger society. Quantitative research shows that growing up in a ghetto neighborhood increases the likelihood of dropping out of high school, reduces the probability of attending college, lowers the likelihood of employment, reduces income earned as an adult, and increases the risk of teenage childbearing and unwed pregnancy.

[...]

THE PERPETUATION OF THE UNDERCLASS

One notable difference appears between the immigrant and Negro populations. In the case of the former, there is the possibility of escape, with improvement in economic status in the second generation.

(1931 report to President Herbert Hoover by the Committee on Negro Housing)

If the black ghetto was deliberately constructed by whites through a series of private decisions and institutional practices, if racial discrimination persists at remarkably high levels in U.S. housing markets, if intensive residential segregation continues to be imposed on blacks by virtue of their skin color, and if segregation concentrates poverty to build a self-perpetuating spiral of decay into black neighborhoods, then a variety of deleterious consequences automatically follow for individual African Americans. A racially segregated society cannot be a race-blind society; as long as U.S. cities remain segregated – indeed, hypersegregated – the United States cannot claim to have equalized opportunities for blacks and whites. In a segregated world, the deck is stacked against black socioeconomic progress, political empowerment, and full participation in the mainstream of American life.

In considering how individuals fare in the world, social scientists make a fundamental distinction between individual, family, and structural characteristics. To a great extent, of course, a person's success depends on individual traits such as motivation, intelligence, and especially, education. Other things equal, those who are more highly motivated, smarter, and better educated will be

rewarded more highly in the labor market and will achieve greater socioeconomic success.

Other things generally are not equal, however, because individual traits such as motivation and education are strongly affected by family background. Parents who are themselves educated, motivated, and economically successful tend to pass these traits on to their children. Children who enter the middle and upper classes through the accident of birth are more likely than other, equally intelligent children from other classes to acquire the schooling, motivation, and cultural knowledge required for socioeconomic success in contemporary society. Other aspects of family background, moreover, such as wealth and social connections, open the doors of opportunity irrespective of education or motivation.

Yet even when one adjusts for family background, other things are still not equal, because the structural organization of society also plays a profound role in shaping the life chances of individuals. Structural variables are elements of social and economic organization that lie beyond individual control, that are built into the way society is organized. Structural characteristics affect the fate of large numbers of people and families who share common locations in the social order.

Among the most important structural variables are those that are geographically defined. Where one lives – especially, where one grows up – exerts a profound effect on one's life chances. Identical individuals with similar family backgrounds and personal characteristics will lead very different lives and achieve different rates of socioeconomic success depending on where they reside. Because racial segregation confines blacks to a circumscribed and disadvantaged niche in the urban spatial order, it has profound consequences for individual and family well-being.

Social and spatial mobility

In a market society such as the United States, opportunities, resources, and benefits are not distributed evenly across the urban landscape. Rather, certain residential areas have more prestige, greater affluence, higher home values, better services, and safer streets than others. Marketing consultants have grown rich by taking advantage

of this "clustering of America" to target specific groups of consumers for wealthy corporate clients. The geographic differentiation of American cities by socioeconomic status does more than conveniently rank neighborhoods for the benefit of the demographer, however; it also creates a crucial connection between social and spatial mobility.

As people get ahead, they not only move up the economic ladder, they move up the residential ladder as well. As early as the 1920s, sociologists at the University of Chicago noted this close connection between social and spatial mobility, a link that has been verified many times since. As socioeconomic status improves, families relocate to take advantage of opportunities and resources that are available in greater abundance elsewhere. By drawing on benefits acquired through residential mobility, aspiring parents not only consolidate their own class position but enhance their and their children's prospects for additional social mobility.

In a very real way, therefore, barriers to spatial mobility are barriers to social mobility, and where one lives determines a variety of salient factors that affect individual well-being: the quality of schooling, the value of housing, exposure to crime, the quality of public services, and the character of children's peers. As a result, residential integration has been a crucial component in the broader process of socioeconomic advancement among immigrants and their children. By moving to successively better neighborhoods, other racial and ethnic groups have gradually become integrated into American society. Although rates of spatial assimilation have varied, levels of segregation have fallen for each immigrant group as socioeconomic status and generations in the United States have increased.

The residential integration of most ethnic groups has been achieved as a by-product of broader processes of socioeconomic attainment, not because group members sought to live among native whites per se. The desire for integration is only one of a larger set of motivations, and not necessarily the most important. Some minorities may even be antagonistic to the idea of integration, but for spatial assimilation to occur, they need only be willing to put up with integration in order to gain access to socioeconomic resources that are more abundant in areas in which white families predominate.

To the extent that white prejudice and discrimination restrict the residential mobility of blacks and confine them to areas with poor schools, low home values, inferior services, high crime, and low educational aspirations, segregation undermines their social and economic well-being. The persistence of racial segregation makes it difficult for aspiring black families to escape the concentrated poverty of the ghetto and puts them at a distinct disadvantage in the larger competition for education, jobs, wealth, and power. The central issue is not whether African Americans "prefer" to live near white people or whether integration is a desirable social goal, but how the restrictions on individual liberty implied by severe segregation undermine the social and economic well-being of individuals.

Extensive research demonstrates that blacks face strong barriers to spatial assimilation within American society. Compared with other minority groups, they are markedly less able to convert their socioeconomic attainments into residential contact with whites, and because of this fact they are unable to gain access to crucial resources and benefits that are distributed through housing markets. Dollar for dollar, blacks are able to buy fewer neighborhood amenities with their income than other groups.

Among all groups in the United States, only Puerto Ricans share blacks' relative inability to assimilate spatially; but this disadvantage stems from the fact that many are of African origin. Although white Puerto Ricans achieve rates of spatial assimilation that are comparable with those found among other ethnic groups, those of African or racially mixed origins experience markedly lower abilities to convert socioeconomic attainments into contact with whites. Once race is controlled, the "paradox of Puerto Rican segregation" disappears.

Given the close connection between social and spatial mobility, the persistence of racial barriers implies the systematic exclusion of blacks from benefits and resources that are distributed through housing markets. We illustrate the severity of this black disadvantage with data specially compiled for the city of Philadelphia in 1980. The data allow us to consider the socioeconomic character of neighborhoods that poor, middle-income, and affluent blacks and whites can be expected to

inhabit, holding education and occupational status constant.

In Philadelphia, poor blacks and poor whites both experience very bleak neighborhood environments; both groups live in areas where about 40 percent of the births are to unwed mothers, where median home values are under \$30,000, and where nearly 40 percent of high school students score under the 15th percentile on a standardized achievement test. Families in such an environment would be unlikely to build wealth through home equity, and children growing up in such an environment would be exposed to a peer environment where unwed parenthood was common and where educational performance and aspirations were low.

[...]

For blacks, in other words, high incomes do not buy entree to residential circumstances that can serve as springboards for future socioeconomic mobility; in particular, blacks are unable to achieve a school environment conducive to later academic success. In Philadelphia, children from an affluent black family are likely to attend a public school where the percentage of low-achieving students is three times greater than the percentage in schools attended by affluent white children. Small wonder, then, that controlling for income in no way erases the large racial gap in SAT scores. Because of segregation, the same income buys black and white families educational environments that are of vastly different quality.

Given these limitations on the ability of black families to gain access to neighborhood resources, it is hardly surprising that government surveys reveal blacks to be less satisfied with their residential circumstances than socioeconomically equivalent whites. This negative evaluation reflects an accurate appraisal of their circumstances rather than different values or ideals on the part of blacks. Both races want the same things in homes and neighborhoods; blacks are just less able to achieve them. Compared with whites, blacks are less likely to be homeowners, and the homes they do own are of poorer quality, in poorer neighborhoods, and of lower value. Moreover, given the close connection between home equity and family wealth, the net worth of blacks is a small fraction of that of whites, even though their incomes have converged over the years. Finally, blacks tend

to occupy older, more crowded dwellings that are structurally inadequate compared to those inhabited by whites; and because these racial differentials stem from segregation rather than income, adjusting for socioeconomic status does not erase them.

[...]

THE FUTURE OF THE GHETTO

The isolation of Negro from white communities is increasing rather than decreasing... Negro poverty is not white poverty. Many of its causes... are the same. But there are differences — deep, corrosive, obstinate differences — radiating painful roots into the community, the family, and the nature of the individual.

(President Lyndon Johnson, address to Howard University, June 4, 1965)

After persisting for more than fifty years, the black ghetto will not be dismantled by passing a few amendments to existing laws or by implementing a smattering of bureaucratic reforms. The ghetto is part and parcel of modern American society; it was manufactured by whites earlier in the century to isolate and control growing urban black populations, and it is maintained today by a set of institutions, attitudes, and practices that are deeply embedded in the structure of American life. Indeed, as conditions in the ghetto have worsened and as poor blacks have adapted socially and culturally to this deteriorating environment, the ghetto has assumed even greater importance as an institutional tool for isolating the by-products of racial oppression: crime, drugs, violence, illiteracy, poverty, despair, and their growing social and economic costs.

For the walls of the ghetto to be breached at this point will require an unprecedented commitment by the public and a fundamental change in leadership at the highest levels. Residential segregation will only be eliminated from American society when federal authorities, backed by the American people, become directly involved in guaranteeing open housing markets and eliminating discrimination from public life. Rather than relying on private individuals to identify and prosecute those who

break the law, the U.S. Department of Housing and Urban Development and the Office of the Attorney General must throw their full institutional weight into locating instances of housing discrimination and bringing those who violate the Fair Housing Act to justice; they must vigorously prosecute white racists who harass and intimidate blacks seeking to exercise their rights of residential freedom; and they must establish new bureaucratic mechanisms to counterbalance the forces that continue to sustain the residential color line.

Given the fact that black poverty is exacerbated, reinforced, and perpetuated by racial segregation, that black-white segregation has not moderated despite the federal policies tried so far, and that the social costs of segregation inevitably cannot be contained in the ghetto, we argue that the nation has no choice but to launch a bold new initiative to eradicate the ghetto and eliminate segregation from American life. To do otherwise is to condemn the United States and the American people to a future of economic stagnation, social fragmentation, and political paralysis.

Race, class, and public policy

In the United States today, public policy discussions regarding the urban underclass frequently devolve into debates on the importance of race versus class. However one defines the underclass, it is clear that African Americans are overrepresented within it. People who trace their ancestry to Africa are at greater risk than others of falling into poverty, remaining there for a long time, and residing in very poor neighborhoods. On almost any measure of social and economic well-being, blacks and Puerto Ricans come out near the bottom.

The complex of social and economic problems that beset people of African origin has led many observers to emphasize race over class in developing remedies for the urban underclass. According to these theories, institutional racism is pervasive, denying blacks equal access to the resources and benefits of American society, notably in education and employment. Given this assessment, these observers urge the adoption of racial remedies to assist urban minorities; proposals include everything from special preference in education to affirmative action in employment.

Other observers emphasize class over race. The liberal variant of the class argument holds that blacks have been caught in a web of institutional and industrial change. Like other migrants, they arrived in cities to take low-skilled jobs in manufacturing, but they had the bad fortune to become established in this sector just as rising energy costs, changing technologies, and increased foreign competition brought a wave of plant closings and layoffs. The service economy that arose to replace manufacturing industries generated high-paying jobs for those with education, but poorly paid jobs for those without it.

Just as this transformation was undermining the economic foundations of the black working class, the class theorists argue, the civil rights revolution opened up new opportunities for educated minorities. After the passage of the 1964 Civil Rights Act, well-educated blacks were recruited into positions of responsibility in government, academia, and business, and thus provided the basis for a new black middle class. But civil rights laws could not provide high-paying jobs to poorly educated minorities when there were no jobs to give out. As a result, the class structure of the black community bifurcated into an affluent class whose fortunes were improving and a poverty class whose position was deteriorating.

The conservative variant of the class argument focuses on the deleterious consequences of government policies intended to improve the economic position of the poor. According to conservative reasoning, federal antipoverty programs implemented during the 1960s – notably the increases in Aid to Families with Dependent Children – altered the incentives governing the behavior of poor men and women. The accessibility and generosity of federal welfare programs reduced the attractiveness of marriage to poor women, increased the benefits of out-of-wedlock childbearing, and reduced the appeal of low-wage labor for poor men. As a result, female-headed families proliferated, rates of unwed childbearing rose, and male labor force participation rates fell. These trends drove poverty rates upward and created a population of persistently poor, welfare-dependent families.

Race- and class-based explanations for the underclass are frequently discussed as if they were mutually exclusive. Although liberal and

conservative class theorists may differ with respect to the specific explanations they propose, both agree that white racism plays a minor role as a continuing cause of urban poverty; except for acknowledging the historical legacy of racism, their accounts are essentially race-neutral. Race theorists, in contrast, insist on the primacy of race in American society and emphasize its continuing role in perpetuating urban poverty; they view class-based explanations suspiciously, seeing them as self-serving ideologies that blame the victim.

By presenting the case for segregation's present role as a central cause of urban poverty, we seek to end the specious opposition of race and class. The issue is not whether race *or* class perpetuates the urban underclass, but how race *and* class *interact* to undermine the social and economic well-being of black Americans. We argue that race operates powerfully through urban housing markets, and that racial segregation interacts with black class structure to produce a uniquely disadvantaged neighborhood environment for African Americans.

If the decline of manufacturing, the suburbanization of employment, and the proliferation of unskilled service jobs brought rising rates of poverty and income inequality to blacks, the negative consequences of these trends were exacerbated and magnified by segregation. Segregation concentrated the deprivation created during the 1970s and 1980s to yield intense levels of social and economic isolation. As poverty was concentrated, moreover, so were all social traits associated with it, producing a structural niche within which welfare dependency and joblessness could flourish

and become normative. The expectations of the urban poor were changed not so much by generous AFDC payments as by the spatial concentration of welfare recipients, a condition that was structurally built into the black experience by segregation.

If our viewpoint is correct, then public policies must address both race and class issues if they are to be successful. Race-conscious steps need to be taken to dismantle the institutional apparatus of segregation, and class-specific policies must be implemented to improve the socioeconomic status of minorities. By themselves, programs targeted to low-income minorities will fail because they will be swamped by powerful environmental influences arising from the disastrous neighborhood conditions that blacks experience because of segregation. Likewise, efforts to reduce segregation will falter unless blacks acquire the socioeconomic resources that enable them to take full advantage of urban housing markets and the benefits they distribute.

Although we focus in this chapter on how to end racial segregation in American cities, the policies we advocate cannot be pursued to the exclusion of broader efforts to raise the class standing of urban minorities. Programs to dismantle the ghetto must be accompanied by vigorous efforts to end discrimination in other spheres of American life and by class-specific policies designed to raise educational levels, improve the quality of public schools, create employment, reduce crime, and strengthen the family. Only a simultaneous attack along all fronts has any hope of breaking the cycle of poverty that has become deeply rooted.