Economist says civil rights movement was economic success

Kathleen O'Toole, Stanford University News Service, 1/26/00

Gavin Wright, standing behind his desk, clears his throat; his hands are fidgeting in his pockets. Black History Month is approaching, and he's worried, he says with knitted brow, that a reporter looking for news might make too much of this.

"I want to make clear that my role in the civil rights movement was minuscule. The real heroes are people like [North Carolina] Congresswoman Eva Clayton, who stayed in the South and made it work."

Nevertheless, Wright, now the William Robertson Coe Professor of American Economic History at Stanford, was involved on the fringes of the movement, and today argues strongly that the civil rights movement worked economically as well as politically which is news to more than a few people.

The civil rights movement was an economic success and a historical surprise like the downfall of the Soviet Union after it or the triumph of British slavery abolitionists before it, he wrote recently in the *Journal of Economic History*.

Much has been written and published on the plight of Southern black sharecroppers before the civil rights movement, about the marches for public accommodations and voting rights of the early '60s, the lunch counter sit-ins, and the violence and politics that resulted. Almost none of it addresses the economic results.

In most books and articles on the period, Wright says, "attention focuses on the South through the turbulence of the early 1960s, but then shifts, along with the national media, to the late 1960s violence in Northern cities. " That shift in geographical focus often leads to the conclusion that the civil rights movement didn't accomplish very much, because large numbers of African Americans now live in segregated Northern urban poverty.

"Northern developments have their own importance and their own history, but the civil rights movement as such was a Southern phenomenon, with economic as well as political goals," Wright says, "and I felt we economic historians should be ready to look at how it worked out."

In considering the economic success of the movement, Wright posed two questions: Are African Americans in the South better off 45 years later? Is the whole South both blacks and whites better off as a result?

The latter question is important, he said, because "while distributional equity is a defensible objective in itself, the larger and loftier arguments" made in that era were that "shaking off the albatross of segregation would liberate the entire region economically." Segregation, its detractors claimed, was not just immoral but economically inefficient.

Wright's commitment to take a look at the data was spurred by his election as president of the Economic History Association in 1997. His presidential address was slated for the following year at Duke University, just a few miles down the road from where he got off a bus in 1963 as a young white college student from Minneapolis, part of a Quaker-organized group that would spend the summer in Warren County on a black voter registration project. The racially integrated group lived above a black-owned grocery store, staged mock elections in black churches and tried to convince white businessmen they should hire some black employees in what was a depressed tobacco-growing area. Posters the group put up were sometimes shot through with buckshot and scribbled over with KKKs, Wright said.

"If I had never made that bus trip, indeed, if that voter registration project had never taken place, the course of history would not have been much changed," Wright says now, looking at a picture of his youthful self playing

the evil white gubernatorial candidate in a mock election. "But it did make me feel part of those events that swept the South so dramatically." In fact, he said, the frustration of arguing ineffectively with white businessmen led him to work on the forerunner of an Upward Bound program at Swarthmore College the following summer (along with Russell Fernald, now a Stanford professor of psychology, and Cathe Winn, whom Wright married after graduation from Swarthmore). The experience also prompted Wright to do graduate study in economics at Yale and to do his later research and two books on the regional economic development of the South.

Moving to Stanford in 1981, Wright turned his attention to other economic subjects, until the prospect of speaking at Duke prompted him to revisit Warren County and the congressional office of Eva Clayton, who had sponsored his youth group in 1963. In 1992, she became only the second African American woman in history, after Barbara Jordan of Texas, to be elected to Congress from the South. "The idea that something I was connected with so long ago, in however small a way, was linked to such an outcome some 30 years later, is deeply moving to me," Wright says. "I felt that I wanted to share some of that experience with the academic group assembled in Durham."

Warren County is still not a model of prosperity, he says, and political scientists have pointed out that enfranchisement of black voters has not upset white domination of state politics in the South. But Clayton's office was a "constant buzz of activity dealing with social issues of importance in that district, such as teenage pregnancy and efforts to disseminate information about various internships and scholarships the sort of encouragement routinely available to middle-class kids," he said. Stanford history Professor Clayborne Carson also has impressed upon him, Wright said, that local people make change and that national measures, such as voting rights laws, are merely tools for them in a much longer term struggle.

Southern blacks as a group clearly benefited from the movement, Wright concludes. Some black businesses were harmed by integration, and black schoolteachers also lost jobs because of school integration, but "the evidence of a decisive step forward in the labor market and in relative black income is persuasive," he said. Segregated industries like textiles were integrated; state and municipal employment of blacks increased, as well as public benefits to black areas such as street paving, garbage collection and recreational facilities.

"Perhaps the best indicator of this historic shift is the reversal of regional migration flows for blacks, who have been moving into the region in large numbers since 1970." He said. "Many of these migrants may be returning to their family roots, but most of them are well educated and are finding employment in the bustling, racially integrated metropolitan areas of the South."

Wright believes the South as a whole is also better off but concedes it is harder to prove because "modern acceleration of economic growth in the South clearly pre-dates the civil rights era." (In fact, his own research suggests labor legislation during the New Deal had spurred some of it, by destroying the basis for regional isolationism.)

Nevertheless, he says, "It's even harder to picture the South enjoying its modern prosperity in the absence of the sharp 1960s break with the past." Barriers to economic progress may have been less from efficiency losses, he says, than from "the inability of a segregationist South to join and take advantage of national and international networks of knowledge and culture."

"Jesse Jackson once said that Atlanta would never have had CNN, the Braves or the Olympics if it had not been for civil rights marches. Another observer might choose different examples of the South's new, world-class prosperity, but fundamentally, I believe Jackson's statement is right," Wright says.

Some historians have downplayed the significance of the public accommodations law, which forbade racial discrimination in Southern hotels, restaurants and theaters. Wright points out that local operators were glad to have the decision taken out of local hands. "It was a market-enhancing intervention, a simple rule that removed uncertainty and allowed free consumer commerce to flourish."

People also forget how sudden the change was. On his first trip to the metropolitan area of Raleigh-Durham, N.C., in 1963, he says, most of the buses, restaurants, theaters and hotels were segregated. When he returned in 1966 as a graduate student, all public places were integrated. In between, Congress had passed the Civil Rights Act of 1964 and the Voting Rights Act of 1965.

In hindsight, economists, political scientists and others often imply the civil rights movement was an inevitable, natural outcome of conditions that had been building for a long time. Wright resists this notion. In his readings he has found little evidence that most people, either black or white, predicted the changes before they occurred. As late as 1961, for example, Thurgood Marshall, then an NAACP lawyer, foresaw only continuing slow, incremental progress, and the Kennedy administration planned a moderate approach to public accommodations until the vast March on Washington, D.C., in August 1963 changed John Kennedy's mind.

While historical conditions clearly matter, Wright says, "there are more cases of societies that don't take advantage of opportunities that the modern economy offers them than do, because they are divided by race, ethnicity or the lack of effective institutions. It's not that I'm saying the South almost took the other path, but if this distinctive Southern culture really was so important to people, they could have held onto it at a high enough price, as Northern Ireland and Quebec and others have done."

But can the civil rights movement be declared a success even in the South, when large numbers of blacks still live in rural poverty?

"The South's economic success largely has been limited to metropolitan areas, not unlike the rest of the country," Wright acknowledges. "There have been a whole series of adverse economic trends that have had a disproportionate impact on the black community, North and South. Their breakthrough into the labor market was followed by the general fall of unskilled wages, which is a national and international trend, and the problems of agriculture in the South and of urban society are certainly real and have a race-specific dimension.

"But the real implication of those trends is not that nothing happened in the civil rights movement," he says. "It is that we need robust economic growth as well as multiracial politics, if the goal of racial justice is going to be realistic for large numbers of people. Either one by itself will not be enough."