

Some technical measures of U.S. economic growth are being revised (to reflect, for instance, recognition of computer software as an investment). But until the process

is much further along, Nakamura concludes, it will be hard for economists to tell whether “creative destruction” is all that it’s currently cracked up to be.

SOCIETY

The End of the ‘Colortocracy’

“The Emerging Philadelphia African-American Class Structure” by Elijah Anderson, in *The Annals* (Mar. 2000), American Academy of Political and Social Science, 3937 Chestnut St., Philadelphia, Pa. 19104.

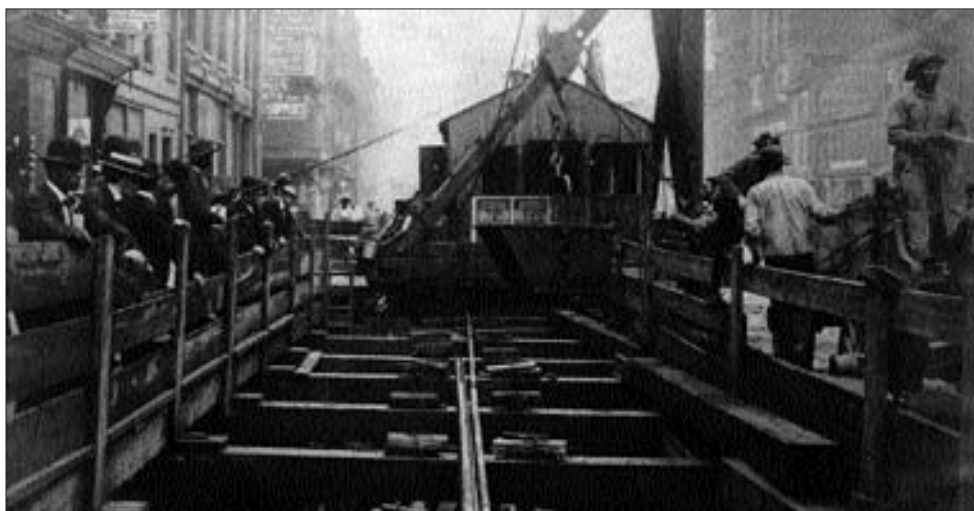
Affirmative action and other civil rights measures have done more than bring many blacks into the American mainstream, argues Anderson, a sociologist at the University of Pennsylvania. They also have disrupted the old “castelike” class structure within the black community in Philadelphia and other cities, rendering longstanding distinctions based on shades of skin color less important.

Since the time of slavery, Anderson observes, variations in shades of skin color have made a difference within the black community. An old folksaying put it this way: “If you’re light, you’re right; if you’re brown, stick around; but if you’re black, get back.”

In *The Philadelphia Negro* (1899), the first case study of an African-American community in the United States, black sociologist W. E. B. Du Bois discerned four classes: On top, Anderson notes, were the well-to-do: light-skinned doctors, lawyers, and others, whose

“relatively privileged ancestors were the offspring of slaves and slave masters.” Next came an emerging middle class of schoolteachers, postal workers, storekeepers, and ministers, whose skin color was “more brown, sometimes even dark.” Below that group was “the solid working class,” made up of people, generally migrants from the South, who “tended to be dark-complexioned.” Finally, at the bottom of the class structure, says Anderson, were “the very poor who worked sporadically if at all: Du Bois’s ‘submerged tenth.’”

“One of the most unappreciated but profound consequences” of the civil rights policies intended to promote black equality with whites, Anderson maintains, was “the destabilization” of the castelike system within black society. By giving the same opportunities to dark-skinned blacks as to light-skinned ones, affirmative action policies reduced the relatively privileged position of the light-skinned



The Library Company of Philadelphia

The social gap that divided the onlooking black Philadelphia gentlemen from the black workmen was as wide as the subway tunnel that was under construction on Market Street in 1904.

“colortocracy.” “Blacks of all hues” entered formerly white institutions as students, teachers, and workers. Corporations, universities, and government agencies became “the major arbiters and shapers of black mobility,” and class positions in the black community “became increasingly dependent on achievement and less on ascription.”

Today, the black community in Philadelphia is no longer concentrated in a single area of the city. And the social classes within that community, writes Anderson, “are qualitatively different from those of Du Bois’s time.” Members of the new black elite come from various backgrounds and in various hues,

are “largely indifferent to earlier rules of the color caste,” and live in Chestnut Hill and other predominately white and affluent neighborhoods. Members of the black middle class, often the offspring of industrious working-class parents, live mostly in Mount Airy and other racially mixed areas, though many continue to reside in the old inner-city neighborhoods.

The black working class and underclass have seen the least change, and have been hurt by the loss of manufacturing jobs. Still, says Anderson, “the legacy of past exclusion continues to haunt blacks at all levels of the class structure.”

Sizing Up Affirmative Action

“Assessing Affirmative Action” by Harry Holzer and David Neumark, in *Journal of Economic Literature* (Sept. 2000), American Economic Assn., 1014 Broadway, Ste. 305, Nashville, Tenn. 37203, and “What Does Affirmative Action Do?” by the same authors, in *Industrial and Labor Relations Review* (Jan. 2000), Cornell Univ., Ithaca, N.Y. 14853–3901.

Does affirmative action in business and education, along with government “set-asides” for minority firms, result, as many critics suggest, in poorer-performing employees, students, and contract firms? In an overview of past research, and a new study of their own, Holzer and Neumark, economists at Michigan State University, answer no on most counts.

Looking at more than 3,200 employers in Atlanta, Boston, Detroit, and Los Angeles surveyed between 1992 and 1994, Holzer and Neumark found that 56 percent used affirmative action in recruiting. These firms attracted (not surprisingly) more minority and female job candidates, screened them more intensively, were more likely to ignore educational or past employment deficiencies or criminal records when they hired—and were more likely to provide training for their new hires. These actions by employers apparently paid off: Subsequent performance ratings showed that the minority and female workers did, if anything, better than white men.

Some 42 percent of the employers surveyed used affirmative action in hiring (as well as, for the most part, in recruiting). Holzer and Neumark found that these firms were more likely to hire women or minorities with lesser qualifications—but also to give them remedial training, thus erasing the differences. Overall,

affirmative action, while boosting employers’ costs, did not appear to result in weaker job performance.

Various studies have attempted to determine whether the proverbial “playing field” is level for minorities and women in the labor market. Summarizing these studies in the *Journal of Economic Literature*, Holzer and Neumark write that “while differences in educational attainment and cognitive skills account for large fractions of racial differences in wages, employer discrimination continues to play a role.” Does affirmative action help? Studies found (again, not surprisingly) that it results in employment gains for minorities and women. But on the question of its impact on the performance of employees and firms, say Holzer and Neumark, the various studies they examined yield “no definitive conclusion.” The data suggest, however, that white women in affirmative action firms are not less qualified and do not perform less competently than their male counterparts. Also, the authors observe, while “there is some evidence of lower qualifications for minorities hired under affirmative action programs,” especially when measured by test scores or formal education, “evidence of lower performance . . . appears much less consistently or convincingly.”

In universities, Holzer and Neumark note,