

Is the Black Community a Casualty of the War on Poverty?

By Robert L. Woodson, Sr.

About four days ago I was the guest of a group of black legislators in Milwaukee. When I got off the plane, a gentleman about my age greeted me. After a ten-minute search for his car, he finally acknowledged that he couldn't find it because he had left his glasses at home. "I guess you could say I'm blind and vain," he confessed.

And that's true with far too many of us who have been engaged in the civil rights movement. We have been blind, but we have also been vain. We must now discard the vanity induced by the nobility of our struggle and find the courage to embrace a new honesty in assessing its legacy. So what I have been trying to do within the black community is to stimulate a return to our rich tradition of debate as to the nature and course of post-civil rights change.

Historically, there were always active currents of debate within the black community. From the time of slavery up until the death of Dr. Martin Luther King, Jr., voices of many persuasions were heard as we sought to shape our destiny as black Americans. Since then there has been little or no substantive debate. We have allowed our dynamic diversity of thought to be muted into a predictable monolith.

A brief historic review of major currents of debate among blacks will provide an appropriate perspective. During the period of slavery, there were "insurrectionists," who believed that we should use violence as a means of achieving our rights. Then there were the "accommodationists," who felt just as strongly that we should try to seek justice and rights within the American context.

In the decades preceding the Civil War, many enslaved blacks thought the road from bondage to dignity led back to their African homeland and became "re-colonizationists," championing a return to meccas of resettlement such as Sierra Leone and Liberia. At the same time, other blacks vigorously protested against the idea of leaving a country being built on the backs of their free labor and cast their lot with the "abolitionists" and others working to dismantle the system of slavery.

Working Within the System. Following Emancipation, the turn-of-the-century years were characterized by vigorous dialogue between pre-eminent black leaders of the day such as Frederick Douglass and Booker T. Washington. While the militant Douglass and the younger, more conservative Washington both promoted economic self-sufficiency for newly-freed blacks, they differed on the extent to which their goals could be achieved within the existing system.

As the century progressed, Washington's gospel of black entrepreneurship and industrial training was challenged by yet another outstanding black thinker, W. E. B. DuBois, who espoused the concept of the "Talented Tenth," an intellectual elite of social scientists and humanists who would create a black technocracy. DuBois thus set forth for generations of

Robert L. Woodson, Sr., is President of the National Center for Neighborhood Enterprise, Washington, D.C.

He spoke at The Heritage Foundation on February 6, 1990, as part of a lecture series observing Black History Month.

ISSN 0272-1155. ©1990 by The Heritage Foundation.

black Americans educational achievement as a vehicle for integration and acceptance into the mainstream of American society.

But it was not until the emergence of Marcus Garvey that dialogue within the black community generated a mass movement. Tapping into the disillusionment of urban blacks following the first World War, Harlem-based Garvey glorified the African past as a source of pride and self-respect, and by the mid-'20s, the "Back-to-Africa" rallying cry of his Universal Negro Improvement Association had attracted nearly a million followers.

While there were many black voices of dissent during this period, Garvey succeeded in putting together one of the most effective national grass roots movements in the history of this country — an accomplishment unparalleled even today.

Rich Debates. What clearly emerges from an examination of our past, however cursory, is that there were indeed rich debates within the black community about the course of change. They took many forms and produced varying results. But monumental figures like Douglass, Washington, DuBois and Garvey offer compelling evidence that true leadership is not defined by one's ability to reflect popular opinion, or the consensus of the most vocal majority. Rather, leadership is and should be defined as a willingness to challenge popular opinion and the consensus in order to shape a new future.

In more recent times, Dr. Martin Luther King, Jr. demonstrated repeatedly that he was a man who believed in challenging the traditional wisdom. While Dr. King is best known for his stirring "I Have a Dream" speech, I remember him for his earlier "Letter from Birmingham Jail," an insightful document in which he warned that the greatest stumbling block to black progress was not the white Citizens Council or the Ku Klux Klan, but the white moderate. He said that lukewarm acceptance and understanding from people of goodwill was more difficult to tolerate than outright rejection from those of ill will.

It is no secret that many of those in the (civil rights) leadership of the day were very critical of Dr. King. After all, the impact of his statements and actions could shut off some of their financial support. So they preferred to keep quiet about such things.

Thirty years ago today, four college students in Greensboro, North Carolina, challenged the traditional civil rights approach of seeking legal redress when they went to a segregated lunch counter in Woolworth's and engaged in the first sit-in. This incident subsequently drew the entire movement into the use of civil disobedience as a tactic.

Now Dr. King was not an advocate of civil disobedience in the early years. But the students said to him, "Dr. King, you must either lead, follow, or get out of the way." Like the born leader that he was, he took his place at the front of the pack and directed that phase of the movement as well.

Tension with the Leadership. But there was always tension between Dr. King and the civil rights leadership in Atlanta because they believed we should seek only legal redress for our ills. So when he came to Birmingham and was jailed for his defiance of a state court injunction against further demonstrations, it was the young people who came to him and supported civil disobedience. Not the elders. Not the established religious leaders of the time.

We must not forget that Dr. King also displayed another great hallmark of a leader: his positions on the issues were always morally consistent. While he opposed the violence of the Klan, he also opposed the retaliatory violence of militant elements such as the Black Panther Party. He realized that it was essential that the movement maintain a consistent posture.

When Dr. King took his stand against the war in Vietnam, I remember being on a podium with Roy Wilkins (then head of the NAACP), who soundly castigated Dr. King for bringing the peace movement together with the civil rights movement. But Dr. King prevailed and the entire nation was led.

Permanent Underclass. Since the death of Dr. King, however, there has been no creative tension to spark open and honest debate within the black community. As a consequence, we have seen a trillion dollars expended over the last 25 years on programs to aid those who were left behind by the civil rights movement. And yet we are told that one-third of black America is in danger of becoming a permanent underclass.

Blacks now have political control of eight of the twelve major cities in the United States. But even in those cities, poor blacks are no better off than they were under white control. So if political empowerment, the passage of civil rights laws, and a proliferation of high price-tag poverty programs have not yielded the promised benefits, what should we do? Has the black community, in truth, been a casualty of the war on poverty?

And that is the subject that I would like to address this afternoon. But let's re-phrase the question. How do we achieve victory in a war that we have won? Let me repeat that — how do we achieve victory in a war that we have won?

In order for those of us in the black community to answer this question, we must first understand that it is most important to be self-critical. As Dr. King said, the highest expression of the maturity of any people, or an individual, is the ability to be self-critical.

As a person who went to jail and fought hard in the civil rights movement, I unequivocally affirm my commitment to that movement. But I must also affirm my commitment to the truth: many of those who sacrificed most in the struggle for civil rights did not benefit from the change. More specifically, poor blacks did not benefit substantially from the civil rights movement.

When I recently appeared on a national television panel following the release of the "State of Black America" report by the National Urban League, I called it "a litany of despair about how bad off we are." I was then asked for my perspective on the state of black America. For the blacks on this show, I pointed out, life ain't been too bad. And it has never been too bad for those of us who were prepared to walk through the doors of opportunity when they were opened. Regardless of who is in the White House, our incomes have improved every year for the past twenty years.

Equipped Differently. In order to move in new directions, we must disaggregate this problem and stop attempting to apply a single solution. We are insulted when whites say that all blacks think, look, and act alike. So why should we impose this on ourselves?

Black Americans must recognize that even though all of us might have been caught in the storm of racism and discrimination together, we were equipped differently to address that condition. Some of us had overcoats, boots, and hats on our heads while others were naked. And that's why there cannot be a consistent response from the black community.

We must, first of all, understand why the civil rights movement, political empowerment, and the passage of civil rights laws have all failed to address the needs of low income blacks. The answer to that question is critical not only to the future of black America, but to the future of this nation.

If we are to remain competitive as a country, we will have to rely upon a work force drawn up primarily of blacks and Hispanics. According to current demographic trends, the number of whites being born is declining as the number of black and Hispanic people is increasing. With a projected 15 million new jobs in the economy in the next twenty years, corporate America will have to look increasingly to those groups.

But if 800,000 young black and Hispanic kids are dropping out of school each year and another 800,000 are graduating as functional illiterates with poor work skills, America is headed for trouble.

Better in Bangladesh. The shocking fact is that a black man's chances of survival in Harlem are less than they would be if he was a resident of Bangladesh, the poorest country on the face of this earth. More than 10,000 blacks are killing one another each year, more than the total number of blacks killed in the nine years of the Vietnam war. Thousands of blacks and Hispanics are dying each year because of the chances that they take and the choices that they make in lifestyles characterized by violence, disease, poor health habits and other life-threatening behavior.

These issues must be addressed, not only for reasons of compassion, but for our national survival. When you consider that our military forces will also be drawn from among these minority groups, our national security is also strategically involved.

And so we have got to be absolutely self-critical in acknowledging the mistakes we made as a community in the single minded pursuit of civil rights. What we fail to understand is that while the Supreme Court removed social segregation, it left economic Jim Crow laws in place.

Intense Competition. Clint Bolick is one of the few scholars who has gone back and traced the origins of this economic discrimination. In Clint's book, *Changing Course*, he talks about the manpower shortage which existed following the Civil War in 1865. Thus the blacks who were freed from slavery at the time entered the work force. Those who had gained skills as craftsmen began to set up small businesses. And others began to contract their labor to plantation owners. There was intense competition, so for a very brief period, wages began to soar in a free market environment.

But plantation owners, seeking to exercise control, came together informally to form a cartel. As with most cartels, people began to break the rules, so that the competition remained intense. The white plantation owners then asked the state to impose laws limiting the economic activities of blacks. The result was a repressive spate of vagrancy laws, licensing laws, and entry fees. Business licenses could be withdrawn if it was believed that the proprietor was of ill repute. In fact, the state imposed all kinds of restrictions — many of them arbitrary.

Fourteenth Amendment Protections. In 1866, Congress responded by passing the first Civil Rights Act, which granted citizenship to slaves, and stipulated that cases against them were to be tried in federal court. But President Andrew Johnson vetoed it because he said it was unconstitutional for the federal government to impose its will on the states. But in 1868, the 14th Amendment was passed, guaranteeing equal protection and due process and the privilege of immunity, which meant that there were certain rights that the states could not take away from individuals.

However, in 1872, there was a case in Louisiana that is rarely referenced by civil rights advocates. And that is the now infamous *Slaughterhouse* case. In the parishes of Louisiana,

slaughterhouses were consolidated into a monopoly for legitimate health reasons, and many people were driven out of business. As in any monopoly, corruption and high entry fees prevailed. Subsequently, some of the butchers that were forced out of business filed a lawsuit.

“Jim Crow” Laws. The case went to the Supreme Court, which ruled that the states could not restrict the individual’s right to participate in economic activities. Thus the slaughterhouse law opened way for the reinstatement of the “Black Codes” that were later called “Jim Crow” laws.

There were four principal features of the Jim Crow laws. First, they limited the ability of black laborers to change employers. Second, they made it unlawful to be unemployed, even for a temporary period of time. Third, they restricted the labor recruiters coming in from the North and other places to recruit blacks. They were arrested on the streets by the police for trying to sign up blacks for jobs that were available in other cities or other regions. So if a black quit his job in order to take a job in another place and went home to pack his bags, he could be arrested as a vagrant. Fourth, they allowed blacks who were in prison for their debts to be turned over to employers to work off their obligation.

As a consequence of *Slaughterhouse*, these laws quickly extended to the social agenda. One result was rampant segregation in public accommodations.

Strength from Adversity. Yet even in the face of these tremendous barriers, between 1889 and 1920, blacks persevered and many prospered. For example, there was segregation in public transportation. So in 24 towns and cities in the South, blacks engaged in the first bus boycott. Later, they set up their own alternative transit systems, which became thriving enterprises owned and operated by blacks. The state responded by imposing arbitrary licensing laws which drove those companies out of business.

But the black community gained strength from this adversity. When whites refused to lend us money, blacks established over 103 banks and savings and loans associations. When whites refused to treat us in hospitals or to train us in medical schools, blacks established 230 hospitals and medical schools around the country.

When a thousand blacks were fired on the docks of Baltimore for striking, they did not march on Washington and demand jobs, peace, and freedom. What they did was establish the Chesapeake Main Dry Dock and Railroad Company and successfully operated their own railroad for 18 years.

There were over 1,021 inns and hotels operated in black communities. As late as 1958, I can remember the Carver and Calvert Hotels in Miami – first-class hotels where blacks could go and enjoy outstanding accommodations.

Entrepreneurial Tradition. So there was indeed a rich tradition of entrepreneurship and business development in the pre-integration black community that has been very carefully documented by a young man named John Sibley Butler at the University of Texas in Austin. And I encourage The Heritage Foundation to invite John Butler here because he has spent five years of his life going back down South and collecting this valuable data.

A focus of his research has been on Durham, North Carolina, known as the “Black Wall Street” in the 1920s. During the Depression, blacks did not suffer in Durham the way they did in other parts of the country because their rich entrepreneurial experience enabled them to establish many self-help organizations, including political groups.

Today, Durham's 50-year-old political organization has as its chairperson a Republican, with the vice chair a Democrat. Why? Because they want both Democrats and Republicans to come to them solely on the issues. Then they will throw their support behind the candidate who brings the most compelling case to the table. Compare this to the kind of trap that blacks have gotten themselves into by voting for Democrats whether the party delivers anything or not. In Durham, such blindness does not exist.

John Butler's research also revealed that there is an intrinsic value in entrepreneurial behavior that transcends gross business receipts. He found that 63 percent of blacks that are third-generation college graduates come from this group of entrepreneurs. He found that even in running a grocery store or a mom-and-pop shop, certain values are communicated to the children so that they tend to go on to college.

Every time I speak to a group of professional blacks and ask how many are third-generation college graduates, they raise their hands. Then I ask how many of their parents owned businesses and the same group raises its hands. Not all blacks come from poverty.

Social Benefits. John Butler himself, who is a third generation Ph.D., comes from a family that owned a lot of land in Louisiana. They had servants at the turn of the century. When John was on a panel down South, he appeared with a white mayor and a white president of the city council, and they were all asked about their backgrounds. The white mayor said that he came from a family of sharecroppers and told his hard luck story. And the white president of the city council said he came from a farm family, and it was tough growing up. And John looked at both of them and said, "Well, Mother wouldn't have let me play with y'all because we were always doing well." The point is that a rich entrepreneurial tradition reaps measurable social benefits.

John Butler has also examined the implications of this emphasis on entrepreneurship and economic development on the plight of blacks today. He went back to Durham and compared the wealth of blacks there with the wealth of blacks in Chicago. He found that 40 thousand blacks in Durham today control more wealth than a million blacks in Chicago. Now this is not because white folks are fairer to blacks in Durham than they are in Chicago. It has more to do with their relative economic standing.

We must understand that the issue today is less a matter of race than economic development. Of course racism continues to be a problem, but it is certainly not the most important issue that we are facing as a people.

Response to Racism. As a child, I remember reading about how Jewish folks responded to signs on Miami Beach which read: "No Jews or dogs allowed." There was no picketing. Jews simply bought the beach. The same is true with the Trainmore Hotel, a large hotel in Atlantic City where we used to go in the summer. They didn't permit Jews and blacks in there either. No picketing. In less than three years, Jews owned the hotel. There is no need to worry about access to accommodations or equal employment opportunity when you own it.

Black America took important first steps toward this level of economic independence with the Eldorado Hotel, one of the largest hotels situated in the middle of Manhattan. In the early 1950s it was owned by the United House of Prayer, a black church. (Even though blacks couldn't go there, they benefited through the revenues generated.)

Similarly, a hosiery manufacturing company in Durham became so prosperous that they hired white sales persons and had wide national distribution. It was a black-owned and

-operated company, yet they had to use white sales personnel because they knew they couldn't send blacks into the white stores. In fact, many of these black-run businesses catered exclusively to whites. But it was purely an economic decision dictated by the times.

Although the Supreme Court struck down social barriers in the 1950s and 1960s, it left in place the restrictive legacy of the old licensing and *Slaughterhouse* laws that continue to this day to deny blacks an opportunity to participate freely in the market economy. So it is important to understand that there were other problems key to our survival that we never addressed in the civil rights movement.

It is essential that we distinguish between segregation, integration and desegregation. As an active participant in the civil rights movement, I fought against segregation. I fought against laws and policies legally limiting my activities, or my access to any place I wanted to live or to work.

Schizophrenic Thinking. But what I fought for was pluralism; I did not fight for integration. And that is where we made a fundamental mistake. By using the terms "integration" and "desegregation" synonymously, we sowed the seeds of a pattern of schizophrenic thinking that continues to exist in the black community today.

At the same time some blacks are saying that whites are conspiring to eliminate blacks genocidally, other groups of blacks are filing lawsuits in the courts demanding that those same whites teach their children. Now there is something wrong and schizophrenic about that. But I say it is more of a class issue than a race issue.

In 1974, Judge W. Arthur Garrity was faced with the question of what he should do about the problems of segregation in the Boston school system, and he did a very informed thing. Judge Garrity went to the black community, whose children were being directly affected, and asked them what they wanted. After community meetings were held, the parents concluded that their priority was quality education, not integration by busing. They wanted their children to learn and to be first-rate citizens. Well, the civil rights lawyers, both black and white, arrogantly advised Judge Garrity to set aside the views, opinions, and desires of those low-income blacks and ordered the schools to bus anyway. Not one of the attorneys, black or white, had his children on the buses. But they insisted that children be bused. And when the stones were thrown, their children were not around.

The children in Boston were bused from Roxbury High to the south Boston area that had a lower number of white graduates going on to college. In some places, the light fixtures were hanging from the wall. One white parent said to a black correspondent for CBS news, "Sure, bring your kids into this school and they will graduate just as dumb as our children." And yet the leadership of the time persisted in pressing the whole issue of busing.

Funding the Poverty Industry. It is the same with the poverty programs. Seventy cents of every dollar spent 25 years ago went directly to poor people. Today, seventy cents of every dollar goes not to poor people, but to those who serve poor people — the poverty industry. Who makes up the poverty industry? They are middle-income blacks and middle-income whites.

And so what you have today is a situation in which there is a group of people who benefit from the existence of an underclass. And as long as there are such perverse incentives for the maintenance of an underclass, you will have one.

The new consensus that we are trying to forge in this country is to bring together people who have compatible interests. The corporate community desperately needs well-trained

people for its businesses in order to be competitive in the future. The black community at the grass roots level desperately needs to engage in enterprise formation because 80 percent of all new jobs in the American economy are generated by the start up of small businesses. What is important is the creation of wealth by people at this level.

Therefore, what we are trying to do is bring about a marriage between the interests of American business and the folks here in those low-income communities who have demonstrated that they can improve the civil environment, throw the drug pushers out, reduce teenage pregnancy, and motivate young people to stay in school. They are doing this without elaborate budgets or programs because they understand that they have to engage young people at the spiritual, ethical, and moral level, and challenge them to be more than they are.

Moral and Spiritual Challenge. But you never hear urban policy analysts talking about the moral and spiritual dimension of social change. As I look around the country, the people who are making a difference in the lives of these young people, who get the needles out of their arms, who get the young women not to have babies — don't do so because they have better programs. They do so because they challenge young people morally and spiritually become what they can, and what God intended them to be.

But too many of our policy analysts look down on these innocent efforts. Both conservatives and liberals tend to do the same thing. And I am here to tell you that there is new movement afoot, a grass roots movement of people who understand fully the moral and spiritual dimension of their condition. And are willing to take responsibility for their own lives.

You can have all the fancy treatment programs in the world, but the only way things are going to change is when you convert the hearts of people. And those who are best able to do that are the people that have a proprietary commitment to doing it, not because they are being paid by some program. Now I am not against programs. I am merely saying programs should come at the end of a process of self-liberation that comes from within one's own moral and spiritual value system.

But it cannot happen when we tell young black kids every day that if they are aggregated in any group which is all black, then that's a pathogenic environment. Again, it is a class issue. We refer to low-income blacks coming together as a segregated circumstance. But when middle-income blacks come together in their all black sororities and fraternities or churches, both the perception and the language change.

Spirit of Candor. You see, we play games with poor people. I never hear anybody refer to the Alphas, the Omegas, and the Deltas or AKAs as segregated institutions. I never hear people referring to black churches as segregated institutions. No, we say they are simply organizations or congregations of black people.

And in this spirit of candor and self-criticism, we must not allow our leadership to lose its moral conscience as well. When a black United States Congressman accosts a young black female Peace Corps volunteer on the back seat of a limousine and then defends his actions in the House of Representatives by charging his accusers of racism, our civil rights legacy is intolerably dishonored. And those who are silent in the face of this offense are guilty by complicity.

We can have but one standard of accountability, and that must transcend race. If we don't want whites to hold us accountable for our actions, then what mechanism do we have inter-

nally to hold ourselves accountable? These are the messages that we need to bring to our people.

And these are some of the solutions that we are pursuing at the National Center for Neighborhood Enterprise by working with grass roots people, by looking at the glass that is half full. We believe in studying inventories of capacity because you learn nothing from studying failure except how to create it.

We are visiting low-income communities all across America to find out what works and why. We are giving people in these communities the capital and the information they need to empower themselves, as well as the moral and spiritual support. And then we can bring them together with those who share that common destiny.

Empowering Those on the Bottom. Our work has political implications, too. I will not permit the Republican Party to extend its influence among blacks by merely reaching out to the same entrenched civil rights leadership that created the problems in the first place. I will not let them get away with that. The worst thing in the world is for the Republicans to reach out to that leadership and give the impression of being more open to blacks, and getting the votes, and then leaving poor blacks and poor whites behind in the wake of their victories. And poor whites are almost worse off than poor blacks because no one advocates for them.

In concluding, let me repeat that the issue today is not race, but class. The insistence on applying race-specific solutions to economic problems has snatched defeat from the jaws of our civil rights victories. We need to come together as a nation and address the problems of poverty by empowering those at the bottom. We must give them the opportunity to excel and participate in the free enterprise system because their destiny and the destiny of this nation depend upon what we do today.

