

POLITICAL ECONOMY RESEARCH INSTITUTE

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University of Massachusetts Amherst

Comment on Darity, McCrate, and Wicks-Lim

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February 2013

*This paper was presented as part of
a September 2011 Festschrift Conference in
honor of Thomas Weisskopf.*

WORKINGPAPER SERIES

Number 312

**POLITICAL ECONOMY
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PREFACE

This working paper is one of a collection of papers, most of which were prepared for and presented at a festschrift conference to honor the life's work of Professor Thomas Weisskopf of the University of Michigan, Ann Arbor. The conference took place on September 30 - October 1, 2011 at the Political Economy Research Institute, University of Massachusetts, Amherst. The full collection of papers will be published by Elgar Edward Publishing in February 2013 as a festschrift volume titled, *Capitalism on Trial: Explorations in the Tradition of Thomas E. Weisskopf*. The volume's editors are Jeannette Wicks-Lim and Robert Pollin of PERI.

Since the early 1970s, Tom Weisskopf has been challenging the foundations of mainstream economics and, still more fundamentally, the nature and logic of capitalism. That is, Weisskopf began putting capitalism on trial over 40 years ago. He rapidly established himself as a major contributor within the newly emerging field of radical economics and has remained a giant in the field ever since. The hallmarks of his work are his powerful commitments to both egalitarianism as a moral imperative and rigorous research standards as a means.

We chose the themes and contributors for this working paper series, and the upcoming festschrift, to reflect the main areas of work on which Tom Weisskopf has focused, with the aim of extending research in these areas in productive new directions. The series is divided into eight sections, including closing reflections by our honoree himself, Professor Weisskopf. Each section except for the last includes comments by discussants as well as the papers themselves.

The eight sections are as follows:

1. Reflections on Thomas Weisskopf's Contributions to Political Economy
2. Issues in Developing Economies
3. Power Dynamics in Capitalism
4. Trends in U.S. Labor Markets
5. Discrimination and the Role of Affirmative Action Policies
6. Macroeconomic Issues in the United States
7. Applications of Marxist Economic Theory
8. Reflections by Thomas Weisskopf

This working paper is 4 of 6 included in Section 5.

- *Jeannette Wicks-Lim and Robert Pollin*

Comment on Darity, McCrate, and Wicks-Lim

Randy Albelda

Tom Weisskopf's book, *Affirmative Action in the United States and India* (Routledge 2004), represents an intellectually curious contribution to his body of work. This topic appears as a recent research interest, not totally in keeping with Weisskopf's previous research agenda, especially the focus on a particular policy. This work also appears at a time when discrimination and affirmative action remedies have seemed to have run their course in US academic and policy circles. Weisskopf's interest in the topic is spurred by his personal connections to the issues: the struggle over AA admissions policies at his own institution (University of Michigan) and his life-long connection with India.

Weisskopf defines the societal goals that positive discrimination policies embody (democracy, harmony, efficiency, and distributive equity) and provides a theoretical model for assessing the outcomes of these policies. He limits his discussion to racial and ethnic under-represented groups and focuses primarily on preferential education admissions policies. But ultimately this work is an empirical assessment of affirmative action education admissions policies, including the almost impossible task of assignment measurements to assess the achieving the states goals.

Weisskopf makes clear that affirmative action policies work best when elites are comfortable with employing them. The trajectory of promotion and proactive legal measures from the 1960s through the 1980s was to be followed by a conservative backlash that has watered down if not undermined these policies. This suggests, coupled with a social structures of accumulation (SSA) framework developed by Weisskopf and various co-authors, that affirmative action can be understood as a tool or mechanism for managing race and gender inequality constructed in the post WWII labor segmentation SSA, which began to unravel in the late 1970s. Not surprisingly, with slowed growth in the 1980s, affirmative action comes under steady attack.

More recently, affirmative action has been rendered moot by its critics in the supposed age of post-racial and post-gender inequality. Yet is it? Three papers in this section raise key current issues about affirmative action policies in light of its relatively narrow but important agenda of integrating the higher echelons of both white and blue collar work in light of historic and continuing discrimination.

Affirmative action policies have often been misunderstood and are often criticized for promoting unfair preferential treatment, hurting the people they are intended to help, and targeting the wrong group. Despite several decades of evidence to disprove most of these mischaracterizations, they persist. Thankfully, William Darity Jr. has the intellectual patience to summarize some of the research and address what he politely calls "grumbles." He takes to task six specific claims made against the current affirmative action policies.

The first two grumbles are derived from the most fundamental assertions of neoclassical economics: only unfettered markets assure efficiency and that they are fair. The imposition of affirmative action therefore violates both, not only reducing growth through lower productivity but also is unfair by allowing some people to

get ahead of others. Yet, as Darity points out, life before affirmative action was hardly a meritocracy – indeed just the opposite. White males from the right class had no or little competition for the best schools and jobs. The popular television show “Mad Men” that depicts world of the men and women working at a 1960s Madison Avenue advertising agency reminds us of that every episode, with single white women relegated to secretarial pools while black men run elevators. Meanwhile in the suburbs married white women run their children’s lives while black women clean their houses. The issue of lost productivity is often posed as a counterfactual. But, there is strong evidence that discrimination was a heavier burden on growth and studies of employers’ evaluations repudiate that blacks are less productive than whites.

Darity’s remaining grumbles are also addressed by Weiskopf. Two of these assume that beneficiaries of affirmative action policies are de facto unqualified: those who benefit from affirmative action policies are unprepared which in turn and once hired or enrolled will in turn be stigmatized as only there due to affirmative action policies. Darity discusses the testing literature around the racial gap to dismiss the first claim and reminds us that the only reason we have affirmative action policies is precisely because the targeted groups have historically been stigmatized. The last two grumbles are not really mischaracterizations of the policies but rather an indication of just how narrow they are. These grumbles are that only the elite benefit from affirmative action and that what we really need are policies implemented on the basis of class. As Darity points out, to argue that only the top tier of unrepresented groups benefit from affirmative action is to actually understand the policy, not a complaint.

Elaine McCrate’s essay hones in on hiring discrimination and screening mechanism for honesty and motivation. Because employers want to hire hard-working (i.e. motivated) and honest workers, ferreting out this information among all potential hires is important. McCrate argues that there is plenty of evidence from audit studies and interviews with employers and managers to demonstrate employers see black workers as the most likely to lack these attributes, especially in the era of wholesale incarceration of black men. McCrate looks to statistical discrimination theory (SDT) as it has the most to say about screening, even though it typically addresses screening mechanisms for more traditional productivity boosters. In systematic fashion, McCrate disassembles SDT arguments that show how employers’ screening mechanisms (interviews and tests) can lead to discriminatory outcomes for equally qualified applicants. Miscommunication in interviews and larger variation in test scores provide cover for hiring whites over blacks. But ultimately these outcomes are inconstant with SDT. What we are left with is employers’ social construction of black applicants – i.e. racial stereotyping.

McCrate’s focus on screening for honesty and motivation is especially well-placed, as it is increasingly likely to become a key race marker for employers. Recent analysis by Loic Wacquant (2002) and Michelle Alexander (2010) point to incarceration as shaping the neoliberal/post-racial system of racial segregation and inequality. As criminal background checks become cheaper, more commonplace, and increasing required for some jobs, they will become another seeming “objective” cog in the hiring racial regime. Understanding the mechanisms and their contradictory nature is important. Interestingly, McCrate points to preliminary evidence that finds black applicants that make it through the criminal offense screening processes are more likely to be hired than whites. This suggests criminal background checks may merely become a tool for employers to discern the “deserving” from the “undeserving” applicants. After all, any black man who has not been locked up must have really been able to keep his hands clean. This is cold comfort for the growing number of black men with

criminal records. Weisskopf argues that better screening mechanisms make affirmative action policies more effective, but McCrate suggests that affirmative action hiring policies will likely not be very effective without major penal reform. In this new racial order, one wonders, what new forms of struggle and policy implementation positive discrimination might take.

Jeannette Wicks-Lim's essay takes a recent snapshot of affirmative action policies at work through federally funded construction projects. The American Recovery and Reinvestment Act (ARRA) of 2009 provided a large-scale federal infusion of construction money as a time when private funds had been drying up. Further, these funds have been distributed under the auspices of a Democratic president whose Department of Labor is one of the few executive offices with appointed leaders that include women and men of color whose careers have focused on promoting racial and gender equality.¹ This combination, Wicks-Lim argues, has potential to revitalize and make more effective the already existing sets of affirmative action policies in the United States.

Wicks-Lim is among the first to empirically test whether federal dollar infusions and increased compliance enforcement can work to boost women and people of color's employment in construction jobs. She provides preliminary empirical evidence that they probably do. She finds that women's meager share of employment was boosted with ARRA funds while her data suggest black workers' gains were modest. Since the early 2000s, Latinos have been over-represented in the construction industry, but Wicks-Lim finds that this group also lost jobs at a faster rate than white male workers during the down turn. But, she finds the infusion of ARRA-funded construction work did slightly improve Latino's worker share of employment, particularly in states with the largest levels of spending.

As Wicks-Lim's essays demonstrates that because federal funds come with federal strings attached, if those strings are actually "pulled" it is possible to better integrate the construction labor force. This represents an important opening, although one that might be rapidly closing by the virulent deficit reduction drumbeat. If there is to be an increased federal role in rebuilding physical infrastructure and to the degree that current Obama administrators can put implant teeth (dentures won't do as the next administration can too easily remove them) into compliance rules, existing affirmative action policies can work to better increase the share of unrepresented groups into relatively good construction jobs. Would it also be possible to rethink affirmative action policies and the role of the federal government in social or human infrastructure jobs, especially those in the bottom rungs? Federal, state and local government spending creates and sustains a large number of lower-rung jobs in the health and social support/care-giving service sectors (e.g. CNAs, home-health aids, child care providers who primarily serve low-income children) disproportionately filled by poorly-paid women of color. While affirmative action was not created for jobs in which workers of color or women are over-represented, there may be useful ways, such as applying living wage ordinances to federally funded jobs and forced compliance with federally mandated employment standards, such as the Fair Labor Standards Act.

Despite claims otherwise, there is abundant evidence that racial and gender discrimination still exists. Positive discrimination policies still seem warranted. However, promoting and achieving diversity at the top tier schools and in top level jobs did not and will not get at the root of today's underlying racial and gender divides. The very high cost of higher education, increased labor polarization, and black incarceration rates have transformed the ways race and gender segregation plays out at all levels of the labor market. There may be

promise in promoting the increased role and need for federal funding in both physical and social infrastructure, even though the current push for austerity makes it hard to be hopeful.

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¹ This includes: Secretary Hilda Solis; Women Bureau Director Sara Manzano-Diaz; Director of the Office of Federal Contract Compliance Programs Patricia A. Shiu; and Assistant Secretary for Policy William Spriggs.