INTRODUCTION

In this short book I focus on the rising inequality in American society and on the need for a progressive, multiracial political coalition to combat it. A large, strong, and organized political constituency is essential for the development and implementation of policies that will reverse the trends of the rising inequality and ease the burdens of ordinary families.

Political power is disproportionately concentrated among the elite, most advantaged segments of society. As discussed in chapter 3, the monetary, trade, and tax policies of recent years have arisen from and, in turn, deepened this power imbalance. And, although elite members of society have benefited, ordinary families have fallen further behind. However, as long as middle- and lower-class groups are fragmented along racial lines, they will fail to see how their combined efforts could change the political imbalance and thus promote policies that reflect their interests. Put another way, a vision of American society that highlights racial differences rather than commonalities makes it

difficult for us to see the need and appreciate the potential of mutual political support across racial lines.

Sadly, in the absence of such a broad-based coalition, America could develop what the Harvard economist Richard B. Freeman calls a two-tiered society. He argues that American ideals of political "classlessness" and shared citizenship are threatened by falling or stagnating real incomes and rising inequality. This could eventually create a society in which "the successful upper and upper-middle classes live lives fundamentally different from the working classes and the poor."[1]

Whereas Americans experienced broadly and rapidly rising real income from the end of World War II through 1973, after 1973 average wages adjusted for inflation either declined or stagnated for most workers through 1996.[2] Moreover, as seen in figure 1, income inequality that had stabilized through the mid-1970s began to grow rapidly. Whereas each of the bottom four quintiles' share of aggregate income declined from 1975 to 1997, the share of the highest quintile increased significantly, and the share of the top 5 percent rose considerably above that of the bottom three-fifths. Indeed, what is particularly striking is that the top 5 percent's increase in income exceeded the entire income of the bottom 20 percent of families.

These trends are associated with the rate of productivity growth and the level of skill bias in the economy, but they can also be related to the strength of what the MIT economist Frank Levy calls "the nation's equalizing institutions," referring to "the quality of education, the welfare state, unions, international trade regulations, and the other political structures that blunt the most extreme market outcomes and try to insure that most
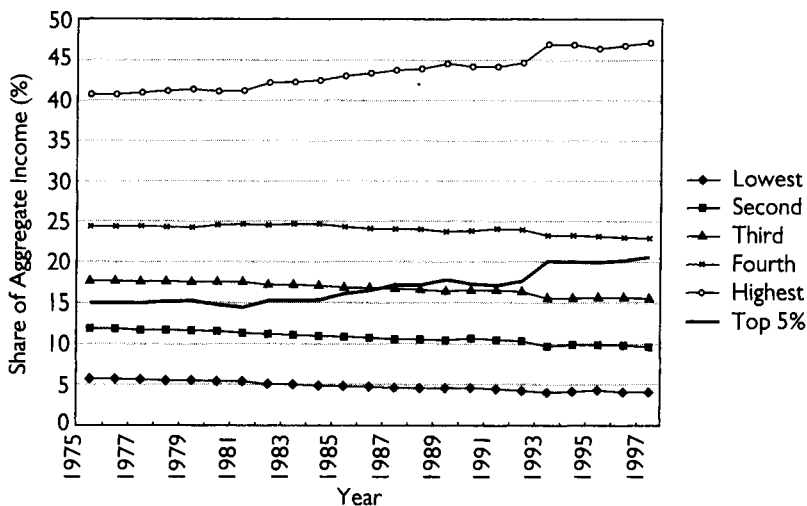
Figure 1. Share of Aggregate Income Received by Each Fifth and Top Five Percent of All Families, 1975–1997

Source: Current Population Survey, March 1997.

people benefit from economic growth."[3] As Levy points out, "We cannot legislate the rate of productivity growth and we cannot legislate the economy's level of skill bias in technological change and trade. That is why equalizing institutions are important."[4]

There are now signs that this rising inequality has slowed in the last two years due to the continued strong economic recovery (see pages 61 and 62) and may enter a period of remission as long as the economy remains strong. However, except for a recent increase in productivity growth, there is little evidence to suggest that the basic shifts in the economy that have been associated with the rise in inequality are changing.[5] Accordingly, I

see the need for a national multiracial political coalition with a broad-based agenda to strengthen our equalizing institutions. It is essential therefore that the obstacles to multiracial coalition building be removed.

In this book I argue that the racial divide reduces the political effectiveness of ordinary citizens. But I also wish to demonstrate that the likelihood of multiracial political cooperation could increase if we could persuade groups to focus more on the interests that they hold in common. Although there are many similarities in interest among different groups in American society, I believe that the most powerful motivation for group action resides in economic insecurity that results from the decline or stagnation of real incomes linked to changes in the economy, including the global economy.

As I make the case for a multiracial political coalition with a mass-based economic agenda, I also show how such an enterprise can include race-based affirmative action programs that do not create racial friction. This inclusion is an essential aspect of any multiracial effort that seeks to redress current inequalities in race-based employment and education without alienating white supporters.

In laying out the arguments in this book, I am reminded of the words of Ernesto Cortes Jr., head of the Southwest Industrial Areas Foundation—one of the most effective networks of multiracial community organizations in the country. Commenting on Richard Freeman's strategies to combat the rising inequality in American society, Cortes states:

> I hope that progressives in the academic community will begin to recognize and appreciate the need for broad-based institutional organizing to create the political constituency

necessary to carry [these] strategies forward. . . . Franklin D. Roosevelt is reported to have said about the need for a specific policy initiative, "Okay, you've convinced me. Now go out there and organize and create a constituency to make me do it." I fear that too many progressives are still caught up in the "convincing," when what we need is the constituency—and people who are willing to think hard about how to create, sustain, and energize that constituency.[6]

In this book I examine in theoretical terms how a broad-based political constituency can be created, sustained, and energized. However, I also devote a good deal of space to "convincing"—to making the case for a progressive multiracial political coalition in a society preoccupied with matters that highlight racial differences. Efforts to generate a broad-based political constituency to fight the new inequality will be aided by arguments in support of multiracial coalitions, including arguments that reveal such coalitions' practical and political feasibility.

Although a detailed discussion of the structure of a national multiracial political coalition is beyond the scope and purpose of this short book, I would like to discuss briefly my vision of the essential organizational features of this coalition. I am not speaking here of the formation of a third political party, nor am I referring to a coalition that would be officially aligned with either of the major political parties. Indeed, my idea is that the coalition would be officially bipartisan. The purpose of the coalition would be to put pressure, including voting pressure, on both Democratic and Republican leaders to pursue and adopt policies that reflect the interests of ordinary families. It is true that there are different tensions and currents at work in the Democratic and Republican parties, and many of the progressive issues raised

to fight inequality would likely draw more support from Democrats than from Republicans. But if the coalition is perceived to be in a position both to reward and to punish political leaders, members of both parties are likely to take special notice of the coalition's activities.

Specifically, the foundation of the coalition I envision would be organizations committed to fighting social inequality. I have in mind various grassroots community organizations, civil rights groups, women's rights groups, labor unions, and religious organizations, broadly representative of the various racial and ethnic groups and organized in interconnected local, regional, and national networks.* Leaders would be chosen from the national

*I see religious organization playing a significant role in this coalition. Some of the strongest advocates for social equality represent religious organizations. The National Council of Churches, representing roughly forty denominations, has an office in Washington, D.C., to lobby for various causes involving justice and equality. Moreover, each of the mainline Protestant churches—Episcopal, Methodist, Presbyterian, American Baptist, United Church of Christ, and Evangelical Lutheran—maintains an office in Washington, D.C., devoted to similar lobbyist activities. As Thad Williamson points out, "With few exceptions, the positions taken by these churches occupy the left edge of the political spectrum. The social statements of these churches reflect concern with both specific issues and, to varying degrees, a sense of deeply-rooted 'structural' injustice in American society. Further, mainline church lobbyists in Washington tend to see themselves as called not so much to represent views of their own members as to act as the voice of 'the poor,' standing in 'prophetic' opposition to the established voice of Washington" (Thad Williamson, "True Prophecy? A Critical Examination of the Sociopolitical Stance of the Mainline Protestant Churches," *Union Seminary Quarterly Review* 51, nos. 1–2 [1997]: 79).

networks and would constitute a coordinating or executive group empowered to represent the interests of the coalition and act on its behalf. Given the potential number and types of groups involved, this coalition could represent a very large constituency. But whatever the main features and structure of the coalition, a case has to be made for why the idea of a national multiracial coalition should be seriously considered. This is the real purpose of my book.

In chapter 1 I argue that our ability to overcome obstacles to the creation of multiracial coalitions will depend on an adequate understanding of the social, economic, and political conditions that cause racial ideology either to flourish or to subside, including the conditions that have contributed to rising inequality in American society. These conditions have also contributed to the rising influence of conservative political messages against minorities, immigrants, and the welfare poor during the first half of the 1990s and especially in 1994 and 1995, before and immediately after the congressional election. The chapter marshals empirical evidence to explicate these conditions and to develop the case for a broader vision of American race relations.

The need for such a vision is made apparent in chapter 2. Perceptions of racial differences obscure the fact that the various racial groups in America suffer from many common problems, including the decreased relative demand for low-skilled labor, the increase in income and wage inequality, and the slow growth of real wages. To illustrate this point, chapter 2 concentrates on the economic changes within the black community. Despite African Americans' understandable focus on racial discrimination, their economic fate is inextricably connected with the structure and functioning of the global economy. I argue that

African Americans perhaps more than any other racial group will benefit from joining forces with others to press for programs of economic reform.

Chapter 3 highlights the fact that rising inequality is not only accompanied by new constraints on the use of federal resources to combat social inequities; it is also occurring at a time when government policies and actions tend to exacerbate rather than alleviate the economic stresses faced by ordinary families. This chapter explains why a national multiracial political coalition is needed to generate programs that improve life for the expanding group of have-nots. It also spells out the conditions that facilitate the formation of such a coalition. Finally, it discusses a current network of community grassroots organizations—the Industrial Areas Foundation (IAF)—that demonstrates how obstacles to sustained interracial cooperation can be overcome.

Chapter 4 addresses an important question that emerges from this discussion of the IAF: whether the divisive issue of affirmative action should be included on the agenda of a national multiracial coalition. Building on the public's perception of affirmative action and highlighting the concepts of affirmative opportunity, flexible merit-based evaluation criteria, and procedural fairness, this chapter shows how affirmative action can be a part of the coalition's agenda without becoming racially divisive. Finally, chapter 5 provides a summary of the preceding chapters and integrates the main arguments on how to bridge the racial divide and how to promote and build support for a progressive multiracial coalition.

I should like to note that throughout the book I use the concept of race in a generic sense, incorporating the concepts of ethnic group and ethnicity. Hence when I refer to multiracial coali-

tions I mean, in effect, coalitions that include both racial and ethnic groups. As a generic concept, race is, I believe, an important social construct that the public associates with social advantages and disadvantages. It is my view that race should be seen as a social construct because although there may be observed phenotypical differences between groups—that is, visible and immediately identifiable physical characteristics that signal cultural or geographical origin—there is no scientific basis for biological or genetic racial classifications and therefore no evidence that race bestows biological advantages or disadvantages.[7]

By my definition, how one group sees and behaves toward another group determines race. People see and distinguish one another in terms of differences in common ancestry, social and physical environments, and shared communication systems. In some societies these differences are more pronounced than in others. Depending on the degree of intergroup contact, these factors will be associated with differences in tradition, values, belief systems, worldviews, skills, and linguistic patterns.[8] These differences may be enhanced by voluntary or imposed restrictions on actions, and these restrictions can in turn limit opportunities for social and economic advancement. This, then, creates a situation where social factors such as level of economic well-being interact with cultural factors in the formation of observed group traits and characteristics. Thus I emphasize that the concept of race, as used in this book, is a generic social construct that captures group-perceived differences on a range of social and cultural variables.