

vatives generally, and not just Southerners, and in his historical chapters takes great care to stress the historical structural dependence of the South on national and international forces. We need more discussion of this structure-agency question in order to identify clearly the main actors in this historical process. Nevertheless, the major strength of the book lies in the historical analysis in part one, which provides some useful insights into the relationship between economic philosophy and policy on the one hand, and social, economic, and regional interests on the other.

In contrast, the major weakness in the book probably lies in the fit between its parts. Part one describes a world of active social agents who develop strategies designed to cope with structural limits, to protect or expand their interests, and so on. Here, we are shown some of the social and political origins of the dominant conservative economic philosophy. We understand its political success in terms of its ability to express the needs of both powerful corporate interests and alienated social conservatives, and in terms of the way it adapts to and reflects the changing structure of class and regional power in the United States.

The political agenda outlined in part two, on the other hand, is written in the first person plural. The author calls for nothing less than a cultural revolution, but this is not accompanied by any analysis of the forces that might be expected to provide its social and political foundations. In the absence of a sustained theory of the state or of political movements that might connect these ideas with political practice, this ambitious manifesto for social and political transformation remains unconvincing and ultimately utopian, no matter how much we might sympathize with its underlying sentiments.

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### **Persistent Disparity: Race and Economic Inequality since 1945**

William A. Darity Jr., and Samuel L. Myers Jr.; Cheltenham, UK. Edward Elgar, 1998, 191 pp., \$80 hb.; \$25 pb.

William Darity and Samuel Meyers build upon an extensive body of research to make an argument in several parts. First, they demonstrate that increased black-white income inequality in the 1980s is closely connected to increased within-race inequality. At the same time that the white middle class was shrinking, the bottom was dropping out for the black poor. The result was increases in both within-race and between-race income inequalities. Second, they use regression decomposition techniques to argue that discrimination remains at the core of black-white inequality, and its effects are found at premarket as well as market stages.

Finally, they conclude with a political argument that affirmative action, though valuable,

is inadequate. Much greater intervention in the form of wealth redistribution is required, as has been argued by reparations proponents. That said, the debate over specific policies that fall far short of such fundamental change is put in perspective as secondary. Nevertheless, Darity and Meyers argue that growing within-race inequality is an essential condition for the political attack on affirmative action. In a time of widening class inequality for whites, one should expect little support from whites for efforts to address fundamental historical racial inequalities. Political measures addressing racial inequality will need to address class inequality as well if they are to receive political support from whites.

The analysis of underlying trends and their political synopsis are sound. However, the quantitative analysis that supports the political argument ranges from useful description of general trends to confusing and poorly presented detailed data manipulations.

The authors do not appear to have been well served by a publisher that allowed substantial mechanical problems to occur in the text, including typographical errors in key tables, one table that is missing, an appendix attached to the wrong chapter, inappropriate three-dimensional figures that are in some cases impossible to interpret, numbers out to six decimal places when two would do, and numbers with no decimal places when at least one is called for. (In addition, the decision to include a chapter of projections to 2000 based on data through 1991, in a book published in 1998, results in a chapter that distracts more than it illuminates.) These problems unfortunately detract from the analysis in the book, which has its own problems as well as useful features.

The authors argue persuasively that it is especially important to consider racial dynamics at the lower end of the distribution. The biggest divergence in black-white family income trends is at the bottom, where from the late 1970s to 1990 the percentage of black families with incomes less than \$5,000 doubled, while remaining constant for white families. Thus growing inequality from the 1970s to the 1990s “has not been just a matter of the rich getting richer and the poor getting poorer, but [also] that while both affluent Blacks and Whites got richer, it was the *black* poor that got poorer” (2). Further, the middle-class squeeze has a political dynamic with implications for racial inequality. “Job losses and earnings losses for white males who are the ‘victims’ of the unequalizing spiral will lead them to intensify their efforts to preserve their remaining occupational turf and to squeeze black workers further down the occupational ladder” (3). However, in my view the decline of the middle class should not be exaggerated. The authors produce a figure that shows the top 40% of families with increased incomes from 1979 to 1992, and conclude that “only the wealthiest American families have improved their standing” (6). The breadth of the gains at the top is an important part of recent political-economic history, which does not contradict the fact of increased overall inequality.

The authors conclude that “discrimination in a comprehensive sense lies at the core of matters, not just at the point of employment but through an entire range of stages that affect labor market outcomes” (51). Thus discrimination should be modeled as endogenous rather than exogenous to economic outcomes. The book includes a substantial and useful review of counter arguments to this proposition, especially those who would explain black-white inequality as a function of human capital and other supposedly nondiscriminatory mechanisms. They specifically challenge the assumption that discrimination must logically and continuously decrease. Rather, evidence for a shrinking middle class offers good reason to

believe discrimination would increase, as whites try harder to protect their status. The analysis supporting the argument decomposes changes in earnings (of “family heads”) from 1976 to 1985. The inclusion of premarket effects in their models is important, as are the incorporation of labor force participation and the treatment of zero-earners.

Readers sympathetic to the case made by Darity and Myers may share a frustration with aspects of the analysis, however. These include the questionable decision to base analysis of change over time on “family heads.” Those familiar with government labor force data will recognize this as the contorted configuration by which men are family heads in married couples (even when they earn less than their spouses), and women are family heads when they are single (but never when they are married). It is problematic to rely on this conception at any one point in time, worse to rely on it for analyzing change over time, and still worse to use it for making comparisons across racial or ethnic groups over time. By my own calculations from the Current Population Survey (CPS), which the authors use, 16% of married black women earned more than their spouses in 1976, but that increased to 25% in 1985. Thus the bias in the use of “family heads” increases over the time period covered by their analysis. (This analysis is available upon request.)

The authors consider the role of changing family structure in accounting for increased black-white inequality. However, the “family head” as unit of analysis interferes. In recent decades, as they point out, per capita income has increased even as family income declined. Thus a lot of the action in terms of black-white inequality is going to involve multiple-earner families, and differences in family size and structure (and household structure). We may conclude this is not the central determinant of trends in inequality, but the focus on family heads impedes fair evaluation of the question. Further, it appears that their analysis uses the “heads” only of what the Census Bureau calls “primary families,” those who own or rent the home, thus excluding subfamilies. This is especially problematic in the treatment of black-white differences because less than half of young black single mothers are heads of primary families; most live in someone else’s household. Thus their analysis of earnings for family heads may not be used to generalize about the “position of black families” (91).

One portion of the analysis compares “family heads” on the basis of race, age, and education across time—without even considering gender. Increased inequality between black and white young “family heads” at least in part surely reflects changes in family structure. Far from undermining their point about the central role of discrimination, this needs to be related to the argument that racial inequality and discrimination intervene at stages earlier than the labor market, especially for women.

A final weakness in the analysis concerns the specific data Darity and Myers use. Despite “since 1945” in the title, the multivariate analysis in the book is based on CPS data for 1976 and 1985, which they call “representative years” (73). Whether or not these years are representative, variability in the CPS needs to be taken into account, especially when looking at smaller groups within the population. In one section, they break black “family heads” into 24 age-education-earner status categories and compare the percentage female in each group across time (86). Some of these cells contain almost no people in the CPS sample (there are less than eight black single mothers ages 14–24 with college degrees in the CPS in any one year, for example). The lack of attention to these issues will be distracting for readers who are familiar with the contours of available data sets.

Despite problems with the analysis, the political squeeze that concerns Darity and Myers is a crucial issue, although it only occupies a small portion of the text. “How is it possible,” they ask, “to promote and implement effective policies designed to improve the economic status of African Americans when the economic status of white middle-class Americans is deteriorating?” (147). Perhaps because that question is unanswerable, they have no reason to hold back in their conclusion: “If we believe that inequalities in current economic prospects are rooted in unequal prelabor market characteristics and/or historical inequalities in ownership and wealth, a case can be made for redistributing wealth in order to eliminate racial economic inequality” (154). Indeed, if forced to choose, “we would take substantial reparations and forego affirmative action” (159).

That the authors largely set aside questions of how such redistribution is to be accomplished does not weaken the force of the argument. The audacity of the question itself is a useful contribution to a debate that is too often constrained on one side by self-censorship in the guise of self-restraint or moderate pragmatism.

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### **The Literate Communist: 150 Years of the *Communist Manifesto***

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 \$29.95 pb.

In 1998 the *Communist Manifesto* celebrated its 150th anniversary. In *The Literate Communist: 150 Years of the Communist Manifesto*, Donald Clark Hodges marks the occasion by presenting both a history of the *Manifesto*'s origins and an analysis of the varied interpretations and responses that it has elicited since its first appearance, from the indirect (often implicit) theoretical revisions found in Marx and Engels's subsequent writings to the policies of the Gorbachev era. The first five of *The Literate Communist*'s ten chapters analyze the political prehistory and content of the *Manifesto*, as well as Marx and Engels's later views on the positions that it embodies. In the latter half of the book, Hodges elucidates the *Manifesto*'s significance for Bakunin, Bernstein, Lenin, Trotsky, Stalin, Khrushchev, and Gorbachev, by way of developing his novel thesis that “Marx and the Manifesto. . . played a key role not only in building socialism in the Soviet Union, but also in bringing about the Soviet collapse” (13).

The *Communist Manifesto* originally represented the creed of The Communist League (1847–1852), the political organization which arose from the fusion of the League of the Just