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“The Impossibility of Equality Without a Gift”

During the final weekend of October 2009, a small group of distinguished Black economists held a summit in North Carolina to formulate policy recommendations for improving the plight of Black Americans. Among their policy prescriptions were a “guaranteed right to work” and a “Baby Bond” program, which would endow U.S. new borns with resources to help meet life’s challenges.

These recommendations represent a futile exercise because the nation can hardly afford to absorb new debt for another program, given its fiscal year 2009 record \$1.4 trillion deficit and a debt-to-GDP ratio in the 80 percent range.

Unfortunately, these ivory-tower scholars appear to be unable to see the forest for the trees. While they wax eloquent about policies to improve conditions for Black Americans, they fail to inform the objects of their work concerning a simple truth: It is impossible for Black Americans, as a group, to achieve economic equality with White Americans. I’ll say it again: Under normal conditions, it is mathematically impossible for the average (median) Black American to achieve economic equality with the average White American.

In fact, beyond a miracle equal to Moses’ parting of the Red Sea, the only way that Black Americans can achieve economic equality with White Americans is through sizeable gifts to Black Americans.

Just as the developing world has not generally experienced the convergence in income and wealth with the Western world that was predicted during the 1960s, Black America has not and should not expect to catch up as a group with White America. In both cases, the lagging party is too far behind the leader, and it is futile to hope that all members of the lagging party can over-achieve at a rate and for a duration that is sufficient to effect a complete catch up. Moreover, the leader (in this case, Whites) is not standing still, but continues to generate higher and higher incomes and amass more and more wealth.

Of course there will always be individual exceptions. In the case of the developing world, we have nations, such as China, which appears to be on a path to overtake the

United States in output and income. However, even when it does decades hence, we must remember that China has a population that is about four times the size of the U.S. population, so that on a per capita basis, it will take a very long time for the average Chinese citizen to be equal in income and wealth to the average U.S. citizen.

The important point is that the only reason that China has a prospect of catching up with the U.S. is because the former has been gifted vast natural and human resources.

In the case of Black Americans as a group, their fate as second-class economic citizens was sealed when the U.S. Congress failed to pass the Freedmen's Bureau Act in 1866. That action ended all hopes of a sizeable proportion of former slaves being awarded land resources with which to build a life and to achieve economic equality with their White counterparts. In addition, the rescission of the 1867 Reconstruction Act in 1877 provided White Americans with another 100 year head start in wealth formation over Black Americans.

Nearly a century and a half later, Black Americans are still on a treadmill with no hope of catching up. Yes, many Black Americans live a "middle-class" dream, and we have a few fairly wealthy among us: e.g., Robert Johnson, Oprah Winfrey, and Bill Cosby. But even they don't hold a candle to the truly rich in America.

Now that we have been awakened to this cold reality what should Black Americans do? There are several answers to this question, including: (1) Ignore the cold reality; (2) Black Americans who can should get ahead and ignore the rest; (3) Black Americans could unify and make a concerted effort to obtain a gift with which to achieve equality over time; or (4) Black Americans can form a new nation and ensure economic equality among the citizens of that nation.

Whatever approach is adopted, Black Americans will need good economists to help them navigate their course. The economists mentioned at the outset of this essay understood the importance of a gift to help Black Americans achieve economic equality. However, they simply failed to tell the whole truth: Without (well deserved) gifts, economic equality with White Americans for Black Americans is an impossibility

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