

A man in a yellow shirt and cap is playing a saxophone. He is wearing a brown leather cap and sunglasses. The background is a textured teal color. The title 'The end of the blues' is written in large white letters on the right side of the image.

The
Economist

The end of the blues

A special report on
America's South
March 3rd 2007

Goodbye to the blues

Also in this section

The central question

Race relations are no longer black and white. Page 3

Doing it by the book

Protestantism still rules, but other denominations are flowering. Page 4

The art of the possible

Southern politics are a deep, complex shade of red. Page 5

It's the business

Why the South is a great place to work. Page 6

Southern comfort

The food is too much of a good thing. Page 8

Fixing Dixie's tricky schools

The hard lessons of segregation. Page 9

Baby, look at you now

The South has shed some of its bad habits, but none of its charm. Page 10

Acknowledgments

In addition to those mentioned in the text, the author would like to thank:

Bobby Banks, Bill Biedeger, Dana Bolden, Gregory Braggs, Jesse Gresham, Ullus Hambrik, Irie Knighten, Ivy Le, Craig Lesser, Jerome Little, Betty McCain, Stefan McCain, Kelly McCutchen, Jim McKinnon, Doug Monroe, Jonathan Pait, Betty and Bill Pearson, Zoraya Suarez, John Taylor, Lamar Valentine, Rogers Wade and Crystal Walker.

A list of sources can be found online

www.economist.com/specialreports

An audio interview with the author is at

www.economist.com/audio



The American South, once notorious for violence, poverty and racism, is now pleasant and prosperous, says Robert Guest. But it still has some catching up to do

IN 1943 Achie Matthews quit sharecropping and headed north to seek a better life. He found it. His wages in a steel factory in Ohio were fatter and more predictable than the pittance he had earned coaxing cotton out of Mississippi's soil. And although race relations in Ohio were hardly ideal, he was at least free of the daily indignities and the pervasive threat of violence that made life so cruel for a black man in the segregated South.

His story was typical. Seventy years ago the average income in America's South was \$314 a year. In current dollars that would be about \$4,400, meaning that southerners then were about as rich as the people of Botswana are today. Half the workers in the South in the 1930s were farmers, and half of those did not own the land they farmed. Some paid rent. Others, like Matthews, gave their landlord a share of their crop. The average landless cotton farmer made \$73 a year (\$1,023 today). Small wonder that by the late 1930s a quarter of those born in the southern countryside—black and white—had emigrated to the north or to southern cities.

Matthews lived and worked in Ohio for the rest of his life and died, much lamented, last year. During his lifetime the South was transformed. A political system based on fear and division was replaced

by multiracial democracy. Southerners no longer subsist by sweating in fields, but by making cars, pampering tourists or flying urgent packages around the world.

In 1937 southern incomes were only half the American average; today they are 91% of it. If you allow for the lower cost of living in the South, the gap all but vanishes. Since the 1960s, more whites have moved to the South than have left it. Since the 1970s, the same has been true for African-Americans. The South's share of America's population has risen from just over a quarter in 1960 to a third today, making it the most populous American region. (This special report defines "the South" as the 11 states of the old Confederacy plus Kentucky and Oklahoma; see map on the next page.)

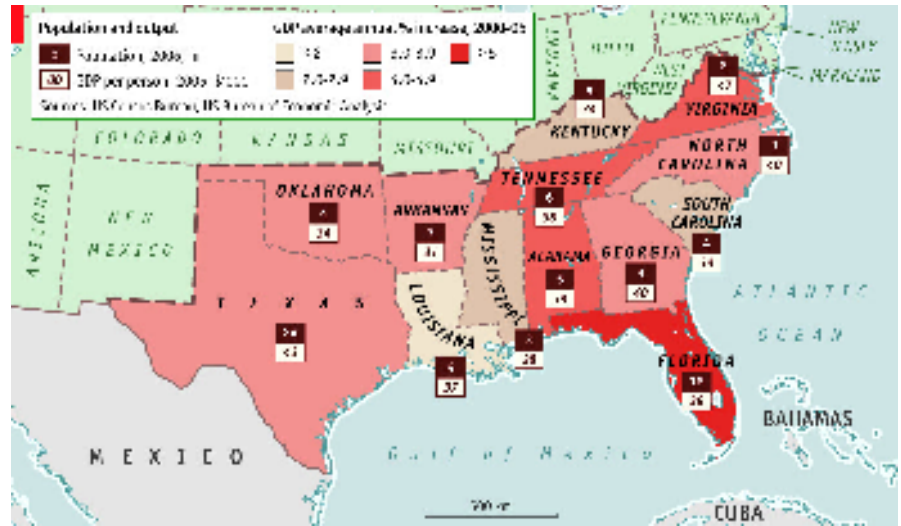
Last May, Matthews's granddaughter, Katrice Mines, joined the southward surge of young black professionals and moved to Atlanta, Georgia. Over a lunch of chicken with peaches, crushed walnuts and snap peas, Ms Mines admits that, before she moved, she was somewhat afraid of the South. But she quickly found a job, as an associate editor of the *Atlanta Tribune*, a black business magazine. Up north in Sandusky, Ohio, she had felt her talents were untapped. Down South, she feels more optimistic. Atlanta is majority-black. ▶▶

► It is also rich, with more *Fortune* 500 headquarters than any other American city bar New York and Houston. "There are so many African-Americans in powerful positions," says Ms Mines. "You can get your foot in the door."

The new New South

It is old hat to talk of the "New South". The phrase dates back at least to 1886, and the writer Joel Garreau counts "at least six major, widely hailed, New Souths since Lee's surrender to Grant, not to mention the minor, trial-balloon, New Souths that the sad surplus of New Southern journalists float from time to time (everybody's got to eat)." But repetition does not make a label false. People talk about the New South because the region really has changed, dramatically and repeatedly, in a startlingly short space of time.

Before the civil war the southern economy depended on slavery. This was not only inhuman; it was also inefficient. The slave-owners prospered, to be sure. Their workers did not have to be paid, and their assets multiplied by having children. But only a small minority of southern whites owned slaves, and the system hurt nearly everyone else. Blacks, obviously, were the principal victims. Unskilled whites suffered, too, since unpaid black labour depressed their wages. And slavery helped keep the South backward. The planters,



with all their capital tied up in slaves, had little incentive to invest in labour-saving technology. And with few modern industries to man, the southern ruling class saw little point in mass education.

Then the civil war wiped out two-thirds of the South's wealth. Partly, this was for the happy reason that freed slaves were deemed to be human beings, not chattels. But the Unionist troops also burned several cities to cinders, ransacked farms and tore up most of the South's rail-ways, tying some stretches of track around trees to form "Sherman bow ties", named after a northern general, William Sherman. Roughly a quarter of able-bodied male southerners were killed or wounded. In the first year of peace, Mississippi spent a fifth of its state budget on artificial limbs.

During the "Reconstruction" period of 1865-77 the South was occupied by northern troops. This humiliation—something no other part of America has tasted—still rankles for some white southerners. For blacks it was a blessing: the occupying northern army upheld their right to vote. But when that army withdrew, they lost it again. During the "Jim Crow" era, southern Democrats ruthlessly reasserted white supremacy. Blacks were barred from voting, and their disfranchisement allowed white politicians to keep white schools white and black schools shabby. Any black who protested could be lynched.

In short, for nearly all of its recorded history the South has been ruled by violence, or the threat of it. From 1619 (when the first shackled African landed in Virginia) until 1865, slaves had to work or be whipped. From the end of Reconstruction until the triumph of the civil-rights movement in the 1960s, southern blacks who tried to vote risked a beating or worse. It took a war to dismantle the first system. The second was swept away almost without bloodshed, by peaceful protesters whose televised encounters with thuggish policemen shamed the federal govern-

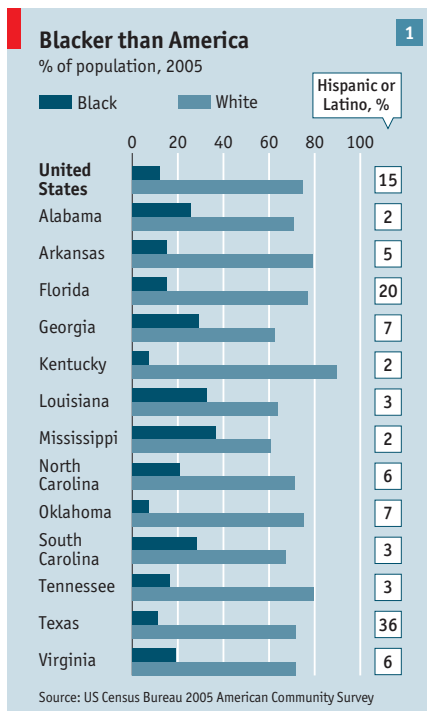
ment into intervening once more.

The lesson of southern history is that non-violence works, both in that narrow sense and in a broader one. An economic system based on free labour and free exchange is far more dynamic and adaptable than a system based on coercion. And a political system that heeds all voices is far more stable than one that heeds some and seeks to silence the rest.

For those whose freshest impressions come from news coverage of Hurricane Katrina in 2005, it may seem odd to describe the South as peaceful, pleasant and prosperous. Surely the storm that hit New Orleans revealed a society plagued with poverty and teetering on the edge of barbarism? No. Granted, there was a lot of looting, but reports of widespread murder and even cannibalism were hysterical and false. And pundits who likened the flood's aftermath to a third-world disaster cannot have seen many of those.

New Orleans, for all its *joie de vivre*, is one of the worst-run cities in America. For the South as a whole, the picture is much brighter. Indeed, the question is no longer "will the South rise again?" but "will it one day overtake the north?" Mark Sanford, the governor of South Carolina, does not hesitate before answering "yes". The South, he says, has low taxes, weak unions, business-friendly state governments, sunshine and a quality of life that will increasingly attract people who can work anywhere with a broadband connection.

The South's share of American GDP has risen from 22% in 1963 to 31% today. Its share of America's population is still growing, but income per head, which peaked at nearly 96% of the national norm in 1981, has struggled to regain that proportion. Does this matter? As Georgia's governor, Sonny Perdue, points out, it is not a race. There are worse fates than remaining nine-tenths as rich as America, a country that is richer and grows faster than any other large rich country. There is even an argu- ►►



ment that growth, by attracting so many newcomers to the South, threatens the region's unique charm. Walker Hodges, who manages a trucking firm in Wilson, North Carolina, laments that the "Tom Sawyer adventures" of his youth in the 1950s are now impossible, because the deserted rivers where he enjoyed them now have thousands of boats on them.

On the other hand, faster economic growth could solve many of the South's

lingering problems: the large remaining tracts of relative poverty; the 19% of southerners who lack health insurance; perhaps even the South's high rate of violent crime. Greater prosperity translates into more choices for individuals—no small boon in a culture that so fervently celebrates cussed individualism. Most southerners would be happy to see more economic growth. The biggest obstacle, many believe, is the poor state of southern schools, though

even those are improving.

This special report will describe how success has changed the South—economically, politically and culturally. It will offer food for thought about America's most distinctive region (and some brief thoughts on its food). It will examine the changing (but undiminished) role of religion in southern society. But it will start with the most explosive subject: the partially cleared minefield of race. ■

The central question

Race relations are no longer black and white

UNTIL recently, Edgar Ray Killen, a retired Baptist preacher, sat each day in a café in the centre of Philadelphia, Mississippi. None of the young folk paid him much heed, but the older ones knew who he was. Back in 1964, as head of the local Ku Klux Klan, Mr Killen orchestrated the murder of three young civil-rights workers. The three—one black Mississippian and two Jews from New York—were on their way to investigate a church-burning. They were stopped for speeding, then released. A mob of Klansmen followed them, forced them off the road and shot them dead. James Chaney, the only black, was beaten before he was murdered.

The crime provoked outrage and at least three movies. Seven men were found guilty of "civil-rights violations" in 1967, but none served more than a few years in jail. Mr Killen was acquitted because one juror said she could not convict a preacher. But then, in 2005, he was re-arrested, returned to court and found guilty of manslaughter. He will probably die in jail.

"The trial showed the outside world we've changed," says Leroy Clemons, the head of the local branch of the National Association for the Advancement of Coloured People (NAACP). Race relations in Philadelphia are "not perfect, but good", he says. "I coach softball. I watch black and white kids interact. You can see they don't carry the baggage from the past." In the workplace Mr Clemons believes that skin colour is no longer an issue. As the local NAACP chief, he often hears allegations of racism, but many turn out to be minor or groundless.

Local whites are equally upbeat. "The trial helped to clear the air," says David Vowell, the head of a group that promotes

local business and tourism. Mr Vowell says he doubts that Philadelphia will attract thousands of new investors overnight, but he expects people to view the town more favourably. Already, tourists come for an "African-American Heritage Driving Tour"—ie, to visit the scenes of the crime. Not as many as flock to a nearby gambling resort, but every visitor helps.

William Faulkner, a novelist from Mississippi, once wrote: "The past is never dead. It's not even past." The South's challenge since the end of segregation has been to prove him wrong. By and large, it has succeeded.

In 1942, 98% of southern whites told pollsters that blacks and whites should attend separate schools, and 96% favoured segregated buses. By 1963, when the civil-rights movement was in full voice, those

numbers had fallen to 69% and 48% respectively. Today, open support for segregation is so rare that pollsters no longer bother to ask the question.

On a yet more sensitive subject—inter-racial romance—opinions have shifted nearly as dramatically. Before the second world war, marriages between blacks and whites were outlawed not only in the South but also in nearly every non-southern state with a sizeable black population. No pollster bothered to ask if people approved of such matches until 1958, when a mere 4% of white Americans said they did.

One of the paramount goals of segregation was to keep black men away from white women. If they dined or swam or danced together, southern white men feared, they were on a slippery slope towards sleeping together. Emmett Till, a black boy from Chicago who, unfamiliar with southern taboos, wolf-whistled a white woman in Mississippi in 1955, was beaten to death for it.

A good place to be black

And yet by 2003, 59% of white southerners were telling pollsters that it was "all right for blacks and whites to date". That number has doubled since 1988, as the older generation has mellowed or died. And though a large minority still disapproves, they are mostly too polite to say anything, says Susan Glisson, the (white) director of the Institute for Racial Reconciliation at the University of Mississippi. In six and a half years of dating a black man, she says, she was shouted at twice, both times by white men. It is horrible to hear your boyfriend addressed as "nigger" or to be told you will have a "yellow" baby, but it did not destroy the relationship. ▶▶



The way things were

Doing it by the book

FOR a taste of the old South, you can attend a civil war battle re-enactment. Or you can visit Bob Jones University in Greenville, South Carolina. This fundamentalist school—catchphrase: “Brains are no substitute for God”—forbade interracial dating among its students until 2000. The place is easy to mock, and people often do. The Bob Jones rule book bans all the things that other students think make college fun: booze, cigarettes, fornication. Mark Lopez, one of the 4,200 smartly dressed and unfailingly polite students at Bob Jones, says he applied there because he wanted to study “conservative Christian music”: that is, old-fashioned music with organs and the like, not Christian rock (too worldly).

As a private university that accepts no federal funds, Bob Jones was free to cling to its old southern traditions longer than most. Both the founder and his son, Bob Jones junior, were committed segregationists. Like many southern Christians, they had convinced themselves that it was God’s will. But times change. By 2000, when George W. Bush visited, the university was widely reviled. Bob Jones III, the founder’s grandson, calmed the furore by revoking the inter-racial dating ban. He told an interviewer: “We can’t point to a verse in the Bible that says you shouldn’t date or marry inter-racially.”

During slavery and segregation most southern churches blessed the existing order. Now they are sorry they did. This about-face was traumatic for many, but easy to justify scripturally. Attempts to find biblical backing for separate lunch counters always required a bit of reading

between the lines, whereas “Love thy neighbour as thyself” is unambiguous.

So as the South has become less racist, it has lost none of its religiosity. Nearly half of southerners believe the Bible is the literal word of God—twice the proportion in the north-east or the West. Such beliefs have political consequences. Southerners vote for politicians they judge devout. Their faith lends passion to national debates about abortion, homosexuality and bioethics. It affects foreign policy, too: some 56% of southerners think God gave Israel to the Jews.

Within the South, however, Christianity has been a force for reconciliation—and not only because the most persuasive civil-rights crusaders, such as Martin Luther King, were preachers. Charles Wilson of the University of Mississippi argues that religion helped the transition away from Jim Crow, “because it is a language shared by black and white, and because it gives whites a sense of security and continuity amid wrenching change.”

At the same time, says James Guth of Furman University in Greenville, there is a strong trend towards religious diversification in the South. Hispanic immigration has brought more Catholics. Fundamentalism has spread from rural areas to the affluent suburbs. Non-denominational megachurches, which caught on later in the South than elsewhere, are spreading fast, and tend to be more racially mixed than traditional ones.

Three miles (5km) from Bob Jones University, for example, is the Redemption World Outreach Center. It started in 1991, with a congregation of three. Now it has

Protestantism still rules, but other denominations are flowering

8,000 members. Its “Apostle”, Ron Carpenter, is like many other southern preachers—charismatic and given to “hollering”. He is white, but his congregation is completely mixed. Black and white worshippers sit together, hug each other and shout “Now you’re preaching!” at the good bits, all in harmony.

Those who wince at southern piety can always move north. Few do. In his book “Dixie Rising”, Peter Applebome quotes a liberal Yankee in Georgia: “It seems crazy listening to myself say this, but sometimes I think that a lot of the characteristics that come from some of this fundamentalist religious stuff that I hate also cause it to be so pleasant here.”



Holler, and they’ll follow

▶ What people tell pollsters is an imperfect guide to what they think. Some lie. Until the 1960s southern whites felt pressure to support segregation even if they did not wholeheartedly believe in it. Now the pressure is the other way. That is significant. If it is socially unacceptable to express racist views, that is progress. And there is plenty of evidence to suggest that racism really has diminished.

For a start, blacks themselves think so. Perhaps surprisingly, the Pew Research Center found in 2003 that southern blacks were more likely than non-southern ones (by 31% to 20%) to say that “discrimination against blacks today is rare”. In the 1980s southern blacks were no more optimistic on this score than northerners.

Income is another yardstick. The me-

dian black household in the South earns 99% of the black American norm. Allowing for the lower cost of living, southern blacks are better off materially.

In the South, as in the north, factors other than racism affect an African-American’s life chances far more. Mr Clemons cites two: education and financial savvy. “I see boys who can’t read a simple sentence. They think it doesn’t matter; that they’ll be pro athletes. I say: ‘How can you make it if you can’t even read a contract?’” He also frets that too many young people think a loan is free money, and spend years servicing debts incurred for frivolous purposes.

The best evidence that the South is a tolerable place to be black is that three times as many blacks move there each year as

leave it. Every other American region, in fact, is losing blacks to the South. That does not mean that southern racism is dead. Far from it. Though blacks and whites rub along amicably enough in the workplace, they still mostly live, socialise and worship separately. If they have friends of another race, it is often because they have been thrown together, as in the army, and have to get along. College, alas, is a less effective melting-pot. Fraternities with only black or only white members are common. Dr Glisson laments that her black and white students sit separately in class unless specifically told not to.

Southern politics are far from colour-blind, but more blacks hold elected office in the South than in any other region. The Joint Center for Political and Economic

► Studies, a think-tank, says that the South was home to only a slim majority of American blacks but to two-thirds of the country's 9,101 black elected officials in 2001. Mississippi alone had 54 black mayors.

Electoral maps in the South are now drawn to maximise the number of majority-black districts, so most black southerners elected to Congress rely largely on black votes. But they struggle to capture enough white votes to win statewide office: the South currently boasts no black governors or United States senators. The most prominent southern black politician, the Alabama-born secretary of state, Condoleeza Rice, was appointed.

Given the South's history, its politicians have a clear duty not to stir up racial discord to court easy votes. They do not always resist the temptation. Spats over whether or not to honour the Confederate flag crop up with dreary regularity. And closely fought elections sometimes bring out the worst even in sober politicians.

For example, Shirley Franklin, Andrew Young and John Lewis, three respected black Georgia Democrats, went on radio just before last year's mid-term election saying things like: "You think fighting off dogs and water hoses in the 60s was bad? Imagine if we sit idly by and let the right-wing Republicans take control of the Fulton County Commission." Given that Mr Lewis really was beaten up during a civil-rights march in the 1960s, he might have shown more of a sense of proportion.

A Senate race in Tennessee last year exposed more complex racial currents. Harold Ford, a prodigiously talented black Democrat, looked as though he might cap-

ture a safe Republican seat. The national Republican Party ran an advertisement in which a pretty blonde gushed: "I met Harold at the Playboy party!" and which ended with her cooing: "Harold, call me." Democrats saw this as a racist appeal to white men who hate black men dating white women. Republicans retorted that it was perfectly fair to poke fun at Mr Ford's bachelor lifestyle when he spent the campaign talking up his Christian faith.

New colour combinations

Mr Ford lost, but not before inadvertently illustrating that southern politics are no longer black and white. He lambasted his white opponent, Bob Corker, for allegedly employing illegal aliens. His overt message was that people should obey the law. But he was also playing on the alarm that many southerners, black and white, feel at the recent influx of Hispanics into their neighbourhoods.

Texas and Florida have had large Hispanic populations for a long time. But for other southern states the sudden arrival of Spanish-speaking migrants has come as a shock. Six southern states—North Carolina, Arkansas, Georgia, Tennessee, South Carolina and Alabama—saw their Hispanic populations swell by more than 200% in the 1990s. In several counties the increase was more than 1,000%. The newcomers are mostly young men, most of whom trek up from Mexico to work illegally as builders, waiters, fruit-pickers, hog-slaughterers or in any other occupation the locals deem too tough or ill-paid.

Illegal immigrants pay few taxes but place a strain on public services. In the six

states mentioned above, the proportion of primary and secondary school pupils who are Hispanic is expected to hit 10% this year, up from next to nothing in 1990. In some areas, schools have switched from all English-speaking to majority Spanish-speaking in only a few years, a change some parents find nearly as disconcerting as their parents found desegregation. Mr Ford was one of many southern politicians to promise a firm stand against illegal immigration during the campaign. But such promises have usually been broken. Raids on employers who hire illegals are rare, and prosecutions even rarer.

Maritza Pichon, head of the Latin American Association in Atlanta, reckons there are a million Hispanics in Georgia, twice the official estimate and more than a tenth of the total population. They started coming during the construction boom that preceded the Olympics in 1996. Many stayed. Ms Pichon admits that their children place a burden on schools. On the other hand, Hispanic workers provide Georgians with cheaper houses, affordable nursing and countless other services. Besides their work ethic, they are also devout Christians, she says, so they will assimilate well once they learn English, as immigrants always seem to do.

In the future, says Charles Wilson, director of the Center for the Study of Southern Culture at the University of Mississippi, the South "will be home to many people who do not share the burden of southern history. What does the civil war mean to a Mexican?" Will there be new ethnic alliances? Or, he asks, will politics in the South become class-based? ■

The art of the possible

Southern politics are a deep, complex shade of red

THE conventional wisdom about southern politics is that it all comes down to race. When the Democrats were the party of segregation, southern whites voted Democrat and blacks did not vote at all. From 1903 until 1961 the states of the old Confederacy elected no Republicans to the United States Senate. Not one. Then a Democratic president, Lyndon Johnson, signed the Civil Rights Act and the Voting Rights Act in 1964 and 1965. Unscrupulous Republicans saw an opportunity to woo disgruntled southern whites with coded

racial appeals. Gradually the Democratic monopoly on power in the South was replaced by Republican dominance. In the presidential elections of 2000 and 2004, George Bush carried every southern state, even beating Al Gore on his home turf of Tennessee.

This explanation obscures as much as it illuminates. Race may colour many southerners' view of the world, but so do other considerations. Religion is one. Republicans are expert at wooing socially conservative Christians. The national Demo-

cratic Party is skilled at repelling them.

Economics is another. In "The End of Southern Exceptionalism", Byron Shafer and Richard Johnston, two political scientists, observe that southern whites voted Democratic for racial reasons until the 1960s, but thereafter split along class lines. As in the rest of America, better-off whites were more likely to vote Republican, poorer ones to vote Democrat or not at all. Black southerners, who are socially conservative but more inclined than whites to believe that government should give peo- ►►

▶ ple a leg up, now fall solidly in the Democratic camp.

Southern white culture is very individualistic, says Merle Black, a professor of politics at Emory University. "Most voters make more than \$30,000 a year. And that's about the level at which white southern voters start complaining about how much tax they pay." Mr Black recalls workers in Texas in the 1960s earning \$3 an hour and complaining loudly about the deductions from their pay packets. These are the kind of people who voted for Barry Goldwater, Ronald Reagan and Mr Bush, he says.

One of the fiercest southern budget hawks is Mark Sanford, the (Republican) governor of South Carolina. Facing an unconstitutional budget deficit in 2004, he vetoed 106 pork-barrel spending items in the state budget. The Republican-controlled state House overrode 105 of his vetoes, so he marched into the Capitol with a pair of piglets in his arms. The public loved the stunt. State senators restored some of the cuts, and the budget balanced.

Mr Sanford is thoughtful as well as fierce. He quotes Alexander Tytler's warning that a democracy can survive only until voters discover that they can vote themselves largesse out of the public treasury. "Empires can fall. We're not exempt," he says. His sombre view of history explains why he tries to block pork of any kind. He even vetoed cash for the Special Olympics, arguing that government should not pick favourites among charities.

Many southerners, however, prefer the have-your-cake-and-eat-it approach to fiscal policy. "People here think they are overtaxed," says Mr Black, but they "tend to take Medicare [government-funded



Sanford and friends

health care for the elderly] and Social Security [public pensions] for granted." In recent years, politics in Washington, DC, have been dominated by southern Republicans, with a Texan president, Senate majority leaders from Mississippi and Tennessee and a House majority leader from Texas. Yet federal spending has ballooned and nothing has been done to restrain the growth of entitlements that could bust the budget when the baby-boomers retire.

A choice of new southern strategies

Both parties have a problem with the South. The Democrats' problem is that not many southerners vote for them. Even after the Democratic triumph at last year's mid-term elections, only five out of 26 southern members of the United States Senate and 57 of 141 southern House members are Democrats. The Republicans' problem is the opposite. There are so many southern Republicans in Congress that they pretty much call the shots in the national Republican Party, making it more

socially conservative than many non-southerners can stomach. Southern Baptists applauded when Mr Bush vetoed federal funding for most stem-cell research, but voters in western swing states cringed.

The Republicans could tackle their problem by picking a presidential candidate who is either socially liberal by Republican standards, such as Rudy Giuliani, or conservative but quiet about it, such as John McCain, but that might depress turnout among the Republican faithful.

The Democrats' problem is more complex. Steve Jarding and Dave "Mudcat" Saunders, two Democratic strategists, urge their party to reach out to southern white males by fielding candidates who understand hunting, stock-car racing and country music and (more important) also sound Christian and unpatronising. It worked for Jimmy Carter and Bill Clinton. But Hillary Clinton may find it harder.

Another idea, espoused by Thomas Schaller in his book "Whistling Past Dixie", is for the Democrats to ignore the South and try to build a majority in less reflexively hostile parts of the country. But winning without the South would require 73% of non-southern electoral-college votes. Mr Black thinks the Democrats should seek votes where they can, perhaps venturing out of their north-eastern stronghold to pick off Florida and Virginia.

In any case, with American politics so evenly divided, fears of the "Dixification of America"—that southerners will impose their God-fearing, low-tax ways on everyone else—are overblown. And the new Republican South will never be as politically monolithic as the old Democratic South, says Mr Black, because the Republicans let their opponents vote. ■

It's the business

Why the South is a great place to work

VISITING Disney World without your children is risky. What if they find out? Your happy home will become an inferno of tantrums and broken crockery. Nonetheless, gambling that five-year-olds do not read *The Economist* closely, your correspondent went to Orlando, strictly for research, on a warm day in January.

The park is overwhelming. The queue for the "Pirates of the Caribbean" ride is nearly an hour long, according to the help-

ful warning sign at the entrance. The yowl of the Yeti echoes from the newly completed Mount Everest. The crowds throng as densely as pilgrims in Mecca, only they do it all year round and in brighter shirts. People seem to like the place.

Walt Disney could have built his biggest theme park anywhere. He chose Florida. The weather is balmy, and when it gets too hot there are lots of pools to cool off in, says Meg Crofton, Walt Disney World's

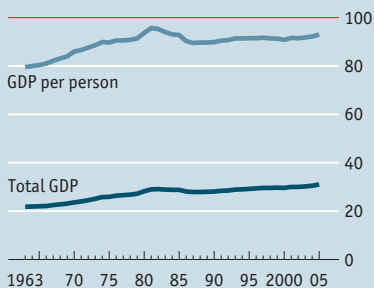
CEO. Florida also offers plenty of space to expand. Disney World, which was first carved out of wild woodland in 1971, has swollen to four parks covering 40 square miles (104 sq km) and employing 60,000 "cast members". Contrary to the stereotype of rapid churn in the service sector, the average full-time employee sticks around for nine years.

Florida's business climate is sunny, too. The Milken Institute, a think-tank in Cali- ▶▶

Catching up?

South* v United States, US=100

2



Source: US Bureau of Economic Analysis *13 states

► fonia, compiles an index of “best-performing cities” in America, a composite measure of such things as job creation, wage growth and whether businesses are thriving. In the most recent index, six of the top ten metropolitan areas are in Florida. (Orlando-Kissimmee is sixth.) And 18 of the top 30 are in the South.

For a long time the South’s weather got in the way of its development. Richard Pillsbury, a geography professor at Georgia State University, describes traditional life in the lowland South, a region stretching from northern Virginia down to the Gulf coast of Texas: “Smallish hardscrabble farms almost lost in the white heat of a sweltering summer sun as the owners and their help fought swarms of mosquitoes to plant, cultivate and harvest the meagre cotton crop for market.”

Then came air-conditioning. As it spread after the second world war, the South became suddenly more comfortable to live and work in. From the 1940s until the 1980s the region boomed. In his book “Old South, New South”, Gavin Wright lists four reasons why. Federal defence spending stimulated growth. Sunshine attracted skilled professionals. The South, having developed so little in the past, was a “clean slate”, without strong labour unions, entrenched bureaucracies, restrictive laws or outdated machinery. Lastly, given how much catching up the South had to do, the potential returns were higher than in the north.

During the Jim Crow era, the South struck a “Devil’s bargain” with the north, providing cheap white labour for northern-owned factories as the north turned a blind eye to segregation, says Jim Clinton, director of the Southern Growth Policies Board (SGPB), a think-tank. That strategy stopped working in the 1970s, as southern wages crept up towards the American

norm. Now, with Chinese and Indian workers undercutting them by an order of magnitude, southerners must produce more or starve.

As any visitor can see, southerners are not starving (see box on the next page). The region’s economy has grown by 31% since 1997, whereas America’s has grown by a slightly more leisurely 28%. The number of jobs in the South has risen by a third since 1990, from 33m to 44m, whereas the number for the United States as a whole has risen by only a quarter.

Southerners have prospered in part by playing to their traditional strengths. The fame of southern hospitality has bolstered the region’s hotel chains, such as Holiday Inn. That of southern cuisine helps local restaurants, such as Waffle House, Cracker Barrel and KFC. Arkansas-based Wal-Mart, the world’s largest retailer, has kept costs low by refusing to recognise unions. And Coca-Cola owes at least some of its success to its southern origins.

Adding sparkle

The weather, again, has been crucial. In the late 19th century, hot southern summers hastened the invention of three fizzy drinks: Coke in Atlanta, Pepsi in North Carolina and Dr Pepper in Texas. All three were developed by pharmacists and sold from soda fountains. Southerners like sweet things, says Philip Mooney, Coke’s chief archivist. And as the firm expanded, Atlanta proved a congenial base because it is a transport hub. “That’s why the Union

burned it to the ground,” he notes. Today, Coke has staff of 58 nationalities at its global headquarters, so Atlanta’s huge airport is handy. Good air links, cheap homes and a vibrant cultural life make it easy to attract footloose talent, says Cynthia McCague, Coke’s personnel chief.

Famous firms attract less well-known ones to set up nearby. Newell Rubbermaid, an office- and home-supplies company with sales of \$6.2 billion last year, moved its headquarters from Illinois to Atlanta in 2003. Mark Ketchum, the CEO, says it helps having so many other corporate headquarters in the city, because managers will often relocate only if their spouses can also find suitable work. Atlanta’s racial diversity also helps, he says, and he appears to mean it. To sell power tools to construction workers these days, you need Spanish-speakers, he says; to market black hair products, you want African-American staff. And Georgia offers “inducements” to firms for moving there.

Most other southern states do likewise, sometimes on a lavish scale. In 1993 Alabama gave Mercedes a \$253m subsidy to build a car plant, which worked out at \$169,000 per job created. (There were 63,000 applicants for 1,500 openings.) Mississippi wooed Nissan in the same way; South Carolina lured BMW; the list goes on. Jim Cobb, a professor of history at the University of Georgia, thinks this “peculiarly southern hospitality to industry” is a poor use of public money. Rather than bribing individual firms to attend the ►►

**Mesmerised by the Mouse**

Southern comfort

LUNCH at Peggy's on a Tuesday is heaven. Happy eaters heap their plates with fried chicken, black-eyed peas, cornbread and turnip greens, chase it down with glasses of sweet ice tea and finish with banana pudding. This little family restaurant in Philadelphia, Mississippi, serves up top-notch titillation for the taste buds. But then you drive off, past a big sign advertising discount diabetic socks, and worry that perhaps you overdid it.

The South makes some of the best comfort food in the world. There is no need to acquire a taste for southern treats such as sugar-cured country ham, crackling cornbread and key lime pie: they are delicious from the first bite. For a long time the simplicity of southern cooking prompted southern snobs to shun it in favour of fancier flavours from France or California, says John Edge of the Southern Foodways Alliance, a body that celebrates local food. "But now they are realising what is in their own backyard."

Many great southern dishes are born of the fusion of European, African and Native American traditions. A good Louisiana gumbo can be thickened with okra, a vegetable from Africa, or sassafras, a

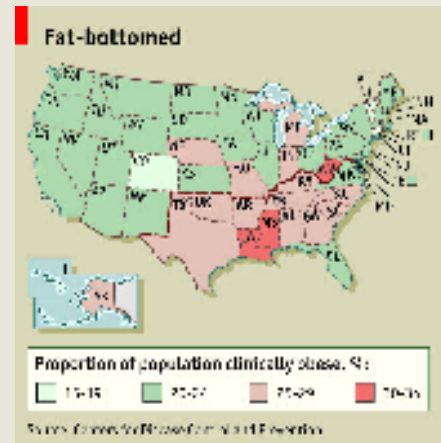
Choctaw delicacy, and is often packed with andouille sausage, which has French roots.

For the inquiring palate, the South offers plenty of variety. Simply counting the ways North Carolinians barbecue pork could fill a whole book. (John Shelton Reed, a sociologist, is writing it.) Some chefs experiment with what most prefer not to call "new southern cuisine". Your correspondent tried shrimp with hot cheese grits (excellent) and *foie gras* on blueberry pancakes (once was enough).

The problem with southern cuisine is that the generous doses of fat, sugar and salt that make it so good for the soul also make it bad for the heart, laments Mr Reed. Southerners are much more likely to be obese than other Americans (see map). Mr Edge denies that southern cuisine is at fault. He blames "the goose-step march of fast-food restaurants southwards". Certainly the South has grown significantly fatter recently. In 1990 no southern state had an adult obesity rate higher than 14%. Now all but Florida and Virginia are over 25%, with Louisiana and Mississippi tipping the scales past 30%.

Mr Edge says southern food need not

The food is too much of a good thing



be fatty. Whereas his mother kept a coffee can of bacon dripping by the stove for cooking greens, he uses olive oil. Health bureaucrats wish more would follow his example. On one government website that teaches children traditional songs, the verse of "Dixie" celebrating "buckwheat cakes and Injun batter" that "makes you fat or a little fatter" links to a page pointing out that childhood obesity can lead to chronic diseases.

▶ party, it would be more efficient to make the region equally inviting for all.

The South's prosperity is unevenly spread. An oilman in Houston or a lobbyist in northern Virginia lives a life of abundance and choice. But the South has a wide swathe of rural stagnation and some depressed cities: New Orleans, for example, was in trouble even before Hurricane Katrina hit it in 2005. In the Mississippi Delta, some 27% of families live below the poverty line, making it one of the densest concentrations of relative deprivation in the country. In the Delta town of Rome (population: not listed on the census website; churches: four), homes are modest, sometimes tumbledown, cars rust in backyards and the steadiest jobs are at a nearby jail.

Materially, life is easier than it was. Before the second world war 90% of rural southern homes lacked running water. Now nearly everyone has it. But good jobs are hard to come by in the Delta. Whereas in the 1950s 90% of the cotton was picked by hand, now none is. Farmers employ far fewer workers. Mike Wagner, who grows rice, predicts that satellite technology will allow the use of unmanned tractors before long. But even with galloping mechanisation, he guesses that most local farmers

would go bust without federal subsidies.

For the unskilled, options are sparse. If they don't mind breaking the law, they could set up a crystal-meth lab on Mr Wagner's land, perhaps after pinching some of his fertiliser. (He has chased away several drugmakers at gunpoint, and once watched them driving off with their heads out of the car window to avoid the fumes from their half-made product.) The law-abiding can cut each other's hair, fix each other's cars or draw assistance from the state. Bill Pearson, a retired Delta farmer, laments that those with get-up-and-go—"all the bright people and the crooks"—have gone. The SGPB interviewed more than 1,000 rural southerners and found that most wanted better economic opportunities, but few would countenance much change to the rhythm of their rural lives.

Mr Clinton thinks the only way for the South to catch up with the rest of America is to embrace technology. He longs for a day when "you might be a redneck if..." jokes have punchlines like: "You hold six patents and each used the term 'hunting dog' in the disclosure documents." Such jokes have yet to catch on, but southern high-tech industries are growing briskly.

North Carolina is home to 88 biotech

and 100 biotech-related firms, mostly in the Raleigh-Durham-Chapel Hill "research triangle". That makes the state America's third-biggest biotech cluster, after California and Massachusetts. Georgia is seventh, and Texas and Florida are also in the top ten. The South's nanotechnology industry is no longer tiny. The region hosts some big federal research projects, such as the Department of Energy's \$1.4 billion Spallation Neutron Source project in Tennessee. It has fine research universities, too, which Mr Clinton would like to see collaborate more with private firms. He notes with approval that Georgia, Kentucky and North Carolina give technology firms vouchers to spend at local universities.

Several of the blessings that attract low-tech firms to the South also attract high-tech ones: the weather, business-friendly state governments and the fact that a techie moving to Raleigh can buy four houses for what one cost him in San Francisco. But California still generates more patents than the South, even though its population is under two-fifths the size. The main bottleneck, says nearly everyone interviewed for this report, is what Georgia's governor, echoing Britain's Tony Blair, calls "education, education, education". ■

Fixing Dixie's tricky schools

The hard lessons of segregation

WAYNE CLOUGH, the president of the Georgia Institute of Technology, has just moved into a new office. The workmen are still in the corridors outside, generating noise and dust. A few years ago the site, in Atlanta, was full of drug addicts and prostitutes. The hotel across the street was boarded up and inhabited by vagrants. Now Georgia Tech is building a "sustainable, energy-efficient campus" with white roofs, recycled building materials and a system for catching and using rainwater. It is a bit more expensive, says Mr Clough, but "if you plan to be around for a while, you'll recapture the costs eventually."

Georgia Tech has a global reputation. Its 16,000 students will mostly go on to careers in engineering, medicine or some other tough and lucrative field. But Mr Clough does have some worries. Southern universities got into the research game later than their northern rivals, so the region is behind the curve in attracting high-tech industries, he says. From time to time, fundamentalists try to teach creationism as science in southern public schools, which "reinforces the backward image". But his biggest worry is that not enough young southerners are mastering science and maths.

"Brother Dave" Gardner, a stand-up comic from Tennessee, greeted the 1954 Supreme Court order to end segregated schools with the quip: "Let 'em go to school, beloved. We went, and we didn't learn nothin'." That was harsh, but partly grounded in fact. The point of school segregation was to keep blacks down and whites separate. When it ended, many white parents moved their children from newly integrated public schools to private schools whose chief selling point was whiteness, not academic rigour.

As in so many areas, the legacy of the past afflicts the present. Today, if you rank states by the proportion of inhabitants over 25 who have at least graduated from high school, seven of the bottom ten are southern, with Texas dead last. Look at the current generation of schoolchildren and Texas is doing much better, but the South still lags. On standardised maths tests, 13-year-olds score below the American average in every southern state except Texas,

Virginia and the Carolinas. In Alabama and Mississippi nearly half of them score "below basic" on maths, which means that even simple calculations baffle them.

Nicole Dobbs, now 17, attended public schools in Atlanta until 2004. There were "behaviour issues", she recalls: "Kids fighting, throwing paper, talking back to the teacher, stuff like that. After a while of being [stopped from learning], you figure, what the heck? It can't be important." Miss Dobbs's motivation dried up when her drug-addict mother moved the family into a homeless shelter. But it revived when she was accepted at Tech High, a state-funded but independently run "charter" school.

Some of the South's educational problems are cultural. A high proportion of students are poor, black or Hispanic. Black and Hispanic kids who do well academically are sometimes accused by their peers of "acting white" and ostracised. This is not an urban myth. A robust study by Roland Fryer of Harvard University showed that above a certain grade-point average, blacks and Hispanics have fewer friends than other pupils, whereas whites have more. But culture is not destiny. A good

school can help to mould it.

Tech High is 97% black or Hispanic and takes kids from the roughest parts of Atlanta without screening for academic aptitude. Alan Gravitt, a science teacher there, says that when he gets new students from the public system, "it's shocking what they don't know." One 14-year-old girl, he recalls, was surprised to learn that six divided by three was not the same as three divided by six. Tech High spends only two-thirds as much money, per pupil, as the Atlanta public schools. Yet its test scores are better than any in the inner city, and on a par with the average for Georgia. Why? Its teachers are easy to sack and rewarded by merit. Management is lean. Classes are disciplined, not least because teachers can threaten to send troublemakers back to the public schools they escaped from.

Learning to do better

Jay Greene, a professor at the University of Arkansas, says there has been more educational progress in the South than in other regions in recent years. Between 1992 and 2005, for example, the seven states that showed the swiftest improvement in nine-year-olds' maths scores were all southern. Mr Greene singles out Florida, Texas, North Carolina and Tennessee for subjecting pupils to rigorous testing, reducing class sizes, making schools more accountable and giving parents the choice to switch from bad schools to better ones.

Such reforms—especially school choice—often meet fierce resistance from teachers' unions and educational bureaucrats. Charter schools such as Tech High typically cannot set up without permission from the educational hierarchy whose flaws they plan to expose. A modest attempt to make it easier to sack incompetent teachers in Georgia was revoked in 2003 after its main sponsor, Governor Roy Barnes, a Democrat, was spurned by the educational establishment and voted out of office. But Mr Greene thinks the general picture is positive. "The South did not have the same tradition of educational achievement as the north, and that held it back," he says. "But that's not really the case any more. The big advantage that the north had is not infinitely self-perpetuating." ■



Soft bigotry is harder to overcome

Baby, look at you now

The South has shed some of its bad habits, but none of its charm

IRKED by outsiders' condescension, Mississippi put out some state-boosting advertisements last year. "Yes, we can read," says one. And then, over pictures of William Faulkner, Tennessee Williams, Eudora Welty and other local literary luminaries: "A few of us can even write."

It is a smart piece of marketing, though anyone who actually reads Faulkner will find him horribly gloomy about his home region. Much of the southern literary canon sprang from native writers' fury at the backwardness and injustice they saw all around.

The South's artistic output has not necessarily improved in recent decades, but the life it depicts certainly has. Contrast, for example, Faulkner's 1929 novel "The Sound and the Fury" with "Hillbilly Deluxe", a recent country-music hit. In the novel, an aristocratic family crumbles into financial ruin and utter dysfunction. In the song, some good ol' boys drive around in enormous pick-up trucks having a splendid time. One cannot help thinking that a region where blue-collar workers own \$25,000 vehicles must be doing quite well.

In the past half-century, the South has come further than any other American region. That is partly because it was such a mess during segregation, but also because so many southerners have since tried so hard to make integration work. The South today is rich and peaceful. Black southerners are masters of their own fortunes. Race relations are often edgy, but seldom flare into violence. The civil-rights movement swept away many southern traditions, but none that anyone should mourn.

Some think that the South is losing its distinctiveness. That is true, up to a point. Southerners are now more likely to live in suburbs than in shacks, to pick stocks instead of cotton, and to wear shoes. But "the persistence of the cultural South does not require that southerners stay poor and rural," says John Shelton Reed, a sociologist. "Indeed, poor folks can't afford some of its trappings." Fishing tackle and rifle scopes are expensive.

The southern traditions that deserve to survive mostly have, and will continue to do so. Southern hospitality is still gracious. Southerners are surely more polite than of



Shoot, batter, deep-fry

old, if you take account of how whites address blacks. The religious faith that animates southern life is undimmed. Indeed, white southern Christianity seems more Christian since its preachers stopped preaching white supremacy.

In a world where everyone is howling for attention, it helps if your home region has a recognisable brand. The South certainly has. It spawned jazz, NASCAR stock-car racing, Elvis and the Dukes of Hazzard. Some of its offerings, such as Coke, Wal-Mart and CNN, are so familiar that people think of them as American rather than southern. But the appeal of others is based

at least in part on a romantic image of the South as a place of song, flavour and charm.

Song, flavour and charm are not enough, however. To catch up with the rest of America economically, the South also needs a better-educated workforce. Too many southern schools fail to prepare children for a world in which well-trained brains are more richly rewarded than brawn. It is encouraging that nearly every southern policymaker recognises this problem. But that is only the first step towards solving it. And reactionary educational bureaucrats still block the door to reform.

The South's vices are America's, exaggerated. Racism still festers. The region is a shade more violent than the rest of America, and much more so than Europe or Japan. It also carried out 44 of the 53 executions in America last year. On the other hand, what other region with such a turbulent history is now so pleasant to live in? The most convincing retort to Dixie's critics is also America's. Just as those who doubt the vitality of the American Dream need only look at the queues for green cards, so those who scoff at Dixie should watch America's internal migration. In 2004-05 some 1.3m people moved to the South from other parts of America. Many more trekked up, uncounted, from Mexico. And all who come, come voluntarily. ■

Offer to readers

Reprints of this special report are available at a price of £2.50 plus postage and packing. A minimum order of five copies is required.

Corporate offer

Customisation options on corporate orders of 100 or more are available. Please contact us to discuss your requirements.

Send all orders to:

The Rights and Syndication Department
26 Red Lion Square
London WC1R 4HQ
Tel +44 (0)20 7576 8000
Fax +44 (0)20 7576 8492
e-mail: rights@economist.com

Future special reports

Countries and regions

The future of the EU March 17th

China and its role in Asia March 31st

Brazil April 14th

Business, finance, economics and ideas

Telecoms April 28th

Cities May 5th

International banking May 19th

Previous special reports and a list of forthcoming ones can be found online

www.economist.com/specialreports