

How Capitalism and Racism Support Each Ot

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By Richard D. Wolff (/author/itemlist/user/44661), Truthout | Op-Ed



Capitalism's supporters use and benefit from a racism whose practice and consequences should be blamed on capitalism itself. (Photo: Coffee / Pixabay (<https://pixabay.com/en/dollar-bank-note-money-finance-941246/>); Edited: LW / TO)

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"Racism" is so often applied to US prison statistics and policing; to data on differences in employment, housing, wealth and income distributions, college enrollments, film awards, and so much more; and to hardening hostilities toward immigration. At the same time, racism is so often condemned -- at least in mainstream media, dominant political circles and most intellectual and academic institutions. Racism's persistence where the capitalist economic system prevails raises the question of the connection between capitalism and racism.

Many societies are structured and operate to subordinate one or more portions of their population -- politically, culturally, economically or in combinations of these ways -- while privileging others. Among the successive generations born into societies with such subordinations, some will challenge and seek to change their condition. Force can try to maintain subordination, but it is costly, dangerous and often unsuccessful. The preferred method has rather been (a) to develop an idea that justifies the subordination and (b) to install that idea as deeply as possible into the thinking of both the subordinated and the privileged.

One such idea is "race," the notion that sets of inherent (often deemed "natural") qualities differentiate groups of people from one another in fundamental ways. This idea of race can then be used to *explain* the subordination of some and the privileges of others as *effects* of their racial differences. The concept of race thus accomplishes a reversal: Instead of being a produced idea, an ex-post justification of structures of social subordination, race morphs instead into some pre-existing "reality" that *caused* or *enabled* the subordination.

We know how and why racism worked often to support slavery around the world and especially in the early United States. Masters endorsed and promoted ideas that justified slaves as subordinated because they were an inferior race. Racist ideology also sometimes supported feudalism by dividing lords and serfs into different races. Indeed, some early capitalist systems likewise racially distinguished employers from employees.

Racism persists in no small part because its benefits to capitalism outweigh its costs.

However, capitalism presents a more complex case, because it often made "individual freedom" central to its supportive ideologies. Opponents of slavery could use that ideology to fight for slavery's abolition. Yet capitalism's history nonetheless keeps exhibiting both the idea

of race and racism. And the evidence marshaled by, among others, Manning Marable in *How Capitalism Underdeveloped Black America* (1983) certainly documents capitalism's subordination of many African Americans. Do racism and capitalism then support one another as per Malcolm X's famous statement, "You can't have capitalism without racism"? Should we follow Adolph Reed Jr.'s perspective (in his 2013 New Labor Forum article "Marx, Race and Neoliberalism") that sees racism as a "historically specific ideology that emerged, took shape, and has evolved as a constituent element within" capitalism?

Answers to these questions emerge from patterns exhibited by capitalism's inequality and instability. Capitalists never could end their system's tendency to generate gross inequality (in wealth and income distributions) nor its instability (in cycles of depression and recession). Both those features of capitalism have contributed to ongoing social injustice and oppositional social movements. Had the heavy burdens of recurring business cycles (periodic unemployment and its multiple consequences) been distributed roughly equally or randomly across societies where capitalism prevailed -- threatening and frightening everyone -- those oppositional movements might well have gathered the broad support needed to consign capitalism to an early demise.

However, those burdens were never distributed equally or randomly. Some suffered them disproportionately and repeatedly, resulting in social subordination. Others were relatively privileged, exempted from those burdens partially or totally. Yet, in their struggles to displace slavery and feudalism as societies' prevalent pre-capitalist economic systems, supporters of capitalism had often promised that it would differ from those systems by *guaranteeing everyone* liberty, equality and brotherhood or solidarity. What capitalism achieved contradicted that promise.

The burdens of capitalism's instability fell much harder on employees than employers, and much harder upon some employees than others. Capitalism thus always faced a basic legitimation problem. How could it justify its unequal distributions of income, wealth and the burdens of its systemic instability among the people whose condition of being "free and equal" capitalism was supposed to guarantee?

One of the major means of managing this legitimation problem has been an ideology of race (alongside other ideologies centered around concepts such as "productivity" and "meritocracy"). Capitalism repurposed race and racism. By dividing human beings, conceptually and practically, into intrinsically different subgroups, capitalism's defenders could explain and justify why its economic benefits (e.g. the status of employer rather than employee) and burdens (unemployment, poverty etc.) were so unequally distributed (both within countries and globally). Employers, politicians, academics and journalists reinforced the notion that the cause, fault or blame for that unequal distribution lay with racially differentiated characteristics, not with the capitalist system.

Certain population groups -- conceived as races -- were deemed underdeveloped, incapable, irrational and/or psychologically disqualified in relation to capitalism's productive rigors. Such presumed inferiority was then offered as an explanation for why people of some races were rarely employers and, among employees, were those last hired and first fired, poorly paid, ghettoized etc.

Such races -- often non-whites -- were, in effect, assigned to play the role of shock absorbers in and for capitalist business cycles. They still are: A 2016 report from the University of Illinois (<https://greatcities.uic.edu/2016/02/01/lost-the-crisis-of-jobless-and-out-of-school-teens-and-young-adults-in-chicago-illinois-and-the-u-s/>), using the racialized differentiations, documents how young people of color in the United States continue to face significantly higher rates of unemployment and lower employment per population ratios than young white people do.

In the United States, most white employees have been spared constantly fearing and periodically suffering unemployment and its consequences. A minority of white employees shares the fate of a huge portion of the "shock absorber" races. That fate comprises job insecurity, recurring unemployment and its consequences: loss of skills, job connections and promotions; descent into hopelessness and desperation; turning toward illegal revenue-generating activities; policed into disproportionate incarceration; etc. By concentrating both poverty and the business cycle shock absorber role in certain subgroups of their populations and by using racism to explain that concentration, capitalist societies "manage" the risks attending their tendencies to gross inequality and instability.

Some conservatives and right-wingers further legitimate capitalism by reframing their racism. For them "the problem" is that capitalism has not been allowed to work its healing magic -- market discipline -- upon those inferior groups. Misguided social protections, minimum wages, safety nets, welfare etc. have kept them inside a "culture of poverty" defined as recurring unemployment, poverty, social isolation, family instability, incarceration etc. By correcting (i.e. removing) those misguided and counterproductive social protections, capitalism's disciplines would integrate them into prosperity and growth. That this has not happened for most subordinate groups is blamed on the depth of their racialized inferiority and/or the legacy of liberals' imposition of a culture of poverty.

In contrast, liberals and social democrats who accept the concept of race have mostly sought to ameliorate the sufferings of the unemployed and poor by policies such as education, welfare and training. Such policies likewise rarely succeeded either generally or enduringly. They could not overcome the system's reproduction of poverty and unemployment and the imposition of them disproportionately on the shock absorber "races." Both conservatives and liberals have enforced a shared denial of the mechanisms of mutual support between capitalism and racism.

Of course, capitalism is not the only cause or source of racism, but ignoring or minimizing its role only perpetuates racism. By designating some members of society to be shock absorbers of recurring business cycles, the capitalist system creates legacies of trauma and inequality that can accumulate into dysfunctional qualities for

its victims. There is neither need nor warrant to take those qualities as givens, nor to transform them into racialized attributes. The solution is rather to treat those legacies as among the profoundly unacceptable consequences and costs of capitalism's profoundly divisive inequality and instability.

A capitalism that perpetuates itself via racism incurs huge self-protection costs: to police and imprison or to provide some safety nets for its shock absorber "races" or varying combinations of both. When capitalists shift some or all of those costs onto the tax obligations of workers, more social tensions emerge. Workers are then told their tax payments must compensate for the "deficiencies" attributed to the shock absorber "races" rather than to the structural irrationalities of capitalism. Racial conflicts then preclude or tear apart working-class political unity. Racism persists in no small part because its benefits to capitalism outweigh its costs, or at least those costs capitalists have to bear.

When capitalists and their ideological supporters disavow racism, they carefully ignore capitalism as a key part of the problem. They point instead to the intolerance of "some people who lack compassion for the less fortunate." Thereby they further divide the working class, in effect, into one race that cannot or will not work hard (and is therefore unemployed and poor) and another race that lacks compassion. In comparison, capitalists and their supporters congratulate themselves for their superior morality.

Capitalism thus comes full circle. Its supporters use and benefit from a racism whose practice and consequences they blame exclusively on others but never on capitalism itself.

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