

Why Does the Political Economy of Race and Ethnicity Matter?

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The link between race, ethnicity and capitalism is not a recent phenomenon. Racism has been a key driving factor in the expansion of capital. The transatlantic slave trade created the economic development required to establish capitalism as a world system. Western racist ideologies have dehumanised African people both on the continent and within the diaspora throughout history, fostering an inseparable relationship between colonial conceptions of race and the historical development of capital. The increase of right-wing populism in today's political climate demonstrates the ways contemporary capitalism has manifested new expressions of racial animosity which continue to affect the descendants of the Africans who were victims of the earlier stages of capitalism. The consequences of a white supremacist world order has meant that the link between race, ethnicity and capitalism in political economy has been ignored. This paper will corroborate the ways in which whiteness has created a domineering, racist global order that places capital over the lives of Black people. Though separated by time and space the South African Apartheid regime and the fire that destroyed Grenfell Tower in UK are key examples of the racist exploitations that make an extensive analysis of race and ethnicity vital within the discipline of political economy.

Keywords: race, ethnicity, political economy, capitalism, racism, Grenfell

The true extent of Black people's contribution to capitalism is often discounted in traditional political economy. In this paper, the term *Black* refers to people of Black African ancestry, for example Black Africans, Black Caribbeans, Black South Americans, Black Americans, Black Pacific Islanders, the Black diaspora, etc. A look at the socioeconomic status of Black people today globally shows the

disproportionate, uneven distributional consequences capitalism has produced. However, this phenomenon has not formed organically. It is the result of a world order that has systemically marginalised Black people to the point where an individual's race and ethnicity often decide their socioeconomic status. This paper will argue that an extensive analysis of race and ethnicity matters within the discipline of political economy. It will explore a selection of links between capitalism and Black people in political economy and the racist belief systems that have meant race and ethnicity have previously been ignored. It will do this firstly by identifying the contribution of the transatlantic slave trade to the weaving of early capitalist economies. It will also examine the ways 'racist othering' continues to economically marginalise Black people around the world. Secondly, this paper will explore the ways white supremacy has succeeded in creating an international hierarchy that is used to determine an individual's socioeconomic status based on race, including the normalisation of this process which has meant the effects of racialised discrimination mainly go unseen. Thirdly, this paper will review the colonial legacies of scientific racism in academia by confronting capitalism's inseparable relationship to racism and examining the importance of exploring this association in political economy. This paper will then identify the racial dominance displayed within social science 'melting pot' theories, and the 'colour blindness' of neoliberalism that has enhanced ideas of (white) racial superiority whilst contradictorily promising economic prosperity for all. Lastly, this paper will explore the failures of neoliberal policies using the tragedy of the Grenfell Tower fire. It will show the ways neoliberalism aided what happened that night, and why race matters in the recounting.

Capitalism and Colonial Conceptions of Race

The link between race, ethnicity, and capitalism is not a recent phenomenon. Racism has been a vital component to capital's drive for self-expansion. One of the most egregious expressions of racial inequality for the quest of economic development can be seen in the transatlantic slave trade—the displacement of African peoples by European slave traders. Capitalism as a world system first emerged through the racist ideologies needed to ensure the perpetration and reproduction of Africans as a 'free' labour workforce (Hudis, 2018). The Marxist theory of historical materialism argues that the material conditions of the mode of production, in this context enslaved Africans, governs the accepted political, intellectual, and social processes of life. Put differently, the material forces of production constitute the legal, political, and economic structures of society and 'unconsciously' form the social consciousness. Hence, the cultural institutions of Western societies are a consequence of their collective economic activity (Marx, 1904). Since historical materialism does not concern itself with 'what-ifs', and instead ascertains what did occur, the logic that a capitalist world system may have occurred without utilising race and racism is invalid. Furthermore, colonial

conceptions of race are inseparable from the historical development of capital (Hudis, 2018). The disposition of Europe's civilisation through capitalism was not to homogenise but to create the idea of an Other. Bhattacharyya (2018) argues that racialised exclusions, or 'racist othering', play a role in reinforcing the capitalist exploitation that ostracises populations—e.g., by race—to disproportionate wealth and privilege. The regional, subcultural, and dialectical differences of the enslaved were exaggerated into racial ones. This notion of racially inferior stock for domination was reproduced in order to finance the evolving capitalist system (Robinson, 2005). Additionally, the idea of Black people as human capital did not end after the abolishment of slavery in the nineteenth century. An example of the way economic marginalisation continued and contributed to racial capitalism can be seen in relation to the South African apartheid regime. The structural organisation of racist divisions constrained the social, political, and economic options available to Black communities (Bhattacharyya, 2018). The state-sponsored exploitation of Black people in South Africa supported an interdependence between a racist state and a racist bourgeoisie that had overlapping membership and deemed racist formations of capitalism as socially acceptable. Wolpe (1972) contributed to this argument by suggesting the Apartheid regime emerged as a means for the dominant white class to sustain their control over Black human capital at a reduced price. Bhattacharyya (2018) concludes that Wolpe's account suggests the South African apartheid is instead a safeguard of racist exploitation and not an expression of racism. This is a remarkable proposition as it states that racial capitalism is how the world, constructed through racism, forms capitalist development. Therefore, race does not affect the world, but racism does, making racial capitalism a form of racism in the economic field.

Structural Racialised Inequalities

Harrison (1995) claims the multiplicity of local and national racisms cannot be lessened to a consistent form of Western racial hegemony; however, it cannot be separated from Western cultural influence, either. This is due to the fact that subordinate racisms are rooted in the ideologies and materialism of white supremacy, as they produced the systematic mode of classifying and capitalising race. Racial capitalism has created an international hierarchy where wealth, power, and asymmetrical development are associated with whiteness, otherwise defined as the sorting of populations into hierarchies of disposability through the practice of racially categorising an individual's social status (Bhattacharyya, 2018). What then occurs is a normalisation of the misrepresentation that occurs in structural racialised inequalities in the economy, such as division of labour, wealth accumulation, and property ownership (Tilley and Shilliam, 2018). Since its inception, capitalism has been shaped by racial factors; it is not possible to oppose its effects without making racial injustices a priority. Since race and racism help create and reinforce the hierarchies rooted in class domination, subjective affirmations of identity that do

not include challenging capital will lose the impact of their argument (Hudis, 2018). As Fanon (2004) suggests in *Black Skin, White Masks*, racism cannot be prevented on economic class terms alone, as a racialised perception takes on a life of its own in the psychic, inner life of an individual. Both Black and white individuals are shaped and affected by class domination, although they experience it in very different ways. Additionally, Fanon points out a key difference between class and racial oppression, in that race penetrates deeper than the traditional class struggle. This is due to the fact that Black people are usually denied even a small amount of recognition when structures of domination are over-determined by racial considerations. Put another way, when capitalist class relations are structured along racial lines there is zero recognition, as when Black is the Other they are not seen at all (Hudis, 2018).

Extensive critical work exists to highlight the ways in which class operates in the economy. Marxists have published much research on the logic of capital, and whilst there are postcolonial historical narratives that have explored structural racism and ethnic discrimination, a political economic analysis has been granted less critical scope in academia (Tilley and Shilliam, 2018). Marxist accounts of capitalism often assume a one-sided class-reductionist analysis (Hudis, 2018.). Tilley and Shilliam (2018) attribute the absence of an analytical importance to race in political economy to the legacies of scientific racism. They argue that unless the racial ordering system that has evolved from colonialism into the present day provides an explicit analysis of capitalism, research will always remain partial. It is crucial to develop theoretical perspectives that conceptualise race and racism and the integral role they have in capitalism in a way that moves beyond identity politics; one only need observe the way right-wing populism has reared its ugly head in politics today, both in the US and in Europe, to see the ways contemporary capitalism has manifested new expressions of racial animosity (Hudis, 2018). It is necessary for an explicit critique of capitalism and its inseparable relationship with racism to take place in order to confront the importance of race and ethnicity in political economy. James Yaki Sayles (2010) puts it another way in his analysis of *The Wretched of the Earth*, Franz Fanon's famous book:

The existence of Manichean thinking doesn't make economic relationships secondary to 'racial' ones—it does exactly what it's supposed to do: It masks and mystifies the economic relationships.... [It] performs its role as a superstructural element by making 'race' appear as external to ... the economic motive of colonial relations. (2010:304)

Sayles is arguing that the duality of race and the economy is a deliberate attempt by the dominant (white) society to separate the relationship between race and capitalism, as the bourgeoisie that led capital development are the same people who profit from it today.

Nationalism, Neoliberalism and Racialisation

In the 1960s, social scientists in the West, particularly in the US, argued that the conditions of Western life and its opportunities for socioeconomic improvement would create a ‘melting pot’. This is a term to describe the assumed assimilation that they believed would take place amongst different racial and ethnic groups and the (white) common culture—i.e. developing common values, attitudes, beliefs, and lifestyles (Bisin and Verdier, 2000). This white racial dominance otherwise referred to as ‘whiteness’ is a key structural location that grants exclusive privilege to those belonging to the same group. From this position, an assessment of cultural reality of themselves as Self and anyone else as Other is usually unchallenged and normatively given. This invisibility or ‘colour-blindness’ enhances the effect, as well as the dominance of racial superiority, to the extent that whiteness is never questioned (Bisin and Verdier, 2000).

The racialisation of difference provided the starting point for the inception of nationalism. This is where the concepts of race and nationality began to be intimately interrelated as two ends of a sole historical discourse on state power and population control (Harrison, 1995). The concept of integration or assimilation is a rejection of one nationalism for the acceptance of another. When individuals are asked to assimilate they are being urged to embrace the beliefs of the dominant society, in this context white nationalism (whether European or European settler colonial states), and reject the ideology of anything else (Sayles, 2010). The Western creation of neoliberalism is complicit in this creation of ‘colour-blindness’. The erasure of power presences and the individualising of agency reduced issues pertaining to race to individual prejudice (Tilley and Shilliam, 2018). Keynesianism’s capitalism was replaced by a neoliberal capitalist strategy conceived to restore profitability in global capital. This neoliberal outlook focused on profitability over effective demand and was thought to be what would advance the development of capitalism (Hudis, 2018). Neoliberal economics promised everyone regardless of race, ethnicity, and creed that the rising tide would ‘lift all boats’. However, for Black people living in the West this promise of economic prosperity has not come into fruition (Hamilton, 2019). The descendants of the Africans who had been victim to the earlier stages of capitalism continue to be exploited in their contribution to the further development of the capitalist world system in new and resourceful ways (Robinson, 2005)—ways that proceed to play a role in the ordering of accumulation and impoverishment some experience today (Tilley and Shilliam, 2018).

There is extensive research that suggests that, both historically and at present, the race and ethnicity of an individual can have either a positive or detrimental effect on their socioeconomic status. Namely, in the US, poverty and unemployment rates are higher amongst Black people, whilst income levels and wealth are significantly lower than the general population (Wilson and Williams, 2019). Neoliberal

explanations for these failures have focused on individual attitudes, education, and public sector programmes that apparently create unhelpful incentives away from personal responsibility (Hamilton, 2019). However, there is a Black aphorism known widely amongst Black communities living in the West that goes, ‘as a Black person in a white world, you need to work twice as hard to get half as far’ (DeSante, 2013:342). Yet the presumption is still that if Black people made better financial decisions and were more responsible they would be able to progress further and achieve economic security (Hamilton, 2019). To give an example closer to home we can examine the catastrophic fire that destroyed Grenfell Tower in June 2017, a social-housing high-rise block that housed mainly Black, Asian, and minority ethnic (BAME) residents in the most impoverished area of London’s metropolitan population (Tilley and Shilliam, 2018). The fire advanced quickly through Grenfell as a result of the cladding that was installed in 2016 to improve the external appearance of the building for the white wealthy residents in the area. It is now known that the extremely flammable cladding used for the council housing complex was the cheaper choice of the options available (Davies et al., 2017). This appalling event, which claimed the lives of many residents living in Grenfell, highlights the racialisation of housing in the UK. The borough Grenfell Tower resides in, Kensington and Chelsea, is one of the wealthiest areas in England. However, the borough also contains some of the most deprived areas in the country (Sawhani, 2017). A report on inequality in the borough uncovered the shocking fact that average incomes there can ‘drop ten times as you cross the street’ (MP Emma Dent Coad, quoted in Gentleman, 2017). The extreme proximity and disparity of the socioeconomic levels of residents reveals the extent of inequality in the borough.

The Grenfell disaster is another casualty of the neoliberal policies that removed social housing in order to create a property-owning class (Sawhani, 2017). Instead, what transpired with the steady decline of social housing stock was a withdrawal of accountability from arms-length tenant management organisations whose practices included outsourcing renovations to the lowest bidder within the wider context of gentrification (Tilley and Shilliam, 2018). Additionally, austerity measures led to major cuts to local authority budgets, which meant local authorities like Kensington and Chelsea spent as little as possible on their residents (Sawhani, 2017). Race matters in this recounting as Grenfell exposes the unredressed and unacknowledged racialisation of UK housing policies (Tilley and Shilliam, 2018). As stated by Nadine El-Enany (2017), many Grenfell residents and their predecessors were affected negatively by the dispossessing consequences of colonialism. Additionally, the economic decline brought on by European debt arrangements and global trade exacerbated the impoverishment of Southern economies which abetted the migration of BAME members to the global North. Many of the individuals who left their native lands in search of better opportunities fell victim to the ongoing colonial practices of state-sanctioned racial hierarchy and

segregation within the UK's housing markets (El-Enany, 2017). As a result BAME residents have a higher probability of living in poor-quality accommodation than their white counterparts (Tilley and Shilliam, 2018). Additionally, BAME people are more likely to be working class by income and occupation, and more likely to be discriminated against when allocated social housing (Sawhani, 2017). Grenfell is a stark reminder of what happens when racial inequalities are allowed to flourish within racist hierarchical structures. The poorest within society suffer as the inconsequential Other, and the privileged continue to capitalise in an economy that caters to them.

Conclusion

This paper has revealed some of the racist ideologies that have aided a white international hierarchy which continues to systematically classify and capitalise race. From the transatlantic slave trade, which was responsible for the economic development required to establish capitalism as a world system, to the South African Apartheid regime which demonstrates how capitalism evolved to create racial capitalism, a form of racism in the economic field that continued to marginalise Black people, racism has been a vital component in capital's drive for self-expansion. As argued in this essay, arguments on whether capitalism may have occurred without trading Africans as human capital are invalid, as according to historical materialism, material forces of production constitute the legal, political, and economic structures of society. Therefore, the social consciousness of Western societies, or lack thereof, are a consequence of their collective economic activity. This paper also criticised the legacies of colonial scientific racism found within academia and explored the role it has had in restricting analyses of race in the field of political economy, as the field ignores the racial ordering system that has occurred from colonialism into the present day. The economic motive of colonial relations can also be seen in the creation of Self and Other as an unchallenged means of reinforcing (white) racial dominance as a global cultural reality. This paper also explored why class terms alone will not prevent racial discrimination as race penetrates deeper than the traditional class struggle. This can be seen in the neoliberal theories which have erased the presence of power and used agency to reduce issues pertaining to race. Lastly, this paper used the Grenfell Tower fire to demonstrate how both historically and at present the race and ethnicity of an individual has an effect on their socioeconomic status. The fire at Grenfell exposes the unredressed and unacknowledged racialisation of UK housing policies. To conclude, the political economy of race and ethnicity matters as the economic development required to establish capitalism and create the current global order could not have occurred without race, ethnicity, and most importantly racism.

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