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Political Economy, Markets, and Institutions

Measuring the Wages of Whiteness: A Project for Political Economists

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This comment responds to the recently held Global Research in International Political Economy roundtable on race in IPE. In particular, it argues that scholars of political economy could draw fruitfully on the notion of "whiteness as property" from the critical race theory subfield of law in order to trace the workings of whiteness, and race more broadly, as a material force in the economy.

Discussions of race within political economy have tended to fall into two camps. First, there are scholars who consider race as a factor that shapes individuals' economic perceptions. For example, American campaigners against free trade position white men in traditional manufacturing industries, rather than the working class more broadly, as in need of trade protection, and they focus on the jobs lost to China, rather than Canada, even though the United States trades roughly equally with both (Guisinger 2017). Second, there are those scholars who consider race as a nonmaterial interest, which individuals might weigh against, or over, economic needs. Such research often presents race as economically irrational: a racist employer, for instance, forgoing qualified Black applicants.

Roundtable speakers pushed past this dichotomy, arguing that scholars should treat race itself as a *material* interest, such that those who are prioritize it are acting rationally in political economic terms. As Gina Yannitell Reinhardt (2021) notes in this special collection, there is growing recognition that "globalization, growth, and social and economic development have brought varying levels of wealth and hardship based on group characteristics such as race, gender, and class." Yet the roundtable participants struggled to identify ways that political economists might practically apply such a view of race, because, as Kathleen McNamara argues in her roundtable comments, race is both mutable and relational, making it difficult to operationalize as a variable.

A second strain of the discussion therefore focused on method, and on whether scholarship about race from cultural studies and other humanities can be applied to political economic research that is more materialist in focus. In this note, I would like to critique a common misperception in such debates that places critical race theory (CRT) under the cultural studies umbrella. With roots in law, a fellow social science, I argue that CRT has more in common with political economy, and is more materialist in orientation, than the disciplines to which we more commonly turn for insight on race. I do so by looking at the CRT concept of "whiteness as property," outlining its overlap with our own understandings of property, and how this insight might be applied in political economic research.

This segment was recorded on September 30, 2020, as an installment of the Global Research in International Political Economy webinar series, organized by Layna Mosley (Princeton), Stephanie Rickard (London School of Economics) and B. Peter Rosendorff (New York University).

CRT emerged in the 1980s as a body of scholarship investigating the persistence of racial inequity in the American justice system after the civil rights era. Its empirical focus has often been on the economy, including employment discrimination (Crenshaw 1989), affirmative action admissions (Farber 1994), and quotas for public procurement (Chang 1997). This scope is squarely materialist. Fundamental to this materialism is the concept of "whiteness as property,"

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first articulated by Cheryl Harris (1993). In this landmark essay, Harris demonstrates that property law in the United States is intimately bound up with race. This is because efforts to secure white Americans' property *in* African slaves made the formalization of property rights contingent on race. Only Black people could be slaves, and as such, courts treated Black people as synonymous with property, allowing for debts to be paid, for example, in "money or negroes" (Harris 1993, 1720).

This finding is intertwined with political economy. As Robbie Shilliam (2020) has shown, the discipline of political economy developed in dialogue with litigation about the status of slavery. Enlightenment theorists of commerce, such as Adam Smith, justified their support for free trade in terms of commercial liberty, the notion that free exchange between consenting participants would yield the "liberal reward of labor" in which the fruits of labor are shared by the laborer himself. This necessarily excluded from legitimate commerce the use of slaves, who neither generated nor benefited from such liberal rewards. At the same time, early theorists of property, in particular Locke, placed the labor of agricultural cultivation at the heart of legitimate first possession, while arguing that such labor necessarily increased the goods available in common to society (Waldron 2020). In the nineteenth century, these debates converged, as abolitionists drew attention to the provision grounds farmed by slaves for their own subsistence as evidence that Black people, if freed, could carry out the type of productive labor within patriarchal families that theories of commerce and property required.

Yet this free commercial society required the dispossession of Native Americans, and the same theories of property held that the forms of land use and family structures practiced by tribes did not constitute the type of first occupancy that would make them rightful owners (Harris 1993, 1721-22). In this way, the law made property ownership contingent on proximity to whiteness. Indeed, in the years leading up to the American Civil War, references to "property rights" were often taken axiomatically to refer to the "protection of slaveowners' supposed property in other human beings" (Levy 2017).

Moreover, Harris argues, the legal regime this historical process created turned whiteness itself into a type of property, with five central dimensions. First, whiteness is something individuals and groups can acquire. Nineteenth-century immigrants to the United States from southern and eastern Europe were initially treated as nonwhite, with whiteness restricted to those of northern or western European descent. Over the course of the twentieth century, these immigrant groups were assimilated into whiteness, acquiring the privileges in society that accompanied this status (Roediger 2006).

Second, whiteness is something those who hold it can pass on. Classical theories identified alienability as a central feature of property: for this reason, J. S. Mill (1909) argued that monopoly privileges and public offices, granted by the Crown to particular corporations or individuals, could not constitute property. This view would seem to exclude personal characteristics, such as race. However, Lockean theories of property hold that man's first right of property is property over himself. Moreover, as Engels argued, property's relationship to the patriarchal family made inheritance a fundamental component of property rights (Engels 2010). Whiteness is therefore property in the sense that it, like other assets, can be passed from parent to child, and its heritability is what makes it difficult for outsiders to acquire. The ability to pass whiteness on to one's children reflects the theoretical construction of property as what Bentham called "the basis of expectation," an object bound up in the ability to plan for one's own future, and thus in the property in oneself (Harris 1993, 1729).

Third, whiteness gives its owners the right to use it to benefit themselves or to acquire other valuable things. White people are able to leverage their whiteness to gain preferential access to jobs, promotions, and mortgages or preferential treatment from police, teachers, or other authority figures. This is what W. E. B. Du Bois (1998) famously called a "public and psychological wage" of whiteness. For Du Bois, these wages included the ability to have these privileges enforced by the state, just as the state protects, through the enforcement of contracts, the use rights of property owners more broadly. Economists from Hernando de Soto (2000) to Geoffrey Hodgson (2014) have argued that the value of formal property rights is their role in enabling the systems of credit necessary for accumulating other capital. In political economic terms, then, "white privilege" is a kind of credit relationship in which whiteness functions as collateral for the acquisition of other assets.

Fourth, whiteness affects the status of the person who holds it. In Harris's essay, this status value is demonstrated by the phenomenon of "passing," a practice that exists only because gaining access to whiteness means gaining access to higher social status. Harris draws attention to *Plessy v. Ferguson*, the lawsuit that established the legality of segregation in the United States, noting that Plessy, whose exclusion from a whites-only rail carriage triggered the dispute, was of mostly white descent and often passed for white in daily life. The case turned on whether he was being unlawfully denied the status value of whiteness to which he had been accustomed, and not on an unequivocal claim of equality (Harris 1993, 1747). In classical political economy, this status dimension of property is reflected in theories of defamation, which treat a person's reputation as an integral part of their Lockean property in themselves, which can be given monetary value, such that individuals can receive damages for libelous attacks. As Harris notes, accusing a white person of being Black has historically been upheld as a form of defamation, recognizing whiteness as status property (Harris 1993, 1735). Indeed, a 1992 survey showed white people demanding as much as $50 million as compensation for the hypothetical penalty of being made Black (Hacker 1992, 32).

Fifth, whiteness is exclusive to its owners and derives power chiefly from the existence of nonwhite "others." This makes the right to exclude, for Harris (1993, 1721), the "conceptual nucleus" of whiteness as property, around which its other features cohere. For much of the history of the United States, as well as other racially segregated societies such as apartheid South Africa, the state has invested in formally establishing through parentage who has a "legitimate" claim to whiteness, as a way of protecting its exclusivity. The property value of an exclusive whiteness has often been taken by its owners as just compensation for the lack of other economic assets: the shared property stake in whiteness has prevented white workers from challenging the power of white managers or building solidarity with workers who are not white (Loomis 2018). This behavior is not irrational. The economic position of white workers has been *materially* enhanced by the ability to exclude: throughout the twentieth century, labor unions across Europe, North America, and southern Africa maintained strict color bars (Rosenow 2015; Money 2018). This policy protected the wages of their white members by maintaining an artificially tight labor market in which Black and brown workers, excluded from these unions, did not compete for the same jobs as white workers and instead performed the more dangerous and poorly paid roles that whites would not (Loomis 2014; Reich 2009).

Moreover, much as the formalization of property is productive of further capitalist development, so, in the United States in particular, was the formalization of whiteness productive of political development. The forging of a republican identity, the creation of American citizens with an identity distinct from the various European countries from which they or their ancestors had migrated, depended on the stake in whiteness these groups shared and the line of exclusion drawn between them and those who were not white (Fox and Bloemraad 2015). The Naturalization Act of 1790 explicitly required whiteness as a criterion of citizenship, while the expansion of citizenship for white immigrants in the nineteenth and twentieth centuries was intertwined with the deepening exclusion of African Americans under Jim Crow (Harris 1993, 1745). Much as countries have historically established property requirements for the granting of the franchise, the United States required its new citizens to meet a threshold of whiteness.

The abolition of legal discrimination did not abolish the property that inhered in whiteness. When slavery was abolished, most countries, including Britain and France, paid compensation to slave owners (Shilliam 2020; Grosset and Guidetti 2013; Draper 2013). In effect, this action converted the form of the property they held from humans to cash, rather than abolishing it. As a fungible asset, that cash remains in the economy and continues to impact the distribution of wealth today. The passage of civil rights and equal protection laws in the century that followed did not abolish the privileges of use, status, and excludability that whites had already acquired. Instead, the laws established the value of those privileges as a baseline, making policies that deliberately redistribute the assets of whiteness—for example, through affirmative action—open to legal challenges as expropriation (Onstad 2007). Even where courts have upheld such programs, they have accepted that they materially burden whites on the basis that they impinge on whites' "settled expectations" of how they will be treated, their property in their own futures (Harris 1993, 1721).

This history makes the persistence of white racism much more legible. Classical political economists, beginning with Adam Smith (1853), argued that our values or moral sentiments are always shaped by our material interests in how we are seen. White racism, in protecting the privileges of use, status, and excludability that attach to being seen as white, is protecting a material interest. Conceptualizing whiteness in this way can allow political economists to isolate race as a material factor at work in our field of study. The fungibility and relationality of property as already theorized in our canon make sense of the mutability and relationality of race.

Political economists also have the opportunity to expand the scope of CRT. CRT scholars have previously relied on legal-historical methods that overlap closely with the approaches of political economists studying international law, as Rachel Wellhausen (2021) demonstrates in her contribution to this collection. The insight of "whiteness as property," however, can also be applied in quantitative and experimental research, something legal scholars of CRT have not pursued. While roundtable participants expressed concern about how race could be incorporated into political economic research, or whether particular methods are required, CRT is a framework that allows for methodological pluralism. In pursuing that pluralism, political economists would also be enriching CRT. Moreover, while CRT developed in the American context, where only whiteness has property value in law, international and comparative political economists might seek to measure race as property in country and regional contexts where other identities have hegemonic and excludable status. This is another dimension in which political economic engagement with CRT might contribute to the theory's development.

Consider, for example, the case presented at the outset: that surveys about attitudes to trade disproportionately focus on white men in traditional industries "losing" jobs to China. Instead of regarding this focus as symbolic, political economists might empirically establish whether the traditional industries are those that maintained formal or informal color bars in the twentieth century, and how those color bars affected the historical distribution of jobs and wages. Are the white men who perceive a loss to trade those whose fathers and grandfathers had "good" jobs and high wages in large part *because* of a color bar? We might equally investigate whether the comparatively low salience of trade policy to Black voters reflects the fact that the outsourcing of these traditional jobs is of limited economic relevance to those whose families were excluded from holding the jobs to begin with. In such a context, both Black and white workers are responding to trade in rational terms. Political economic research might seek to materially define the value of whiteness as property in exposure to such trade-related job loss: what level of color bar or race-based historical wage gap produces what levels of discrepancies in response to trade? While driven conceptually by the insights of CRT, such a question lends itself empirically to methods that political economists already use, as it requires analysis of labor market data on income and demographics. In other words, once whiteness is understood as a fungible asset that white people trade, leverage, or collateralize in exchange for other goods in the economy, it becomes much easier to materially trace how much it is worth, and what it costs.

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