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Commentary on black political economy

Curtis Haynes, Jr.

The task of this essay is to introduce a comprehensible study of the economic condition of a black sub-altern population in the United States. The framework is informed by the monumental contribution to the field of political economy as developed by Lloyd Hogan in his 1984, *Principles of Black Political Economy*. Specifically, Hogan presents political economy as:

"The study of a human population under going the act of social reproduction, over a protracted period of time, under a set of rules promulgated and enforced by a political state, within a bounded geographical domain." (Hogan, p.12)

In its most popular form, political economy is the study of how communities grow from the past, and are lived in the present. The human population is both object and subject of study. In a modern U.S. capitalist political economy we consider the interaction of labour markets, worksites, goods and service distribution, wealth accumulation, and their combined effect on the survival of individuals, their community and the impact on human potential.

For the purpose of this essay, political economy is used as a foundational analysis of a 40 million person black American population, 13.5% of the broader United States population. The framework acknowledges the uniqueness of the black experience over the last 400 years that places the majority of black Americans in income and ethnically diverse urban centres throughout the country. From our perspective, this economic history, framed in political economy provides the reader with a good grasp of the black condition, and a progressive understanding of the potential role black Americans can play in responding to current economic crisis.

Overview of the black condition

Since slavery African Americans have laboured in economic systems not of their own creation. As slaves, labour was extensively manipulated by the slave master.

The slave master as owner determined how Black human effort would be distributed between the Internal Labour Process of human development and the External Labour Processes of the material means of survival. Obviously, as the owner of the human person, the master expropriated completely the slaves labour.

Such a method of Social Reproduction could not continue indefinitely and was destined for a timely demise. Once liberated from the slave system a new form of servitude awaited African Americans in the form of debt peonage through sharecropping. Personal freedom was won, yet, the landowners manipulated the labourer in such a way that the vast majority of material accumulation went into their own hands. This system of Social Reproduction was also destined for ruin.

Through a series of revolutionary migrations, the vast majority of African Americans turned their back on feudalism in the form of sharecropping and entered the current political economic system of capitalism as wage labourers. Maintaining personal freedom they had access to the newfound right of contracted labour with a capitalist. The problem was that there was no guarantee that the capitalist will offer gainful employment.

The current conditions of poverty within the Black urban communities are the outcome of this long historical process of social reproduction during different historical epochs. As a group, African Americans completed their entrance into the U.S. capitalist political economic system during a period of major industrial change as managerial hierarchy and mass production came under attack from new political economic systems.

With the migrations and the civil rights movement shattering the ties of the share cropping/ feudal political economic system. Legal norms of racial segregation were outlawed, and Blacks found a place along side white workers as wage labourers. There was no real conceptualization of an alternative economic path that could be founded in the Black community. This was obscured even further, as a certain amount of social mobility came through increased participation through expansion of government and legal enforcement of integration. For those who could not make it, social service support, menial jobs, and the underground economy became the means of survival.

As African Americans became completely engulfed in the capitalist system the cities became home for the vast majority. The transformation was complete, as the morals and norms of the broader system became those of the internal

population. In their new homes, African Americans shared the inner portions of central cities with a diverse population. The ghettos, the heart of the cities became peopled largely by blacks, Puerto Ricans Spanish-speaking Americans and other minority groups and by some whites, mostly older. The suburbs were affluent and largely white.

Race and low incomes were the primary features of the ghetto. In the typical racially segregated urban region, moving outward from the inner core, the density of population decreases and the income, wealth, and educational level of the people rise. Unemployment rates decline and racial segregation diminishes. On the outlying edges of the ghetto, the social and economic characteristics of the Black and Latino population are hardly distinguishable from those of the surrounding white population.

The more successful wage labourers or capitalist was able to reap benefits by integrating into the system. Those unable to integrate suffered a poverty, which was broader than the boundaries of the racial ghetto. In effect capitalism had abandoned them, discarding the poor of all ages, races, and nationalities into congested residential areas of inner cities.

The crowding of these populations into income and racial district is the function of their historical relationship with the capitalist political economic system. The shape and form of the ghetto reflect a historical lack of control of labour and a systematic pattern of exploitation imposed upon different populations of people.

Racial animosities and income disparities are the most obvious symptoms of this conflict. These take on certain clarity when Blacks are analyzed as a group bound together by a common history ranging from communal roots in Africa through slavery, sharecropping than arriving in the heart of the U.S. political economic system. This sets them apart from other populations of people. Yet, within the current system they have a history, which relates them to others as wage labourers. These groups of workers suffering the conditions of ghetto life have common grievances.

An underlying economic factor significant to ghetto populations is that as U.S. capitalism developed, the economies of many of these currently stagnant or declining cities have shifted from centres of production and distribution of material goods, to administration, information exchange, and higher-order

service provisions. These changes are particularly important to the majority portion of the African American population who in a series of 20th century migrations from the South arrived in these cities looking for blue-collar jobs. Blacks found themselves an urban population of wage labourers, but urbanized into racially and economically segregated communities. This isolation was aggravated in those central cities losing traditional jobs because many African Americans without adequate formal education were not prepared for the change from industry to administration, and information processing.

To find those jobs for which their skills were most appropriate, many industrial skilled or unskilled Black Americans of the central city ghettos would look for entry-level blue-collar jobs, at dispersed sites, within the suburbs, exurbs, and non-metropolitan peripheries. Public transportation is inappropriate for such dispersed job searching, making automobile ownership a virtual necessity. With the high costs of car ownership in the city, the search has become that much more difficult.

The economic consequences of Black Americans with minimal formal education being confined to the central cities with an employment base out of their range, includes rising central city unemployment, increased labour force dropout rates, and growing welfare dependency.

The difficulty of life for the urban Black American is reflected in social well-being. Through a long history of labour exploitation accumulating wealth for others, they have developed an accumulated suffering, which is reflected in the condition of the human population. Such conditions of social reproduction have had a detrimental effect on the development of the Black population.

Consistent with their economic and social condition, and the stabilizing role of the state, a larger percentage of Black central-city householders of both sexes receive welfare aid in terms of public or subsidized housing, Aid to Families with Dependent Children, or food stamps than do white central-city householders. Further, the urban ghetto produces little that can be sold outside the ghetto other than low-wage labour. This underdevelopment is preserved by a drain of income and resources that keeps the ghetto poor. This drain includes savings, physical capital, human resources, and incomes. As a result, the ghetto is left without the most important resources for development. The pool of low-wage labour is preserved by barriers that make exit difficult, while other

social and economic forces provide internal development and recruits from outside of the ghetto, creating an ever-expanding system.

Further, the urban poverty areas lack the highly developed internal income flows that might lead to a viable economic system. Aside from the irregular economy and relatively small enterprises, which require little capital, most business institutions in the area are not owned by ghetto residents. The incomes earned by ghetto residents, predominantly from jobs outside the area, are spent in chain supermarkets, furniture and appliance stores, and other enterprises whose ownership, management, and employees are almost always of non-ghetto origin. The wages received by the outsider do not return to the ghetto to support other enterprises or employees.

These patterns of income drain and exploited labour are exaggerated by the low incomes and high birth and death rates that prevail in the ghetto, as relatively small amounts are spent on local services, while a larger than usual amount is spent on imported goods. Further, low incomes also mean that housing costs comprise a larger proportion of family budgets than elsewhere. Thus, a significant portion of ghetto income is withdrawn as capital by owners of rental property.

These income flows help to explain why the welfare system is needed. The welfare system helps stabilize the ghetto economy, because flows of income in the private sector are generally outward, requiring a compensating inward flow via the public sector. The outward flow of income also helps to explain why increased welfare payments may help the individuals or families who receive them, but have little or no impact on the ghetto economy as a whole. The bulk of any increase in welfare payments leaks out rapidly.

As these outflows of skilled labour, capital, and income suggest, permanent depression is the norm in urban poverty areas. In the ghetto, unemployment and discouraged work remain at levels that would signal serious depression if they were to be experienced by the entire economy. The contrast with the dominant economy is so large that national unemployment rates become meaningless in describing conditions in the slums.

The current lack of use of urban ghetto labour reflects the structural changes associated with capitalism within the U.S. territory. In particular, in the face of the new competitive methods of international capitalism, the United States

retreated from industrial production to high tech information and service. Many inner city residents are unskilled in relation to the needs of the new economy. Such incompatibility has contributed to the high levels of under employment, unemployed, discouraged work.

Although there was excess labour in the U.S. inner cities during the 1960's, private industry under the assumption that high costs were the reasons that they were loosing out in the new era of competition, chose to move to the apparently more stable, low wage regions of either the south, or "third world". By the 1980's, access to high wage productive labour within U.S. cities had all but disappeared, as economic development for advanced industrial nations such as the United States tended towards the information and service sectors.

Thus, as the old industrial cities of the U.S. went into decline, the masses of the Black, Latino, and poor in the urban sector were unable to take full advantage of industry, as they were not equipped for full fledged participation in the technological and information revolution. As the U.S. economy shifted over to a high tech service sector industry the need for unskilled manual labour diminished. Well paying jobs remained out of reach for most unskilled labour, especially, inner city youth. "Legitimate" work could only be found within the low-wage service sectors, with an alternative of relying on public assistance. The unequal development between the mainstream and the sub-economies of the inner cities continued to grow, as the avenues for acquiring wealth, for urban youth unskilled, and with a poor formal education, remained narrow.

Unable to find decent employment in the existing order, some inner city residents looked for alternative means of existence. To attain the "American Dream", the irregular underground economy of crime and drugs became an option. This was destructive, and detrimental to the life of the local communities, thus enhancing economic and social depression.

The significance of this discussion is that forms chosen to pursue a living have a unique effect on the particular social system lived. Currently, those living within the urban ghetto are suffering from four hundred years of accumulated labour exploitation reflected in the extreme material and population differentials between their communities and those of the more general political economic system within the U.S.

Conclusion

This review of the black condition begs the question - How do we foster meaningful economic participation and wealth creation at the community level – especially in inner cities? W.E.B. DuBois (1898), over one hundred years ago, recognized the choices of economic development faced by the black population in the post slavery after-math of the Civil War. He asserted that African Americans were at a crossroads where economic reconstruction could be garnered through either economic cooperation or individualism. He and others laid out the consequences of the choice as early as 1907, in the resolution of the Atlanta University conference for that year. As stated in their publication, *Economic Co-operation among Negro Americans*, they assert:

“The conference regards the economic development of the Negro Americans at present as in a critical state. The crisis arises not so much because of idleness or even lack of skill as by reason of the fact that they unwittingly stand hesitating at the cross roads—one way leading to the old trodden ways of grasping fierce individualistic competition,...the other way leading to co-operation in capital and labour, the massing of small savings, the wide distribution of capital and a more general equality of wealth and comfort. This latter path of co-operative effort has already been entered by many;....Indeed from the fact that there is among Negroes, as yet, little of that great inequality of wealth distribution which marks modern life, nearly all their economic effort tends toward true economic co-operation. But danger lurks here. The race does not recognize the parting of the ways, they tend to think and are being taught to think that any method which leads to individual riches is the way of salvation.” (DuBois 1907, p. 6)

One hundred years later, the economic condition of the black population reflect an adherence to the rules of the of the broader U.S. capitalist political economy and is not working. Social conditions of subaltern African Americans within the U.S. political economic system continue to be grave, evident by the fact that a significant number are faced with the inability of maintaining, or even getting access to a socially acceptable standard of living. Further, U.S. capitalist industry's fixation on growth and accumulation for individual gain maintains neighbourhoods of segregated communities, and creates and ignores economically depressed areas throughout the nation. Within sections of most U.S. cities there is economic underdevelopment and social decay. Black Americans occupy many of these areas.

In most post-industrial cities extensive deindustrialization has left its mark, with high levels of underemployment, unemployment, illegal employment and

discouraged work, especially among the youth. Among Black youth, in particular, there is a high level of consciousness about social barriers. Such separations and their resulting unequal distributions of wealth and "opportunity," consistently put white and non-white America at odds. This is especially disturbing considering that all Americans are facing the current difficulties of a modern global economy.

Pulling it all together, the major objective of Hogan's political economy is to construct a framework which can explain the mechanism by which the Black population in the United States reproduces itself. Importantly, Hogan's general theory of political economy can be adopted to focus on the social reproduction of urban populations without excluding an understanding of the Black human population. A political-economic analysis of urban social reproduction understands "the complex set of interrelations that link the individual members of the human population, one to another, in stable and regularly recurring bonds of co-operative existence" (Hogan, 1984). In current urban economies this complex set of interrelations binds many in local areas and regions.

As we conclude we refer back to Hogan. Hogan suggests that Blacks build a social safety net with special emphasis on Black people providing for the material means of survival "grounded in the principle of the creation of a black labouring population which is moulded in the true spirit of human perfectibility" (1984). His political economy points to the need for economic security through group action.

"It therefore becomes extremely urgent that a black 'safety net' be installed by blacks themselves to capture these unemployed black workers to be used to exert black labour in the total interests of black people. The only issue at stake is to determine the nature of the black 'safety net'." (p. 169).

Further, he states:

"In sum, black Americans stand at the threshold of a worldwide social revolution. Their unique history of suffering and struggle for survival places them in an unparalleled position to be exemplars to the rest of exploited peoples of how a new social order can be consciously fashioned to reflect the perfectibility of the human condition on earth." (p.171)

And here is the ray of hope. The power of modern capitalism has drawn the masses into social individualism yet such a method of social and economic

organization is under extreme pressure in today's current era. This is especially apparent considering the difficulty the U.S. is facing as it tries to maintain its stature as an economic power. In this environment the door is open to alternatives in economic development including the anti-thesis of social individualism - social cooperation a portion of which can find expression in economic cooperation and cooperative economic development. This opportunity is not just for blacks but also for all those facing the ravages of modern capitalism.

Although social individualism dominates the landscape, collective and cooperative actions have always been a part of the "American tradition", whether organized through religious, worker, ethnic or racial groupings. Neither is collective action an anomaly to urban society. Immigrants have always found ways to defend themselves against the harshness of urban life, and more often than not this self-defense has been organized through ethnic institutions of self-help. Among many blacks there has always been a sense of solidarity often manifesting in examples of self-determination and collective action. We suggest that these collective roots can be the foundation of strategic cooperation in economic development particularly in response to socio-economic conditions in many black communities in the United States. Further, we hypothesize that these can be implemented through democratic community controlled economic development and collective action. It is here that more effort and research must be taken if African Americans are to play a pivotal role in restructuring of the U.S. urban economy.

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