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Racial Capitalism

During the 1960s and 1970s Maurice Zeitlin, an ardent if also critical defender of the Cuban Revolution, began his own research program around class analysis. He became an inspirational force for the younger generation like myself – inspirational in the way he combined a radical politics and a Marxist sociology. While a professor at University of Wisconsin–Madison, Maurice mentored several cohorts of graduate students, ready to carry critical perspectives into sociology.³ In 1977 Maurice left for the University of California–Los Angeles. There he established the annual journal *Political Power and Social Theory* that aimed to meet the highest professional standards of empirical research and, at the same time, to address the big debates of the day through a Marxist or Marxist-inspired lens. It was more academic and less explicitly political than the other leftist journals of the 1970s, journals often run by sociology graduate students, such as *The Insurgent Sociologist*, *Socialist Revolution*, *Berkeley Journal of Sociology*, and *Kapitalistate*.

In 1979, when I was already a junior faculty person at Berkeley, Maurice asked me to review a paper by Edna Bonacich that applied her then well-known “split labor market” theory to South Africa. Edna had been developing her approach to race over the previous decade. It

was a major advance over psychological and race cycle theories as well as the power conflict models. It had influenced Bill Wilson as he wrote *The Declining Significance of Race*. However, it suffered from some of the same problems as my own earlier analysis, which I described in Chapter 7, an inadequate theory of capitalism and the state. On reading my review Maurice invited me to write a critical essay (Burawoy 1981) to be published alongside Bonacich's paper (1981).

Edna attributed the peculiarity of South Africa's racial order to the capacity of the white working class to defend its privileged position against the interests of white capital and at the expense of Black labor. She pulled in much evidence to support her claim – indeed, the sort of evidence I had used in my own earlier analysis – but in focusing on the dynamics between high-priced and low-priced labor, Edna not only discounted the contribution of other forces but also left unspecified the very meaning of racial domination.

To talk of racial capitalism, as we do today, is to *situate the analysis of racial domination within an analysis of capitalism*. This means we cannot reduce racial domination to a singular all-embracing “hierarchy”; we have to disentangle the different dimensions of racial domination by paying attention to the meaning of capitalism. In my critique of Bonacich I approached racial domination, therefore, in relation to two sources of capitalist profit: the first through *extracting surplus in the labor process* and the second from lowering *the costs of the reproduction of labor power*, that is, lower wages. I had addressed both sources of profit in my previous work but never connected the two.

To recapitulate the argument from the previous two chapters, in the Marxist scheme, the work day is divided into two analytically distinct parts: *surplus labor*, which is the source of profit, and *necessary labor*, which corresponds to the wage. Furthermore, the value of the wage is the cost of keeping not just the worker alive but also

the worker's family, that is to say, maintaining but also renewing the labor force. *Maintenance* and *renewal* refer to the supply of basic needs – foods, clothing, housing – necessary to “reproduce,” that is, produce again and again, the present and future capacity of workers to labor, that is, their labor power.

Assuming a competitive market, in pursuing profit the capitalist can, therefore, adopt two strategies. The first strategy is to increase the surplus labor through reorganizing the work process – for example, extending the length of the working day, intensifying work, or introducing new technology. The second strategy is to reduce the necessary labor, which can be accomplished by employing multiple earners per family so that each is paid a lower wage, by capital traveling to places where cost of living is lower and therefore wages are lower, or by cheapening the cost of the materials necessary to keep families alive. Deskilling is an especially appealing strategy, as it accomplishes both the cheapening of the cost of labor power – one can pay deskilled workers less than skilled workers – and increasing surplus, since deskilled workers can be more effectively controlled in the labor process (because of less autonomy and easy replacement).

In apartheid South Africa racial domination is at the center of both strategies. In the extraction of surplus labor in the labor process racial domination takes the form of the color bar – the division between jobs reserved for whites (skilled and supervisory work) and jobs reserved for Blacks (unskilled, semi-skilled, low-level supervision). The regulatory institutions of the workplace denied Blacks rights and gave despotic power to white supervisors to work their Black subordinates to the bone. This system of racial despotism in production rests on clear and explicit limits on occupational mobility, known as *job reservation* – defining what jobs whites can do, what jobs Blacks can do. This despotic order was so different from the hegemonic regime at Allis-Chalmers.

In the reduction of necessary labor, that is, in reducing the costs of the reproduction of labor power, the system of circulating migrant labor was, for a long time, an essential component of the racial order. As I described in Chapter 8, the agricultural communities in the “reservations” or “Bantustans” subsidized low wages in the mines by providing for subsistence existence of women, children, and the elderly. The trick, however, is to maintain the interdependence of the single worker and his origin community while also keeping them geographically separate. This requires a set of laws that regulate the movement of Black wage labor (Pass Laws) and the rights of residence (The Group Areas Act). After their labor contracts have expired, men have to return to their villages, renew relations with their families, and then under the compulsion of taxation and poverty they return to the city for employment. In this way capitalism thrives on the wide-ranging laws that restrict social and geographic mobility and are imposed on Blacks by a racialized state, laws legislated by a majority white parliament. As in Table 10.1 below, racialized restrictions on mobility are the conditions for the possibility of despotism in production and the reproduction of the system of migrant labor.

Table 10.1: The Dimensions of Racial Domination under Racial Capitalism

	Labor Process	Reproduction of Labor Power
Relations between places in the division of labor	Racial despotism in production (color bar)	Separation of maintenance and renewal (migrant labor)
Allocation of races to places in the division of labor	Regulation of occupational mobility (job reservation)	Regulation of geographic mobility (pass laws , Group Areas Act)

Source: Author's own

Having established the elements of racial capitalism, we must now ask what are the interests that perpetuate or change this system? For Bonacich, the agent driving the racial order is the white working class. There is ample evidence to suggest that the white working class played a significant role. However, through the lens of even such a simple model of capitalism we can see there is a far more complex set of class interests at work.

First, white workers themselves do not form a homogeneous class fraction. *Skilled white workers* are threatened by deskilling whereas *unskilled white workers* are threatened with replacement by cheaper Black labor. The former have an interest in the color bar and the privileges it confers, so long as it does not erode their monopoly of skills. Unskilled white workers, meanwhile, have an interest in excluding Blacks from employment altogether, and thus in dissolving the color bar.

Second, Bonacich assumes Black labor is inert, yet it too has interests to defend, whether they be against racist laws that enforce migrant labor or draconian treatment in production. Through strikes and stay-aways they make capital, and indirectly white labor, feel their enormous leverage (structural power), a force that will eventually bring down the apartheid order.

Third, just as we have to recognize the diversity of interests within the *dominated* classes, so we have to be careful not to homogenize the *dominant* class. Bonacich does not distinguish between the interests of the individual capitalist, the interests of a fraction of the capitalist class, and the interests of the class as a whole. Individual capitalists face a choice between the erosion of the color bar, which would give them access to cheaper (Black) labor, and retaining the color bar to intensify the extraction of surplus from Black workers. Different fractions of capital have also divergent interests in the racial order. The mining industry has always relied on the recruitment of migrant labor but it had to compete with white (Afrikaaner) farmers, who also depended upon

cheap labor from the reserves. As the political power of farmers grew and subsistence agriculture declined with land erosion and over-population, so mining capital was compelled to recruit migrant laborers from neighboring countries. Mining capital has also to be distinguished from manufacturing capital, which grew in strength through the twentieth century. Especially after World War II, manufacturing capital was interested in dissolving the migrant labor system and stabilizing skilled Black labor in the urban areas. Slowly it got its way but at the cost of the massive growth of urban struggles in the 1980s.

Finally, given the divergent interests among these fractions of different classes, how can we explain the specific forms of racial domination? At this point the state, untheorized in Bonacich's account, has to enter the explanation, for it is the state that ultimately creates and enforces the laws that define a racial order. It adjudicates between the interests of different classes and class fractions. How is it, for example, that the state reproduces the system of migrant labor or the color bar or pass laws? In whose interests does the state act and why? Here one has to examine the *capacity* of different groups to enforce their interests, both separately and through alliances – interests that come to be expressed in state interventions even as those interests are themselves constituted by the state. A particular fraction of the dominant class becomes hegemonic, forging a temporary unity both *within* the dominant class as well as *over* the dominated classes. Impelled by the dynamics of capitalism, however, each hegemonic system enters into crisis to be replaced, sooner or later, by another hegemonic order reflecting a different coalition of classes. In this way we are able to develop a periodization of racial capitalism, based on which fraction of capital is hegemonic and whose racial strategies prevail (Davies et al. 1976).

Bonacich's split labor market theory was on to something important, namely, the relation between race and class, perhaps a point of departure but certainly not

a point of conclusion. It confounds levels of analysis – individual, class fraction, economic class, and political class; it doesn't discriminate between interests and capacities, conflates labor market and labor process; and therefore misses the different arenas and forms of racial domination. Finally, it doesn't advance a theory of the state – a relatively autonomous set of institutions that reproduce the racial order. Without a theory of the dynamics of capitalism, it cannot discern a succession of racial orders. It offers an abstract model divorced from the political and economic context that gives meaning to racial capitalism. Yet, my own analysis was also flawed. In trying to understand the unity of capitalism and racism I missed the very forces that would, within a decade, unravel apartheid.

The notion of racial capitalism is often traced back to Du Bois's *Black Reconstruction*. Analyzing the class structure before the Civil War, he reveals class divisions within races and the racial divisions within classes – an arrangement that looks very different in the South and the North, very different in the US than in other countries, and different again at the global level. He, too, examines the succession of different racial orders: the breakdown of the fragile power-bloc uniting industrialists and planters triggers the Civil War and the creation of a new racial order in the South. Reconstruction itself collapses as Northern capital prompts the withdrawal of military and economic support for an inter-racial democracy. This leads to the rise of new forms of forced labor, especially sharecropping and convict labor, promoting the wages of whiteness – the psychological and public wage – that laid the basis of a new order of racial segregation. There are many loose ends in Du Bois's analysis but his methodology is to excavate racial capitalism – racial domination examined against the context of the articulation of slavery and industrial capitalism on a global scale. Racial capitalism is not a "thing" but a methodology, situating the study of racism within an analysis of capitalism.

The abiding achievement of Du Bois was, despite everything, never to lose sight of the possibility of inter-racial collaboration, the possibility of transcending racism as well as capitalism. He never took racism for granted, always examining the historically specific conditions of its reproduction, but always revealing the historical processes through which reproduction leads to transformation. Reading Du Bois today points to the Achilles heel of the Marxist renaissance of the 1970s, so focused on the resilience and durability of capitalism, so rooted in the misplaced optimism of Marx and Engels. Attempts to show that capitalism sowed the seeds of its own destruction, whether due to imminent laws or the deepening of class struggle, were less than convincing. While we recognized that capitalism systematically generated economic crises, these were often regarded as functional, giving capitalism the opportunity to restructure itself. The pluralization of contentious politics in the 1960s – civil rights, anti-war, women’s movements – all important in their own right, nonetheless redirected attention away from the project to transcend capitalism. If there was hope it was projected onto the “Third World,” where conditions could not sustain a viable capitalism, and socialism was the only alternative. It was a largely unfounded hope, however, since the socialist projects also crumbled in the face of hostile national bourgeoisies aided by a marauding capitalism.

In the final analysis, the critical impulse of Marxist sociology was tamed by its “functionalism” that was consonant with reigning social theory, lubricating our way from critical to professional sociology. At one level, Marxist sociology was, indeed, consistent with the dominant sociology; at another level, it was not. It represented a competing research program, a shift from structural functionalism that spoke of differentiation, modernity, industrialism, and stratification to a Marxism that was grounded in an analysis of capitalism and of class but also race and gender. There was, therefore, a backlash

from mainstream sociology. It was a desperate rearguard action to fend off graduate students who were drawn into the newfangled theories that made so much better sense of the world than the consecrated sociology. What were those criticisms from the mainstream, and how did we respond to them?