

Neoliberal Fragility: Why It's So Hard for (Some) Economists to Talk about Racism

Manuel Pastor

Grieve Chelwa, Darrick Hamilton, and Avi Green offer a vision of stratification economics in which social identities interact with multiple forms of domination to reproduce inequality over time. A far cry from the individualism inherent in traditional economic theory, Chelwa, Hamilton, and Green illustrate how the market-choice moorings of neoliberalism – intentionally or not – have weakened efforts to challenge structural racism and argue that a strategy of “inclusive economic rights” offers a way both to understand difference and embrace commonality. Since, as Marx noted, “the task is not just to understand the world but to change it,” I stress how social movements can build the power to make such rights real and forge the intersectional bridges to make mutuality our new economic anchor.¹

Neoliberalism feigns a sort of benighted innocence. Because it insists that competition will naturally diminish monopoly, it puts evidence of inequality and power to the analytical side. Because it postulates that markets will eventually move to equilibrium, financial crises are seen as one-off anomalies rather than the recurrent result of deep-rooted imbalances. And because the fundamental economic unit is seen as a self-interested, highly individualistic, and utility-maximizing *homo economicus* – a sort of greedy but plastic Gumby who lacks both history and firm features – it imagines away racism and sexism from the theoretical start.

Yet regardless of the particular perspectives of its affiliated economists, neoliberalism came into the American political world dripping with racism. It was, after all, deployed as a way to starve the state just as the country's demography was changing, and it was ushered into policy dominance by a president, Ronald Reagan, who chose to deliver one of the key speeches of his 1980 campaign on “state's rights” in a Mississippi town where three civil rights organizers had infamously been slain by the Ku Klux Klan.² And as Grieve Chelwa, Darrick Hamilton, and Avi Green note, the neoliberal public choice framework may have been neatly and primly abstracted from race, but its emphasis on the benefits of individual school choice was picked up by political actors as a means of resisting desegregation.³

The identity group stratification approach taken by Chelwa, Hamilton, and Green takes quite the opposite tack, both in terms of theory and political project. Chelwa, Hamilton, and Green always place the individual in the context of their respective identity groups, constantly seeking explanations (and remedies) for inequality and power, and consciously paying attention to the real-world effects of their policy conclusions. The main thing they question in their essay is not whether such group identifications persist, but whether they emerge from class status, a shared group interest in capturing governmental subsidies or supports, or from other sorts of affiliation. And because this question has implications for how to create a political project of liberation, it is right to make such political or movement considerations part of the assessment of their essay.

On the theory side, no surprise to the careful reader: for Chelwa, Hamilton, and Green, groupings are not just determined by class but also by race (and other intersectional dimensions), a point they hammer home by stressing the persistence of a racial wealth gap, pointing to stubborn income inequalities between those who are similarly educated but from different racial groups, and insisting on the material as well as psychological benefits of Whiteness. They also challenge those who see racial inequity simply as a way to stunt class unity, or who fail to see the bidirectional relationship between race and class. But how does that set of realizations translate into remaking the world that racism (and other modes of domination) built?

What Chelwa, Hamilton, and Green offer is insightful and incisive stuff – and the fragility or claims of innocence it challenges is not just that of neoliberal economists, but also of those thinkers and political figures who hope that downplaying stark racial inequalities will make it easier to find common ground. Chelwa, Hamilton, and Green argue that, in both our analysis and our politics, it is better to highlight rather than hide, best to inoculate rather than ignore, and more effective to come to terms with racism in order to come to terms with one another.

Their position is why the eventual remedy of “inclusive economic rights” seems a bit jarring. While I agree that such rights would be fertile ground for designing better policy, the authors themselves point out how such claims in the past have wound up excluding those considered to be “other” and so outside the realm of belonging implied by the word “inclusive.”⁴ In a world that is so highly stratified – and in a framework that insists on centering stratification – what is the mechanism to ensure that coalitions will be built, that rights will be guaranteed for all, and that reparations and repair will become widely accepted?

I have been grappling with these issues as well, both in the public square in which Chelwa, Hamilton, and Green’s perspective has made an invaluable contribution – including around the utility of “baby bonds” (a proposal to provide

every child a savings account at birth in an attempt to address generational disadvantage), the importance of guaranteed employment, and so much more – and also in the realm of ideas and publishing. My most recent book with Chris Ben-ner, *Solidarity Economics: Why Mutuality and Movements Matter*, directly tackles the transition dilemma, trying to think through how we might move from the world that exists to the world we want, how we might bridge from seeing stratification to creating commonality.⁵

We don't shy away from race. In fact, our editor was concerned about our first full draft, saying we had made too much of the role of both structural racism and the politically salient racist "dog whistles" that were part of the real-world rollout of the neoliberal agenda. We took that claim as a challenge but not the way he intended: we decided that we perhaps had not been clear enough – partly because another set of social movement readers was pretty happy with the direction we were taking – and so added even more on the need to center the sort of frank discussion Chelwa, Hamilton, and Green encourage.

But we also note that there is more mutuality in our economy than neoliberalism would have us recognize, pointing to the role of public investment and episodic communities in generating innovation and regional prosperity. We also highlight the many circumstances in which reducing inequality would generate higher standards of living for most of us, a point also stressed by equity advocate Heather McGhee in her brilliant new book on the need for cross-racial solidarity, *The Sum of Us*.⁶ Stratification can yield particular benefits, but its costs are high and not just for the most marginalized. Making that point – without erasing the particularities of marginalized groups – is key to making change.

And that is where movements come into our story. We argue that movements play two important roles. First, they can challenge the systemic imbalances in power according to race, gender, class, and other dimensions that prevent the realization of gains from mutuality. But the second aspect is what movements do to us as economic and social actors. Just as markets tend to make us selfish – creating the self-interested individuals that neoliberalism assumes – movements can make us mutual, developing the ties of solidarity that can challenge division.⁷

And that's the political in the moral political economy: we who seek a more ethical and more sustainable manner of organizing production, distribution, and consumption must also consider the forces and paths that might make it so. As noted above, Chelwa, Hamilton, and Green have certainly done this in their practical work, with my colleague Darrick Hamilton offering policy leadership on baby bonds, a federal jobs guarantee, and the design of guaranteed income programs, as well as providing key advice to transformative political figures.⁸ It is this deeper connection with the public square that is essential to move from a utopian vision of guaranteed rights to a pragmatic strategy for making progress.

But such a shift will also require a sociological perspective on how to build and sustain social movements. The Marxist perspective had its limits – a point made forcefully by Chelwa, Hamilton, and Green – but, as Samuel Bowles noted in an early conversation with the authors of this special issue, one of Marxism’s main contributions was that the class dimension it emphasized was not just a source of *economic* inequality but also the *social* vehicle for overturning the exploitative system.⁹ Focusing on one dimension (well, mostly one dimension) and one actor (well, mostly one actor) made it easier to postulate the dynamics of structural change: workers would challenge capitalists and establish a new economic order. As we now know, that paradigm had its limits in terms of both actual outcomes and the politics of change in a highly stratified world.

But these results lift up the opportunity and the challenge. We need to complement the analysis in Chelwa, Hamilton, and Green’s essay with a theory of change focused on how social movements of diverse origins and styles can help move us from stratification to interdependence, from political conflicts to shared power, from local experiments to national effects. On the analytical side, that will take going beyond our usual silos to embrace interdisciplinarity. On the policy side, it will take going beyond a laundry list of issues to crafting a new narrative of our “uncommon common ground.”¹⁰

And on the political side, it will require tackling another sort of fragility: the idea that high-quality academic work cannot survive a deep connection to a political or social project. The conceit of neoliberalism was that these concepts were divorced, that the theory’s unfortunate role as a vehicle utilized to stall racial progress was inadvertent collateral damage rendered in the service of freeing markets. But as a society, we tend to teach our children that impact matters as much as intention. Surely, we can ensure that our intentions to free people from multiple forms of oppression lead to both rigorous analysis and human liberation. With their essay, Chelwa, Hamilton, and Green have taken us most of the way there. Let’s rely on social movement theory (and engagement with social movements) to help us complete the journey.

ABOUT THE AUTHOR

Manuel Pastor, a Fellow of the American Academy since 2022, is Distinguished Professor of Sociology and American Studies & Ethnicity, and Director of the Equity Research Institute at the University of Southern California. He is the author of *Solidarity Economics: Why Mutuality and Movements Matter* (with Chris Benner, 2021) and *State of Resistance: What California’s Dizzying Descent and Remarkable Resurgence Mean for America’s Future* (2018).

ENDNOTES

- ¹ Karl Marx, *Theses on Feuerbach*, as quoted in Noam Chomsky, “Occupy the Future,” Howard Zinn Memorial Lecture Series, Dewey Square, Boston, October 22, 2011, *In These Times*, November 1, 2011, <https://inthesetimes.com/article/occupy-the-future>.
- ² Penial E. Joseph, “From Ronald Reagan in Philadelphia, Miss., to Donald Trump in Tulsa, a Pattern of Racially Divisive Politics,” *The Washington Post*, June 19, 2020, <https://www.washingtonpost.com/nation/2020/06/19/ronald-reagan-philadelphia-miss-donald-trump-tulsa-pattern-racially-divisive-politics>.
- ³ Grieve Chelwa, Darrick Hamilton, and Avi Green, “Identity Group Stratification, Political Economy & Inclusive Economic Rights,” *Dædalus* 152 (1) (Winter 2023): 154–167.
- ⁴ John A. Powell, *Racing to Justice: Transforming Our Conceptions of Self and Other to Build an Inclusive Society* (Bloomington: Indiana University Press, 2012); and Ira Katznelson, *When Affirmative Action Was White: An Untold History of Racial Inequality in Twentieth-Century America* (New York: W. W. Norton, 2005).
- ⁵ Chris Benner and Manuel Pastor, *Solidarity Economics: Why Mutuality and Movements Matter* (New York: Polity Press, 2021).
- ⁶ Heather McGhee, *The Sum of Us: What Racism Costs Everyone and How We Can Prosper Together* (New York: Random House, 2021).
- ⁷ Samuel Bowles, *The Moral Economy: Why Good Incentives Are No Substitute for Good Citizens* (New Haven, Conn.: Yale University Press, 2016).
- ⁸ Ben Steverman, “A Once Radical Idea to Close the Wealth Gap Is Actually Happening,” *Bloomberg Businessweek*, March 17, 2022, <https://www.bloomberg.com/news/features/2022-03-17/baby-bonds-eyed-as-way-to-close-u-s-racial-wealth-gap>.
- ⁹ Samuel Bowles, conversation with authors during the virtual workshop on “The Moral Political Economy,” Center for Advanced Study in the Behavioral Sciences at Stanford University, January 21, 2022.
- ¹⁰ Angela Glover Blackwell, Stewart Kwoh, and Manuel Pastor, *Uncommon Common Ground: Race and America’s Future*, rev. ed. (New York: W. W. Norton & Co., 2010).