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Globalization and Race Hierarchy in the United States

James Jennings

National economies have become irreversibly globalized while racial and ethnic divisions continue to be a reality in many societies. The author has set forth three different scenarios in an attempt to explain the link between globalization and racial and ethnic relations: (1) globalization limits national growth, thus contributing to increased racial and ethnic tensions; (2) globalization does not affect racial and ethnic relations either positively or negatively; and (3) globalization expands domestic economies, consequently helping to reduce racial and ethnic tensions within national borders. This article explores these scenarios and shows that globalization through immigration and movement of capital can mold the nature and contours of race relations in domestic societies.

At least two prominent observations can be asserted regarding economic and racial developments in the international arena today. One is that national economies are becoming more internationalized than in earlier periods, the other that in many societies racial and ethnic divisions and tensions continue to be a significant facet of social and human relations. An examination of how globalization may be contributing to the improvement or deterioration of racial and ethnic relations is therefore timely. The issue of race and ethnic relations and how international issues may affect them is particularly important for the United States, Brazil, and South Africa. Increasing racial and ethnic diversity in the context of continuing and widening social and economic divisions is evident in all three societies.

The nature of this relationship was posed as a major issue in a 1997 conference sponsored by the Comparative Human Relations Initiative of the Southern Education Foundation in Atlanta, Georgia, in 1997. The discussion of "Beyond Racism: Brazil, South Africa, and the United States" was guided by the following query: What do structural changes in the world economy and the economies of nations portend for relations between the white and black laborers and the poor, as well as relations between the poor and the "elite" in the United States?

This and comparable questions raised by scholars and activists in attendance beg for a revisit to W.E.B. Du Bois's observation, almost one hundred years ago, suggesting that race relations would represent the fundamental social and economic dividing line in the twentieth century. As Du Bois stated in 1900 in London at the July

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23–25 meeting of thirty-two individuals from around the world,

In the metropolis of the modern world, in this the closing year of the nineteenth century, there has been assembled a congress of men and women of African blood, to deliberate solemnly upon the present situation and outlook of the darker races of mankind. The problem of the twentieth century is the problem of the color line, the question as to how far differences of race — which show themselves chiefly in the color of the skin and the texture of the hair — will hereafter be made the basis of denying to over half the world the right of sharing to their utmost ability the opportunities and privileges of modern civilization.¹

Du Bois was touching on the issue of racial divisions not simply as a problem of ignorance and misunderstanding but, more fundamentally, as one of power utilized to maintain colonialism and a racially defined world order.

Du Bois's report remains important for two reasons. First, it identifies the fact that as suggested by the Southern Education Foundation meeting, the "color line" continues to be a significant issue in the international arena.² Second, it suggests that the nature of this division is not simply one of attitudes, or individual prejudices between groups of people, but instead, a reflection of power and upwardly skewed international distribution of social, economic, and cultural resources.

How do Du Bois's observations reflect the current situation of possible future developments regarding race and internationalization? There are essentially three scenarios that summarize possible relationships between globalization and race relations. In one, globalization involving increasing international competitive pressures limits national economic growth and generates fiscal crisis in the domestic sector, thereby contributing to racial and ethnic tensions.

Another scenario suggests that globalization does not necessarily contribute to or reduce divisive race relations. The two arenas are separate from each other so that the state of race and ethnic divisions is not treated as relevant to globalization. Race divisions are presumed to be completely determined by political, social, or cultural factors related to characteristics of domestic societies rather than by the impact of international factors.

In a third scenario, it would be argued that globalization contributes to the capacity of domestic societies to respond to racial and ethnic problems and divisions by expanding the economic pie. If there is indeed dislocation of workers and loss of jobs or other kinds of fiscal stress, domestic economies have the capacity, through expanding economies, to retrain and equip workers to compete more effectively in the global market. This is part of the rationale used to generate political support for the adoption of the North American Free Trade Agreement (NAFTA), and especially to neutralize some of the opposition of U.S. organized labor.³ The remainder of this article explores these scenarios by analyzing some of the historical and germane literature focusing on race and globalization, pointing out that globalization can mold the nature and contours of race relations in domestic societies.

Globalization and Racial and Ethnic Relations

Racial and ethnic conflict and its relationship to globalization is not an issue confined to the three nations mentioned above. As observed by scholars Rita Jalali and Seymour Martin Lipset, race and ethnicity continue to be factors in determining the stability of nations as well as the quality of international relations. Despite earlier assumptions by both Marxist and non-Marxist scholars that "industrialization, ur-

banization, and the spread of education would reduce ethnic consciousness, and that universalism would replace particularism," they write that "it is now clearly established that the assimilation assumptions are not valid. Most parts of the globe have been touched by ethnic conflict."⁴ Certainly the numerous incidents of racial and ethnic conflict and violence and resulting political instability in many places confirm these kinds of observations.

Economist Michael L. Wyzan reiterates: "Few problems are as ubiquitous, as persistent, or as daunting as those concerning the relations among ethnic groups within nations. Virtually no society has been immune to ethnic tension. At any given moment ethnic civil wars, possibly leading to the destruction of the nation itself, rage in . . . diverse settings."⁵ This claim is also asserted by Graham E. Fuller, who reminds us that "the present international order of existing state borders — drawn with barely passing regard for the ethnic and cultural wishes of their inhabitants — is now essentially obsolete. The rising forces of nationalism and cultural resurgence are poised to assert themselves. Those states which cannot manage their ethnic minorities in ways that satisfy both past grievances and future aspirations for greater self-determination are destined to break apart. Not the present nation-state but the self-defined ethnic group will become a basic building block of the coming international order."⁶ These statements suggest that while on the one hand there are corporate interests seeking greater mobility and control of capital, there is also a concomitant resurgence of nationalism and ethnicity as driving international forces. How these two streams will intersect is key in examining the relationship of globalization and race relations.

Although race and ethnic conflict is widespread in the international arena, there is a strong basis for comparative investigation of the consequent impact of globalization of race and class in these three particular societies as just suggested. George Reid Andrews writes, for instance, "The Brazil/United States comparison has compelling logic. The two countries are the largest multiracial societies in the Americas. They share a history of plantation slavery which extends into the second half of the 1800s. And over the course of the 1900s both societies have confronted the legacy of slavery in the form of deeply entrenched racial inequality."⁷ Additionally, these societies have varying degrees of democratic forms of government; each nation has significant human and material resources, as well as a large racially, ethnically, and culturally diverse population; in each society, persons of African descent have been segregated for long periods, even after emancipation, or continue to be segregated informally if not officially. And blacks in the United States, Brazil, and South Africa comprise an overwhelming proportion of the poverty-stricken population in those nations. The state and future of race relations and divisions in these three societies, therefore, offer an important laboratory for understanding the impact of globalization.

Globalization

This term suggests a growing internationalization of national economies and concomitant growth in the influence of internationally based economic interests. The view that globalization is not a new development, however, is proposed by Paul Hirst and Grahame Thompson, professors who opine that the term has been "mythologized." They observe that the level of integration, interdependence, openness,

or however one wishes to describe it, of national economics in the present era is not unprecedented. Indeed, the level of autonomy under the Gold Standard up to the First World War was much less for the advanced economies than it is today. This is not to minimize the level of that integration now, or to ignore the problems of regulation and management it throws up, but merely to register a certain skepticism over whether we have entered a radically new phase in the internationalization of economic activity.⁸

These two authors add that the influence of multinational corporations is overrated. This view is at odds with many others suggesting that globalization represents a fundamental shift in international relations. Sociologist William Robinson notes in contrast to the above assessment that “a new social structure of accumulation is emerging which, for the time in history, is global.”⁹

While the claim that globalization is not really new could be made from a technical definition of internationalism, the key point cited by Robinson is well taken: economic boundaries, unlike political boundaries, are becoming less distinctive between nations. Doug Henwood, author of *Wall Street*, argues that globalization today is not new only in the sense that nations have always been linked economically in the international arena.¹⁰ But what is different about globalization, according to Henwood, is that relatively few multinational corporations wield enormous influence on international economic and political matters.¹¹ Related to this situation — as explained by William Greider in *One World, Ready or Not* — is the increasing ease and frequency of the mobility of capital across international boundaries as something that tends to differentiate globalization today from earlier periods.¹²

Labor activist Hector Figueroa of the Service Employees International Union in Washington, D.C., believes that a sustained period of slow economic growth and declining living standards is a major facet of globalization.

Globalization matters not only because international trade and investment and multinationals have become more important to the global economy since World War II, but also because these changes have coincided with a period of slow economic growth and declining living standard. While globalization is not necessarily the cause of either, the temptation to extract profits by cheapening the cost of labor and penetrating new markets is greater in a period of slow growth. Wages are driven down further by the higher level of unemployment that results from the replacement of workers by technology or imports.¹³

Within the context of what these authors and others mean by globalization, the United States has a relatively lesser role as a national economy in the international arena than it enjoyed for several decades before the 1970s. But the continuing and dominant role of the United States must be underscored. In their article reviewing the emergence of the global political economy between World War II and the past decade, “The Global Political Economy from Bretton Woods to the 1980s,” political scientists Michael Stohl and Harry R. Targ show that economic interests based in the United States remain powerful players within increasing internationalization of economies, although clearly, there are now other players as well.¹⁴

The United States no longer has the status of the most prominent economic power in the international arena. This nation must now share the economic stage with others that have acquired considerable assets and markets.¹⁵ In order to remain competitive, the United States has reduced resources and ideological commitment to its

traditional social welfare state, and instead invested heavily in the military and finance capital.

The increasing competition among nations, resulting in market saturation for products, has led to corporate behavior that results in lessening resources being invested in social and human capital in other nations as well. As concluded in one study,

Corporate strategies to meet international competition have resulted in disinvestment, descaling, relocation abroad, and retreat into financial rather than productive activities. These changes, undertaken in part to deal with the pressures of globalization, are only temporary responses to longer-term, more ominous global economic trends. The changes are private, uncoordinated, conflictive, and unsuccessful. The strategies themselves have generated new difficulties, like fiscal crises for particular places and massive unemployment for certain social groups within the United States.¹⁶

But the causes of these changes are a matter of debate among some scholars.

Political scientist Theodore Lowi proposes instead, that the changes associated with globalization are not ad hoc: "The ideology of a globalizing capitalism has a remarkably rightward tilt. It is rightward in its rejection of any government policies that have even the slightest tendency to redistribute wealth or status. It is rightward also in its support of government policies that use locally enforced social control to address the spillover effects of extreme inequalities."¹⁷ These kinds of changes, whether ad hoc and unplanned, as suggested by some, or ideologically tinged, as claimed by Lowi, are massive in their impact in terms of the quality of life for many people.

At the same time that the U.S. corporate sector seeks to enhance its economic position as a response to greater international competition, the distribution of wealth becomes more unequal in this society. Corporate downsizing has taken place within a context of increasing wealth and income for the richest Americans and corporations. According to a study of the Michael Harrington Center for Democratic Values and Social Change in New York City, "The share of wealth owned by the top 1% has gone from 22% in 1979 to 42% in 1992."¹⁸ And in a report published by the Center on Budget and Policy Priorities in Washington, D.C., it is noted that "the growth in the incomes of the richest one percent of Americans has been so large that just the increase between 1980 and 1990 in the after-tax income of this group equals the total income of the poorest 20 percent of the population."¹⁹ If globalization means that inequitable distributions will increase as a result of technology or other economic dynamics in the international arena, the scenario for domestic economies described briefly by Robert Fisher is valid: "As capital flow increasingly supersedes state control in the global economy, the welfare state faces increasing fiscal crisis."²⁰ According to a study published by the Human Rights Watch, these capital flows are associated increasingly with racial and ethnic conflict as well as a rise in human rights violations.²¹

The impact of globalization on domestic economies and its local capacity to respond effectively to poverty and related problems is described by Professor Lou Kushnick of the University of Manchester, who studies the social consequences of globalization within a comparative framework of U.S. and British cities. He states,

The major economic restructuring which is following globalization is having disproportionate consequences for people living in the inner-cities of both countries. There have been significant job losses, particularly for unskilled and semi-skilled workers and those without higher education qualifications. These patterns of unequal outcomes are built upon previous patterns of inequality in terms of allocation of public resources.²²

Another observer notes that international economic pressures are limiting the political capacity of South Africa in responding to racial and ethnic divisions and poverty built earlier on the system of apartheid. Nancy Murray, a U.S. civil rights activist, writes,

The ANC, pressured by advisers from the old regime, economists from the World Bank and [International Money Fund], experts from the business community, and by the volatility of the South African currency . . . stepped back from . . . emphasis on social spending as a way of beginning to overcome the huge economic disparities which were apartheid's legacy and providing millions of poor people with houses, water, electricity, and sewage.²³

The emergence of greater disparities under a context of increasing globalization is also asserted by Carol Bellamy, executive director of the United Nations Children's Fund. As she stated in Bogota, Colombia, "In some ways, with the globalization of the economy, the focus has been on economic development . . . There's more wealth in the world today but with that great wealth comes greater diversity . . . What's getting worse is the disparity between those that have, and those that do not have."²⁴ Robinson goes further than this observation, claiming that the process of globalization "is a war of a global rich and powerful minority against the global poor, dispossessed, and outcast majority."²⁵ Adding urgency to the concern raised by Bellamy, William Robinson states, "In today's global economy, capitalism is less benign, less responsive to the interests of broad majorities around the world, and less accountable to society than ever before."²⁶ And as reported by David Vidal of the Council of Foreign Relations,

On the one hand, globalization holds the promise of long-term growth and prosperity for all working people, not just those in the United States. This would especially benefit the regions of the world, including Asia, Africa, and Latino America, to which minorities are linked by ancestral or family ties, and would also increase demand for minority talent at home to deal with these emerging markets. For minority communities, these are welcome developments. On the other hand . . . economic globalization is creating within these very same communities a class of economic "losers."²⁷

As international processes focus on the accumulation and concentration of wealth, domestic factors contributing to racial and ethnic divisions and tensions are exacerbated. As a matter of fact, globalization of national economies and its effects may be intensifying racial and ethnic divisions and thereby producing more, rather than less social and even violent conflict and tensions in the next millennium.

Increasing racial and ethnic tensions does not necessarily point to Machiavellian manipulation on the part of interests benefiting from the internationalization of domestic economies, although this has occurred in various places. But multinational economic interests that ignore the history of racial and ethnic tensions and violence in domestic arenas, as well as the causes for continuing divisions, is a major prob-

lem. Unfortunately, recent international agreements facilitating economic globalization that focus on increasing profits and enhancing the mobility of capital across national boundaries tend to render this problem invisible. Generally, there is lack of attention to issues like human rights, poverty, and certainly racial and ethnic divisions and how such might be exacerbated by the effects of globalization and accompanying corporate decisions and international agreements.

This failure is encouraged by a belief that the impact of globalization is not completely subject to political action based in, and on behalf of, domestic or national settings. At times this belief is expressed fatalistically, as in a Council of Foreign Affairs report focusing on minority status within a context of globalization: "Because globalization is not an issue that lends itself to organized political action, none of the known models of successful minority interventions in foreign policy seem to apply."²⁸ Paul Hirst and Grahame Thompson take issue with this fatalistic approach regarding the political possibilities for mitigating the effects of globalization. They write that globalization has been presented as an image "so powerful that it has mesmerized analysts and captured political imaginations." But is this really the case? They express a "mixture of skepticism about global economic processes and optimism about the possibilities of control of the international economy and viability of national political strategies."²⁹

As nations seek to respond to economic pressures to increase their competitiveness, earlier racial and ethnic divisions, as suggested by these authors, may neutralize political interests seeking to mitigate the effects of globalization and rising concentration of international wealth on domestic social welfare. The function of race divisions for the political neutralization of advocates of social welfare is a model that has many examples in the United States. Racial divisions in this country historically served, in part, to mute political and social opposition to the concentration of wealth, and subsequent constriction of social welfare. This same model, explained in detail later in this report, is applicable to the issue of globalization and its effects on race and ethnic divisions in other societies today.

This thesis is supported in Bill Jordan, *The New Politics of Welfare*. He explains that the new politics of welfare, which has emerged under the national leadership of the United States and England, is an international development associated with three major ideas: "First is its appeal to *national renewal* through a strong work ethic and high rates of participation in the formal economy. The Blair-Clinton orthodoxy asserts the claims of the national polity over individual egoism and international opportunism alike." The "second is its claim of *moral authority* in the implementation of measures to restrict the payment of benefits and put stronger conditions around eligibility for social protection." And the "third is its *denial of the continuing relevance of class and exploitation*, as factors in the analysis of social justice."³⁰ The new politics of welfare, as described here, is facilitated by an entrenched racial social and economic order, or racial hierarchy. This concept is essential for understanding one of the possible scenarios, described earlier, not only in the United States, but in Brazil and South Africa as well.

Racial Hierarchy in the United States

The concept of racial hierarchy, as distinct from the more narrowly conceived terms "bigotry" and "racism," is important for studying and understanding the relationship between the rapid increase in wealth inequality in the United States and globalization

and the particular state of race relations in this nation. Racial hierarchy involves a pervasive system of caste based on racial structures. While bigotry and discrimination typically feature government responses to “horizontal” racial relations, racial hierarchy reflects a “vertical” order of power, wealth, and social domination.³¹ Racial hierarchy involves a fundamental feature of multiracial societies, as argued by sociologist H. Edward Ransford: “In most multiracial societies, racial groups are found in a hierarchy of power, wealth, and prestige.”³² Consideration of the continuing existence of racial hierarchy is key to analyzing the nature of connections between race relations and growing inequality in the United States as well as in understanding how international developments influence these factors in other nations.

Racial hierarchy is the social and cultural situation in which blacks continually and consistently occupy lower-status positions than whites, regardless of certain social, political, or economic advances that blacks have realized either as individuals or as a group. This idea is similar to that of political scientist Herman George, “racial subordination.” He describes this term by stating that the “subordination process is essentially a set of political-economic relationships” characterized by four features: “economic exploitation, racism, cultural hegemony, and political exclusion.”³³ Thus, racial hierarchy, or racial subordination, is fundamentally a power relationship that is reflected in different social arenas and facilitated by institutionally determined benefits correlated with racial categories.

Entrenched racial divisions continue to exist in the United States despite key advances in the democratization of this nation.³⁴ This means, simply, that white life continues to enjoy a higher social and cultural prestige and economic status than black life for no other reasons than its representation of whiteness. A cursory view of race relations in the United States indicates that, at least compared to thirty years ago, racial conditions have vastly improved. Certainly attitudes have changed toward wide support for values related to racial equality in this country. Although the United States has realized much racial progress, as reflected through legislation, court decisions, and amendments to its legally color-blind Constitution, and the belief among much of the national leadership that racial discrimination should no longer be permissible, many would still agree that the state of race relations is in some ways similar to that described by the Kerner Commission Report almost three decades ago — that is, society is characterized by systemic racial divisions — and I would add hierarchy.³⁵

Racial hierarchy is manifested economically, educationally, and culturally. Even when such social and class factors as schooling level and income are controlled, there is strong evidence of racial hierarchy in social arenas. Within a context of racial hierarchy in the United States this means that even poor whites — *because they are white* — are much better off than comparable poor blacks; working-class whites as well as middle-class whites are much better off and enjoy a higher status than their respective black counterparts on the basis of social and economic indicators. Other illustrations of racial hierarchy are reflected in the fact that controlling for age, region of the country in which one resides, or schooling level, female-headed white families — although poorer than married couple-headed families — are significantly better off than female-headed black families; the poverty rate for black families headed by a married couple is usually twice the rate of that for white families headed by a married couple; and unemployment rates for blacks are generally higher than those of whites with comparable education and age levels.

Racial hierarchy is internalized by people in the United States so that many of their cultural, aesthetic, or political thinking and decisions are influenced by it. Professor Martin Gilens offers a glimpse of how this operates in terms of political attitudes about social welfare. He writes,

Political issues such as crime and welfare are now widely viewed as "coded" issues that play upon race (or more specifically, upon white Americans' negative view of blacks) without explicitly raising the "race card" . . . But does whites' desire to get tough on crime or their opposition to welfare really stem from their dislike of blacks? Are crime and welfare not pressing problems about which Americans rightly should be concerned, quite apart from any associations these issues may have with race?³⁶

His conclusion: "I show that whites' welfare attitudes are indeed strongly influenced by their views of blacks . . . I find that the perception that blacks are lazy has a larger effect on white Americans' welfare policy preferences than does economic self-interest, beliefs about individualism, or views about the poor in general."³⁷ Further, "Racial attitudes are a powerful influence on white Americans' welfare views . . . racial considerations are the single most important factor shaping whites' views of welfare."³⁸

Historically, as well as contemporarily, ethnic groups other than blacks enjoy benefits based on where they stand in relation to the nation's racial hierarchy.³⁹ This is evident among some Latino groups in the United States, for example. In the case of Puerto Ricans, a racially mixed ethnic group, a number of studies report findings consistent with the proposal of racial hierarchy. Sociologists Douglas Massey and Nancy Danton point out,

Among all groups in the United States, only Puerto Ricans share blacks' relative inability to assimilate spatially; but this disadvantage stems from the fact that many are of African origin. Although white Puerto Ricans achieve rates of spatial assimilation that are comparable with those found among other ethnic groups, those of African or racially mixed origins experience markedly lower abilities to convert socioeconomic attainments into contact with whites. Once race is controlled, the "paradox of Puerto Rican segregation" disappears.⁴⁰

They state additionally that this situation is not unique, but observable in metropolitan areas across the United States:

The New York metropolitan area houses the largest single concentration of Caribbeans in the United States. Here white Hispanics are moderately segregated from whites . . . whereas those who are black or racially mixed are highly segregated . . . Similar patterns are replicated in all of the other metropolitan areas, a contrast that persists even when adjustments are made for socioeconomic differences between racial categories.⁴¹

These instances describe facets of racial hierarchy, again a dynamic that is fundamentally different and more institutionalized and culturally ingrained than bigotry or racial discrimination.

The concept of racial hierarchy is applicable to other societies as suggested by political scientist Ronald Walters. He argues that vertical structures of power, paralleling race, have been characteristic of the international arena for a significant period of time.⁴² Professor William C. Thiesenhusen examines Brazil and other nations in Latin America and concludes that "the closer to European stock, the more apt a

population cohort is to have a high income level and education; the closer the relationship to indigenous [Indian] or African stock, the more apt the group is to lack land, to have a low income level and little schooling, and to suffer discrimination in the workplace, in schools, and at sites where public services are dispensed.”⁴³ Earlier, colonial powers utilized racial and ethnic rivalry to maintain political and cultural power. Such rivalries were fueled by economic and social disparities, as well as territorial aggression, triggered and maintained by colonial powers.

The existence of long-standing and culturally entrenched racial hierarchy gives rise to certain ways of thinking about people of color generally, and blacks in particular, which make it difficult for society to eliminate the practice and effects of racial discrimination simply on the basis of legal endorsements and instruments. Recent surveys illustrate effects of society’s racial hierarchy, including the racial attitudes of whites and other groups. Many white Americans, even if they never practice individual acts of bigotry or racial discrimination, nevertheless express beliefs in the genetic, cultural, or intellectual inferiority of black people. In a widely cited survey sponsored by the National Opinion Research Center at the University of Chicago in 1990, for example, respondents were asked to compare blacks with other ethnic groups. A majority, 62 percent, of the white respondents believed that blacks are lazier than other groups; a slightly smaller proportion, but still majority of white respondents, 56 percent, felt that blacks were more prone to violence; a majority, 53 percent, also saw blacks as less intelligent, and 78 percent of all the white respondents believe that blacks are less self-supporting and more likely to live off welfare to a larger extent than other groups.⁴⁴

Racial hierarchy is also evident in Brazil and South Africa. In terms of the latter nation, Valerie Moller of the Center for Social and Development Studies at the University of Natal in South Africa reports that “black South African households, on average, earn approximately 2.3 times less than colored, 4.5 times less than Indian, and 6.2 times less than white households. Africans have nearly twice the unemployment rate of colored, more than three times the unemployment rate of Indians, and nearly 10 times the unemployment rate of whites.”⁴⁵ And Rebecca Reichman describes a similar situation for Brazilian blacks, who systematically occupy lower status in many arenas of social, economic, and political life in that country.⁴⁶ This is also the opinion of Jalali and Lipset, who point out that “Latin American scholars have argued that their societies are not racist and that class rather than ethnic cleavages predominate. Yet in spite of racial and ethnic pluralism, stratification correlates with racial ancestry in almost all the nations of the region. The privileged classes are largely of European background and/or are lighter skin-colored than the less affluent strata.”⁴⁷

South Africa and Brazil reflect characteristics of “stratification and subordination” similar to black castelike conditions in the United States. It seems that these characteristics are becoming more entrenched at the same time that national economies are becoming increasingly globalized.⁴⁸ In all these nations, people of African descent in particular, and in relatively large numbers, continue to occupy lower social and economic status positions in society even many generations after the ending of slavery. This observation is valid despite the fact that blacks have acquired the political and educational tools that some other groups have utilized effectively for social mobility. In summary of this claim: the distribution of economic, social, and cultural benefits reflects a social and cultural order of race and skin pig-

mentation in these societies.

This assessment is not confined to the United States, also having been evident in Brazil and South Africa, as noted earlier. In the case of the latter, writer Ellis Cose suggests a similar dynamic to racial hierarchy when he notes that “the economic hierarchy is racially skewed.”⁴⁹ Historian Iris Berger makes a similar argument in “Solidarity Fragmented: Garment Workers of the Transvaal, 1930–1960,” reviewing how racial and ethnic divisions were exploited by wealth and management to divide the working class in South Africa over several decades.⁵⁰

Using Race to Hide U.S. Economic Inequalities: Historical Examples

In the United States, racial hierarchy serves to facilitate greater concentrations of wealth among the richest groups essentially by neutralizing political and social challenges based on class tensions. As long as poor people, and working-class people who are not black, do not consider their lesser, and inequitable, economic situation in terms of the particular management or distribution of wealth, they may not choose to challenge policies that increase wealth, even at the expense of their own economic interests. This political situation facilitates increasing economic inequality in both the domestic and the international arenas. In other words, the relationship between race and class inequalities in the United States illustrates that racial divisions and tensions are functional for diffusing class tensions. Consistent with Howard Winant’s observation, U.S. race divisions serve to retard political support for advancing or enhancing social welfare and economic democracy.⁵¹

The exploitation of racial divisions to protect politically the economic policies and institutional practices aimed at managing and concentrating wealth from populist challenges has been utilized extensively in the United States. There are several historical and contemporary examples of this occurrence. W.E.B. Du Bois, for instance, described how relatively wealthy Southern landowners utilized various government mechanisms to divide the incipient alliances between former slaves and white peasants in the South after the Civil War. Local and state governments captured by former slaves instituted racially and socially progressive public policies that benefited poor whites as well as blacks. In *Black Reconstruction*, Du Bois showed that such programs included public schools established in some parts of the South for the first time, and extensive public works providing employment to those displaced by the changes wrought by the Civil War.⁵² These policies were threatening to interests in the South and North that sought to protect wealth from class-based challenges. These same interests sponsored racial symbolism and scare tactics aimed at white insecurities that served to divide black and white workers and peasants, according to Forest Woods in *Black Scare*.⁵³

The exploitation of race to diffuse the effects of economic policies benefiting wealthy interests in U.S. society is evident in other historical periods as well. In another classic work, *Southern Politics*, political scientist V. O. Key repeated some of Du Bois’s observations in his study of Southern life and politics in the decades preceding World War II.⁵⁴ A description and analysis of how issues, including racial issues, are presented to the public in ways that predetermine political reactions was provided by E. E. Schattschneider in *The Semisovereign People*.⁵⁵ He argues that the

way issues are framed and referenced and presented to the public determines the division of factions which, in turn, represents a key political factor in maintaining power. Other historical examples showing how movements for social change and democracy were sidetracked by the exploitation of race, and the failure of white liberal allies to understand this dynamic, are reviewed in Robert Allen's *Reluctant Reformers*.⁵⁶

In summary of these points, one can illustrate this brief historical overview of the relationship between race and class in the following formulation:

1. Generally, the existence of wealth inequalities, both in the earlier historical and in the contemporary period, benefit a few groups in society at the expense of more numerous groups defined by race and economic status.
2. In multiracial societies such as the United States, race divisions have served to keep exploited white workers and poor people from challenging the policies and behavior of economic and social institutions that perpetuate policies and practices maintaining or increasing wealth inequality; thus, certain kinds of racial divisions become functional for groups benefiting from practices and policies that support or increase wealth inequalities.
3. Racial divisions can serve as a distributive mechanism of resources and benefits within a social context of wealth inequalities; but the utility of race to distribute social benefits enforces the perceptions that are developed in point 2.

This formulation means that racial hierarchy in the United States can be approached as functional in terms of neutralizing political challenges to the distribution and management of wealth; as domestic economies become globalized and associated with greater class inequalities, racial divisions in other societies perform a function similar to that of the United States.

The Relationship between U.S. Globalization and Race Hierarchy

Professor Nestor P. Rodriguez describes how globalization is molding race relations in the United States:

The late twentieth century has witnessed an increasing globalization of racial and ethnic relations in the United States. Since the mid-1960s, world developments, transnational migration, and the emergence of bi-national immigrant communities have significantly affected the character of intergroup relations in U.S. society. Perhaps not since the initial European colonization of the Americas has the global context been such a prominent macrostructural background for evolving racial and ethnic relations in the United States.⁵⁷

In the United States, in other words, the increasing interdependence and integration of national economies in the international arena are having an impact on immigration and the way receiving societies react politically and socially to immigration.

While Rodriguez focuses on the United States, the impact of immigration associated with the globalization of national economies is occurring in many places, in-

cluding Brazil and South Africa, of course. Immigration is a potentially problematic issue for societies that are undergoing economic contraction or increasing wealth inequality. A system of racial hierarchy permits some management of this kind of international pressure.

An illustration of how racial hierarchy is utilized for purposes of restricting social welfare and expanding social and economic control of poor people and working-class sectors is the attempt to isolate the experiences of African-Americans from those of recent immigrants to the United States. These attempts, in the most extremist and virulent form, can be found in Dinesh D'Souza's *The End of Racism*.⁵⁸ Here the author argues that there exists an "African-American perspective" about the possibilities of social and economic mobility that is very different and inferior to that of the "immigrant perspective." The latter emphasizes hard work, while the former merely complains. (It is interesting that some in conservative circles who agree with this differentiation are also the strongest advocates of anti-immigration policies and practices in the United States!) The arbitrary defining of the immigrant experience as validity for the Horatio Alger myth, and praising the immigrant perspective as proof that blacks' calls for social justice as an attempt to hide inferiority precisely is why it is critical, as part of this argument, to invalidate intellectually and ideologically the U.S. civil rights movement in terms of its impact or need to continue.

Consistent with supply side economic theory, the corporate sector's response to globalization has included the reduction and redeployment of the labor force, shutdowns, and layoffs. Corporate leadership has supported tax policies aimed at increasing financial profits through speculation rather than productive investments and urged the deregulation of industrial and corporate development as well as reorganization of labor-management relations and arrangements. The federal government has supported this response by reducing assistance to cities and poor people even as it facilitates the attainment of a greater degree of deregulation and resources for the corporate sector. Thus, another observation of the Michael Harrington Center: "At the same time that corporations are shedding workers, Congress is attempting to devolve the Federal Government and reduce the benefits available to those affected by economic fluctuations and layoffs."⁵⁹ Government sacrifices public funding for education and social welfare in response to the needs of the corporate sector and to discourage capital mobility, both productive and financial. Since this posture causes social tensions, however, especially along racial lines, we can also observe relatively large amounts of fiscal resources devoted to crime prevention and imprisonment rather than investment in economically productive ventures.

Responding to Globalization and Improving Race Relation

At the beginning of this article I proposed the possibility of three scenarios. Is there a basis for believing that globalization could result in the second, more hopeful one? The possibility of such a scenario requires the elevation of human rights in domestic societies and effective antipoverty measures. These issues cannot be the stepchildren to emphasis on the pursuit of profits for the sake of profit. Broadly speaking, the hopeful scenario requires that nations and international bodies challenge the continuing existence of racial hierarchy and poverty as fundamentally contradictory to human rights, or to the possibility of economic growth and productivity.⁶⁰

According to some observers, the history of international bodies' improving considerably the state of human relations, as well as the reduction of racial and ethnic tensions, would dictate against optimism. But, perhaps ironically, globalization may lead to a situation in which such bodies are strengthened in terms of giving voice to workers and poor people across national boundaries. For international bodies to exert influence in resolving racial and ethnic tensions in domestic societies through this kind of voice, a number of approaches must be considered. Several ideas might permit a greater degree of management of the effects of globalization on the part of the United States government's acting on the basis of balancing the needs of workers and poor people with corporate interests.

First, eliminating racial hierarchy in the United States and its accompanying racial beliefs of black inferiority requires the elevation of black life and community in the psyche of whites and others in this society. This is not simply a call for holding black and white hands. This call is similar to Robinson's for addressing "the deep racial/ethnic dimensions of global inequality, starting from the premise that, although racism and ethnic and religious conflicts rest on material fears among groups whose survival is under threat, they take on cultural, ideological, and political dynamics of their own, which must be challenged."⁶¹ And Bill Jordan provides the reason why this development must be challenged. He notes that "the spectre of xenophobic national political movements, of neo-Nazism and neo-fascism, has loomed and faded in the past decade, just as its progenitors did in the 1920s." Jordan adds that although these movements have "never quite broken through into the political mainstream," they have influenced and advanced the conservative direction of mainstream politics and its associated notions of social justice.⁶²

Effective challenges to racial and ethnic divisions in the United States and other societies require responses that range from educational strategies that celebrate the nation's multiracialism to the adoption of political practices that seek to ensure the full participation of blacks and other people of color in the electoral as well as other social and economic arenas. In part, this implies that black communities in the United States must be transformed into places that do not overwhelmingly carry the burden of dilapidated housing, unemployed workers, or poverty-stricken individuals and families. The problem of poverty must be acknowledged as significant and requiring international cooperation. The problem of persistent poverty and social inequality in each of these societies cannot be resolved in isolation. Goldsmith and Blakely concluded,

Three features dominate the current situation: America is less influential in world-wide economic affairs; the international economy itself is less stable; and the landscape of domestic industry has been transformed. In these circumstances, and given the more complete integration of U.S. and world markets, it would be almost impossible to eradicate poverty by relying on the usual domestic economic policies, employment and training programs, or efforts that focus on jobs alone.⁶³

This is a sobering message — and warning — for the United States as well as Brazil and South Africa. Such widespread changes call for an expansion of social welfare policies as well as greater investment in the urban areas where most blacks reside, as well as economic democracy in the workplace for all people regardless of their status or group.

C. B. Macpherson proposed that the call and pursuit of economic justice and democracy which emerged as a result of changing global conditions in the nine-

teenth century must be strengthened and revived.⁶⁴ The growth of industrialism led to calls for democracy to which governments and societies have not fully responded. As globalization intensifies, such calls will increase. Policies that should be considered by national governments include greater investment in the education of workers in order to enhance collective quality of the workforce. Improving living conditions for workers, whether in the form of higher real wages or provisions like free and accessible basic health care or decent housing, are policies that will reduce racial and ethnic tensions and violence. Such policies, adopted across international boundaries, may also mean greater economic productivity shared by more people. Rather than encouraging or protecting greater concentrations of wealth, governments should focus on technological innovations, the improvement of living conditions to elevate the productivity of people, and new and socially balanced business investments. These measures may be costly for profits in the short run, but will prove to be beneficial for racial and ethnic harmony, economic growth, and social stability in the long run — which is only around the corner. ❀

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Notes

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