

2021

## The Ills of American Capitalism and the Case for Reparations

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### Recommended Citation

Mandella, Emma (2021) "The Ills of American Capitalism and the Case for Reparations," *Proceedings of GREAT Day*. Vol. 2020, Article 15.

Available at: <https://knight scholar.geneseo.edu/proceedings-of-great-day/vol2020/iss1/15>

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### Erratum

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Emma Mandella

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## ABSTRACT

Chattel slavery was the foundation for capitalism in America, and the extreme impact it has had on economic development of the nation has made American capitalism into a system uniquely cruel to its working class. This uniquely American preference of profit over worker security began with the seemingly endless profit from slavery, and can still be identified in worker exploitation today. A close reading of Matthew Desmond's "In order to understand the brutality of American capitalism, you have to start on the plantation" brings forth the realization that an oppressive capitalist system continues to work against black Americans. From the Reconstruction period until today, structural inequality permeates the lives of African Americans; housing discrimination, unfair lending practices, and social discrimination culminate in the perpetual subjugations of black citizens under American capitalism. Based on this, I will argue that to achieve any lasting solution to such inequities, optimal reparations must attack structural injustice, and (perhaps most importantly) work outside of American capitalism itself.

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**T**he 1619 Project is an effort by *The New York Times* to prompt a reconsideration of the beginning of American history. This project states that, rather than in 1776, the United States truly began to take shape with the arrival of slavery in 1619. The articles within the project trace various aspects of American culture back to chattel slavery, showing how the impact of the institution is still felt in many aspects of society. One article explores slavery's influence on the creation of American economic power and the uniquely cruel system of American capitalism. Matthew Desmond (2019) argues that American capitalism has a uniquely cruel nature because of its foundation of slavery, and many financial practices at work today reflect those practices used for an insidious purpose in the past. Based on the evidence from his article and the rest of the 1619 Project, not only would I agree with his point, but I would argue that the original injustice that founded the nation's economy is compounded by the perpetual economic disadvantage faced by Black people today. Considering slavery's continued impact, a common question is how the nation may rectify these structural injustices for Black people. One case for repaying those who society has perpetually forced into this disadvantaged state

is reparations. Although there are many proposals, I see a necessary element of reparations to involve somehow subverting modern American capitalism. The practice is so thoroughly informed by chattel slavery that it is difficult to imagine any solution to injustice within this system. As Black oppression seems historically and necessarily tied to American capitalism, I would argue that the optimal system of reparations must work outside of this framework, and call upon alternative economic practices for solutions.

Chattel slavery was the foundation for capitalism in America, and the extreme impact it had on economic development in the nation has made American capitalism into a system uniquely cruel to its working class. Desmond (2019) characterizes this particular breed of capitalism as involving constant competition over a depreciating price and a large body of unskilled laborers in a strict position of inequality under an uncontrolled market of greed. To understand the extremism of American capitalism specifically, one can compare working conditions in the United States to other countries. For instance, as Desmond reminds us, the United States lacks worker protections when compared to other developed countries. American union membership falls short considering that “Only 10 percent of American wage and salaried workers carry union cards” (Desmond, 2019, p. 32). Furthermore, the United States scored second to last on a scale from the Organization of Economic Cooperation and Development that ranked the protections of temporary work arrangements (Desmond, 2019, p. 32). While there may be alternate explanations for the lack of worker protections, Desmond makes a compelling argument that slavery was the most influential factor in creating this oppressive form of capitalism, and the diversity of the other nations referenced in his statistics strengthens this. In the statistics on union membership, high-scoring nations range from Ireland to Italy, two countries which have plenty of cultural differences. Therefore, the lack of worker protection through union membership in America cannot be purely due to cultural differences; an element of the American economy must set it distinctly apart from other capitalist economies to explain this disparity. It may seem initially alarming to trace modern American capitalist practices back to slavery, but Desmond connects this past brutality to oppression today, as well as the similarities between practices today and in the past.

If American capitalism is unique today in its preference for absolute profit over worker security, this began with the seemingly endless profit from slavery. After the rise of the cotton industry, the most valuable trade in the nation was slavery. This led to a concentration of wealth in one class and location; as Desmond states, “The Mississippi Valley was home to more millionaires per capita than anywhere else in the United States” (2019, p. 32). Not only was the trade extraordinarily lucrative, but the reward was available to a small class profiting from the subjugation of others. Once planters acquired the necessary land through abuse of Native Americans, Desmond claims that industrialization increased the demand for enslaved peoples as cotton became easier to harvest and sell with inventions like the cotton gin (2019, p. 33). With the advent of new technologies, the value of enslaved peoples skyrocketed; as the cotton industry became more lucrative, the slave trade grew to match this demand. Desmond cites

the massive scale of slave labor: “As slave labor camps spread throughout the South, production surged. By 1831, the country was delivering half the world’s cotton crop, with 350 million pounds picked that year” (2019, p. 34). What helped secure slavery’s place in the American economy was the cyclical nature of its profit. One may posit that American capitalism is not brutal in its own right, because European nations participated in the trade, but this domestic trade refutes that. The profit from slavery and the crop trade was self-sustaining in the United States, so the desire for profit from inhumane treatment continued, even after the international slave trade came to a close. The seemingly endless amount of money the planter class made at the expense of human lives has given American capitalism a particularly violent foundation, one unlike other nations.

The fundamental place the cotton industry and slave trade have in the history of American capitalism is demonstrated generally, but specific economic practices also have roots in chattel slavery. The hierarchy of power present on the plantation itself is reflected in a bookkeeping process that became necessary as the trade expanded. A new practice rose from the plantation, and Desmond states that those in power “developed complicated workplace hierarchies that combined a central office, made up of owners and lawyers in charge of capital allocation” (2019, p. 34). Data collection was the logical result of this accumulation of bodies and assigning value to so many human lives. To efficiently sustain profits, it became important to keep track of every aspect of the economy and identify the money involved. According to Desmond, this bookkeeping “developed to maximize returns also helped to ensure that violence flowed in one direction, allowing a minority of whites to control a much larger group of enslaved black people” (2019, p. 35). Not only did data collection allow the class profiting off of slavery to squeeze any money they could out of the labor from each enslaved person, it also helped sustain the unequal power structure with physical violence and maintain control over the people. Some historians attribute intense bookkeeping to the railroad industry, but as the 1619 Project makes abundantly clear, the alternative start is far more sinister (Desmond, 2019, p. 34). This claim allows historians to separate modern industrial practices from slavery, and depict the institution as far removed. However, the importance of data after industrialization got its inhumane start on the plantation. Desmond references statistics to demonstrate only maximum profit as the goal and data as the support, as “enslaved black people became America’s first modern workers, their productivity increasing at an alarming pace... The average enslaved fieldworker picked not 25 percent or 50 percent as much but 400 percent as much cotton as his or her counterpart in 1801” (2019, p. 35). Scrutinized data extracts the max amount of productivity and profit from each worker, but simultaneously dehumanizes the worker in the eyes of their superior. One specific practice he cites involved “assessing the market value of enslaved workers over their life spans,” intentionally neglecting the value of human life for money (Desmond, 2019, p. 34-35). In today’s American workplace, data analysis is enormously impactful on the lives of workers; the worker’s use of time, activity, and profit are all monitored in their workplace. Capturing their every movement allows a company or superior to determine

methods of maximizing worker productivity (Desmond, 2019, p. 34). Considering that the roots of this surveillance lie in the brutal practice of chattel slavery, one can trace the unique abuses of American capitalism from this history to today's modern work practices.

The direct parallels between economic practices during the era of slavery and the modern capitalist workplace clearly connect the two time periods, but slavery's influence is also found in the repeated institutional subjugation of Black Americans from public government interests and those of private institutions. Once abusive capitalism became a mainstay in the American economy, so did the suffering of Black people. Due to this connection and the continuous rise of capitalism, Black people still face economic inequalities with a lack of available opportunity for advancement. During the period of Reconstruction following the end of slavery, oppression continued in new forms. Ta-Nehisi Coates references a study done in 2001 by the Associated Press into the historic theft of land from Black people, which found "some 406 victims and 24,000 acres...The land was taken through means ranging from legal chicanery to terrorism" (2014, p. 56). The combined oppression from the public and private sector shows the effects of the nation's capitalist foundation; these American institutions exist as players in the same economy and thus as participants in a capitalism with roots in the economic abuse of Black Americans. Following this narrative reveals the omnipresence of the continuous robbery from Black people, even after the end of the initial structure for stealing property and labor that was slavery. Jim Crow Laws and Black Codes brought this trend into the modern era, which Trymaine Lee (2019) claims further limited the social and economic freedom of black people. Lee also mentions one horrifically unsolved terrorist attack in Oklahoma, when an estimated 300 black people were killed and 10,000 lost their homes (2019, p. 83). Attacks came from all sides: racist policies were coupled with racially motivated violence. Lee argues that Black Americans had "limited opportunity to accumulate wealth, and then you have a process where that wealth is destroyed or taken away" (2019, p. 83). The group historically faces restrictions from participating in the American economy. Once the opportunity arises, equal participation is extraordinarily limited.

This trend continues into the modern era, through the same unified oppressive project of the government and private companies. Both participate in the same abusive capitalism; therefore, they support the economy's unjust historical goal. Lee refers to a variety of social proposals that appear revolutionary such as Franklin Delano Roosevelt's New Deal. It economically benefited some, but failed to come to the aid of others, like Black workers (Lee, 2019, p. 83). This economic racial discrimination becomes most evident with the "redlining" phenomenon, which excluded Black neighborhoods from the thriving housing market supported by the Home Owners' Loan Corporation and the Federal Housing Administration. Coates specifies the policy and its discriminatory nature: "On the maps, green areas, rated 'A,' indicated 'in demand' neighborhoods...Neighborhoods where black people lived were rated 'D' and were usually considered ineligible for FHA backing. They were colored in red" (2014, p. 58). This was a government program, but one finds the same discrimination

in the private sector. Clyde Ross is one man who serves as an example of this larger phenomenon; as a Black man in Chicago, he tried to receive a private loan to purchase a home. However, the corruption is clear when Coates states, “The men who peddled contracts in North Lawndale would sell homes at inflated prices and then evict families who could not pay...They’d then bring in another black family, rinse, and repeat” (2014, p. 58). Under American capitalism, private companies and public government work together in this racial discrimination. Coates emphasizes the almost inescapable narrative this creates for Black economic growth, inevitably leading to other social problems; in Chicago, “a black neighborhood with one of the highest incarceration rates [West Garfield Park] had a rate more than 40 times higher than the white neighborhood with the highest rate [in Clearing]” (2014, p. 60). This incarceration rate can easily be attributed to the perpetual economic hardship forced upon Black citizens by the listed discriminatory practices. Unfair policy coupled with racial violence and private bias has a lasting effect which culminates in the perpetual subjugation of Black citizens under American capitalism.

Reparations is one proposed method to compensate for these constant historical injustices Black Americans face. In the political sphere, bills such as H.R. 40 are at the forefront of discussion. This bill would begin research into the oppression incurred upon Black people and how the United States government can begin to compensate for the problems. A common opposition to reparations focuses on the fact that there are no living enslaved people today, and therefore reparations is nonsensical. However, the timeline of discrimination for Black Americans shows the consequences of slavery still impact Black people today: the country still has issues to compensate for. Despite this, as scholars begin to discuss reparations, dispute arises over the forms it will take. Patricia Muhammad (2013) establishes “financial compensation from corporations and insurance companies in Western nation-states, awards of the current equivalent value of forty acres and a mule, [and] a trust fund for slave descendants” (p. 198-199). These are closely tied to economic growth under capitalism, and Patricia Cohen refers to similar examples, such as direct payments to descendants of enslaved peoples after identifying a specific number for the injustice faced. Despite their pervasive presence in discussion, Cohen takes issue with these types of proposals, grouping them into the “settlement model, a legalistic approach that looks backward to compensate victims for demonstrable financial losses” (2019). There are many models of reparations that perceive the solution in the form of economic repayment, however, this is not the only option available. Others support an alternative framework for a system of reparations that emphasizes social programs and collective community development.

The settlement approach reveals a temptation to work within the American capitalist framework, however, I see these proposals as problematic. They are still related to the economic system historically tied to Black oppression. From the country’s inception, abuse of Black bodies fed economic growth to inevitably connect violence to capitalist greed. The claim that “America begins in black plunder and white democracy, two features that are not contradictory but complementary” from Coates has evident and compelling proof, but I would add American capitalism as complementary to this

Black plunder (2014, p.62). One cannot achieve freedom in the same system that perpetually limits them, and so ideal proposals for reparations should be separate from the economic system that necessarily oppresses. Roy Brooks mentions a parallel example, in which “South African scholars report that victims of apartheid who received cash reparations were poor again within a year of receiving them” (2019). Although victims were repaid, the solution was only temporary, as the economic impact on the lives of the oppressed had already taken its toll. Rather than as payment, Brooks believes that reparations must be in the form of revolutionary structural change to support Black citizens. This adheres more to the atonement model, an alternative to settlement reparations that emphasizes long-term efforts that account for structural inequalities. Additionally, rather than continuing to entrench Black Americans in the oppressive capitalist economy, reparation proposals might look to other economic frameworks for solutions. This is not to say proposals for reparations should not involve money or profit in any form. Rather, reparations should be acquired by particular means and support structural change.

Structural change can be accomplished in a variety of ways, but certain commonalities lie in proposals for reparations that act separately from a capitalist system. Some economic frameworks show ways to analyze these ideas as distinct from capitalism. For instance, one socialist definition from Paul Le Blanc states that a core element of reaching liberty is acknowledging “[the worker’s] demand for human rights and democratic guarantees...The socialist task is to not to deny democracy, but to expand it and make it more complete” (2010). A group achieves political freedom through unified uprising and the reclamation of democratic control for the historically neglected in the form of a bottom-up democracy. Essentially, the Black Socialists of America equate the working class with no control of their labor under capitalism to Black Americans who suffer the same, leading to a collective of unified workers to control the means of their labor production through self-management and reclamation. The marginalized community would set the standards for progress, and mass organization around the common goal brings about its achievement. In the context of reparations, a Black grassroots movement would adequately designate the demands of the community and remain separate from the force of white American capitalism.

Multiple proposals for reparations have this mobilization in common, as well as other counter-capitalist elements. An early proposal for reparations that aligns with this framework is a manifesto from the Student Nonviolent Coordinating Committee. A key element of this manifesto is a call for unified structural resistance of Black Americans against oppressive institutions, stating “[w]e call upon all black people throughout the United States to consider themselves as members of the National Black Economic Development Conference” (Black Manifesto, 1969, p. 9). This collective will demand a \$500 million fund; parts of this fund go to structural change, such as a skill-training center, organization of welfare recipients, labor strike funds, community-owned land, and the construction of universities. Another group known as the National Coalition of Blacks for Reparations in America (N’COBRA) supports reparations in any form, but some specific proposals include redistribution of land,



educational scholarships, increased non-discriminatory health care, and funds for infrastructural community development. Once again, the group supports accomplishing these goals through Black mobilization, stating “N’COBRA shall organize and mobilize all strata of these Black communities into an effective mass-based reparations movement” as one of their primary goals (N’COBRA, 2004, p. 1). Eljeer Hawkins proposes other grassroots policies which repeat the demands of community development but include community control of local police forces, institutions they find repeatedly oppress Black communities and individuals. All of these groups eschew the capitalist model in their proposal, as each example emphasizes social programs and collective community cultivation achieved through mobilization.

If reparation proposals begin from the atonement framework and are separate from distinctly capitalist practices, they can accomplish the daunting project of reclaiming control of the class positioning and labor force of Black Americans. Rather than focusing on growing individual wealth in the Black community, reparations proposals from the referenced groups emphasize working within one’s own community to better their total condition. Furthermore, mass mobilization within the Black community allows us the historically denied right of participation in the narrative and control of our fate. Considering the context of certain tenets of socialism stated by the Black Socialists of America, these proposals are hardly inspired by capitalist ideologies; each proposal seeks repayment not to competitive individuals, but to the community as a whole. Focusing on grassroots mobilization also allows Black people to determine the form reparations will take with a truly equal collective organization. From this movement, the redistribution of property and labor takes the varied forms listed to achieve structural change through redistribution of wealth owed to Black Americans and social programs to uplift the community itself. These reparations will grant security to the people, something perpetually denied. Considering this, a movement of this class allows Black people to organically assert the ideal means for solving problems within their community and confronting structural injustice. It is wholly unjust that slavery allowed America to become a capitalist economic power, and the impact of that core of America’s economy is still felt today. It impacts Black Americans most heavily, as they often receive none of the benefits of this profit and wealth and are institutionally prevented from participation. If this capitalism has fundamental connections to slavery and informs the nature of capitalism today, then no quest for equality is complete without somehow remodeling or discarding this system. So long as reparations intend to equalize the playing field and respond to the racial disparities in America, they must be developed in a framework that is distinct from the nation’s racially oppressive capitalist system.

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