

Many scholars of racism have suggested that it was an ideological adaptation to the development of capitalist class relations. This article explores that theme, arguing for a class functionalist explanation of race and examining some empirical evidence to evaluate it. Capitalist class relations are often unstable because exploitation produces conflict. Support mechanisms are thus required as system stabilizers. Those systems that find such support mechanisms are more likely to be durable in the long run. There are at least two such mechanisms: make the exploited content through rising incomes, or divide the discontented. Racial inequality stabilizes capitalist class relations because it divides the discontented and provides a steady supply of low wage labor, and increases the long-term survival odds of those class relations. Racial inequality, insofar as it “works,” is selected for. In this case, high or rising profit rates are the signal of stability.

We present correlational evidence on whether or not we see observable “functional benefits” of race on class, which is insufficient but necessary to support the functionalist explanation. In particular, correlational data ought to link racism with higher rates of inequality, which are unstable in the absence of a divider, and higher rates of profit, which are facilitated both by working class division and suppressed wages. Because rising incomes may be an alternative functional stabilizer, we would expect a weaker functional relationship in contexts where median income growth is high.

We therefore test the following hypotheses: (1) Societies with increasing rates of income inequality should see lagged increases in racial exclusion, or political instability; (2) Societies with increasing rates of racial exclusion should see lagged increases in the rate of profit; and (3) these relationships should be strongest in contexts with low income growth.

We merge a wide variety of data sources on racism and economic variables. Our racism measures include: three variables from the World Values Survey, one asking whether people would not want members of a different race as neighbors, another asking whether people would not want people from a different country as neighbors, and a third asking about ethnic diversity; two variables from the International Social Survey Program, one asking about whether race is important in getting ahead in life and another asking about general social trust; two variables from the Quality of Government database on ethnic fractionalization and ethnicity-based bans on political parties; and two variables from the Varieties of Democracy database, one that captures inequalities of power distributed according to social group (caste, ethnicity, language, race, region, religion) and another that merges a few variables to construct an index of political exclusion by social group. Our economic measures include: one variable from the Varieties of Democracy database which is an index of equal distribution of resources; a World Bank estimate of the Gini coefficient, a measure of income concentration from the World Inequality Database, and a measure of the net profit rate from Deepankar Basu’s reconstruction of the Penn World Tables. We begin by presenting a range of scatter plots comparing our race variables to our economic variables.

In making this case, we first provide a general defense of functional explanations and explain how they work and when they fail. Because the nature of functional explanation requires the explanandum to

have important effects in the world, this argument puts race at the center of any discussion of capitalist class relations in racialized societies and explains it on the basis of its effects rather than its causes. Nonetheless, as we show in our conclusion, none of these arguments imply that race or racism is inherent to capitalist class relations. Racism may be explained by capitalism, even if it is not necessary for it.

Figures 1 and 2 offer some preliminary analysis between racism and income inequality (Figure 1) and profit rates (Figure 2), suggesting correlations in the directions we would expect if racism could be functionally explained by capitalism.

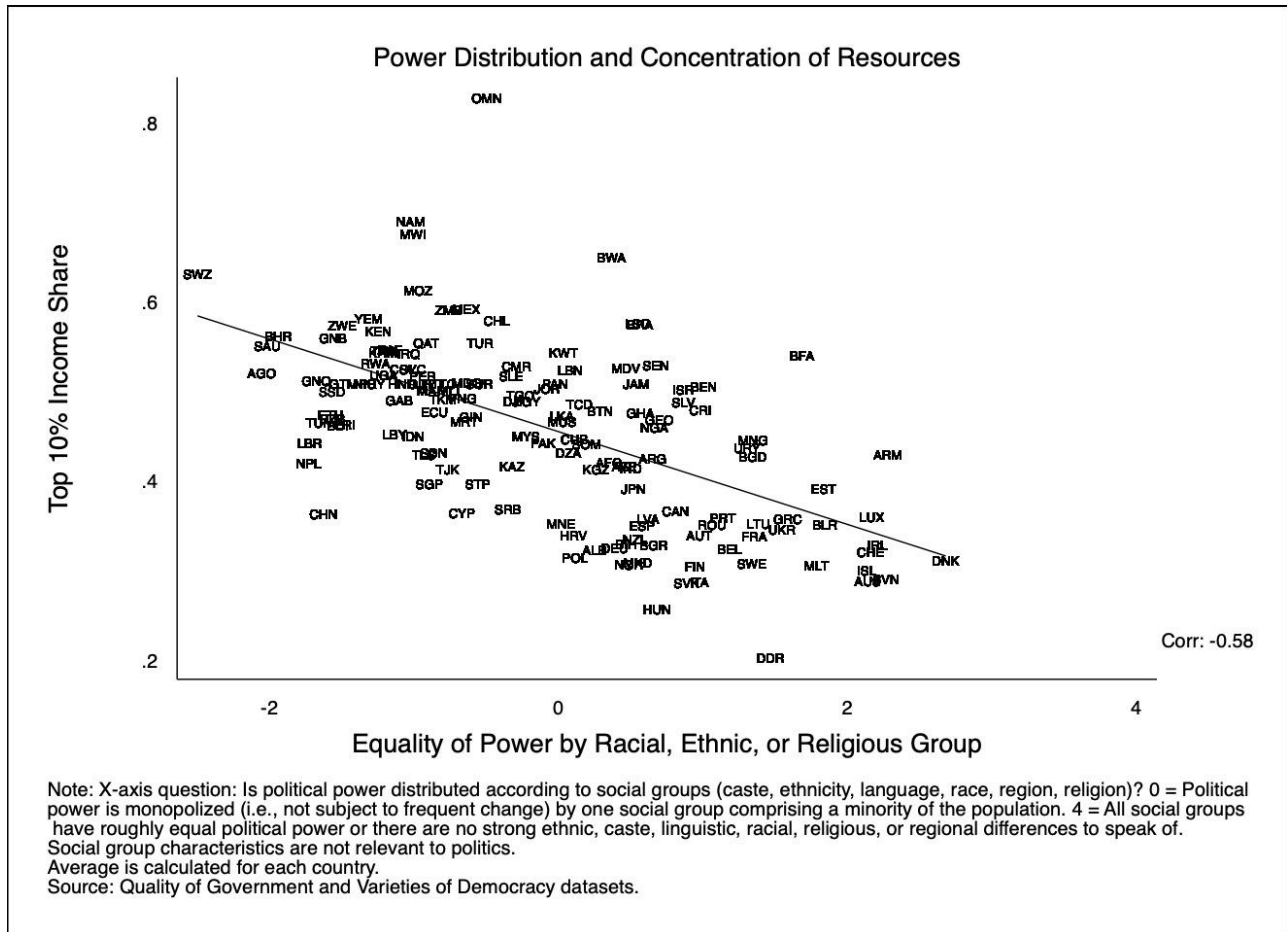


Figure 1

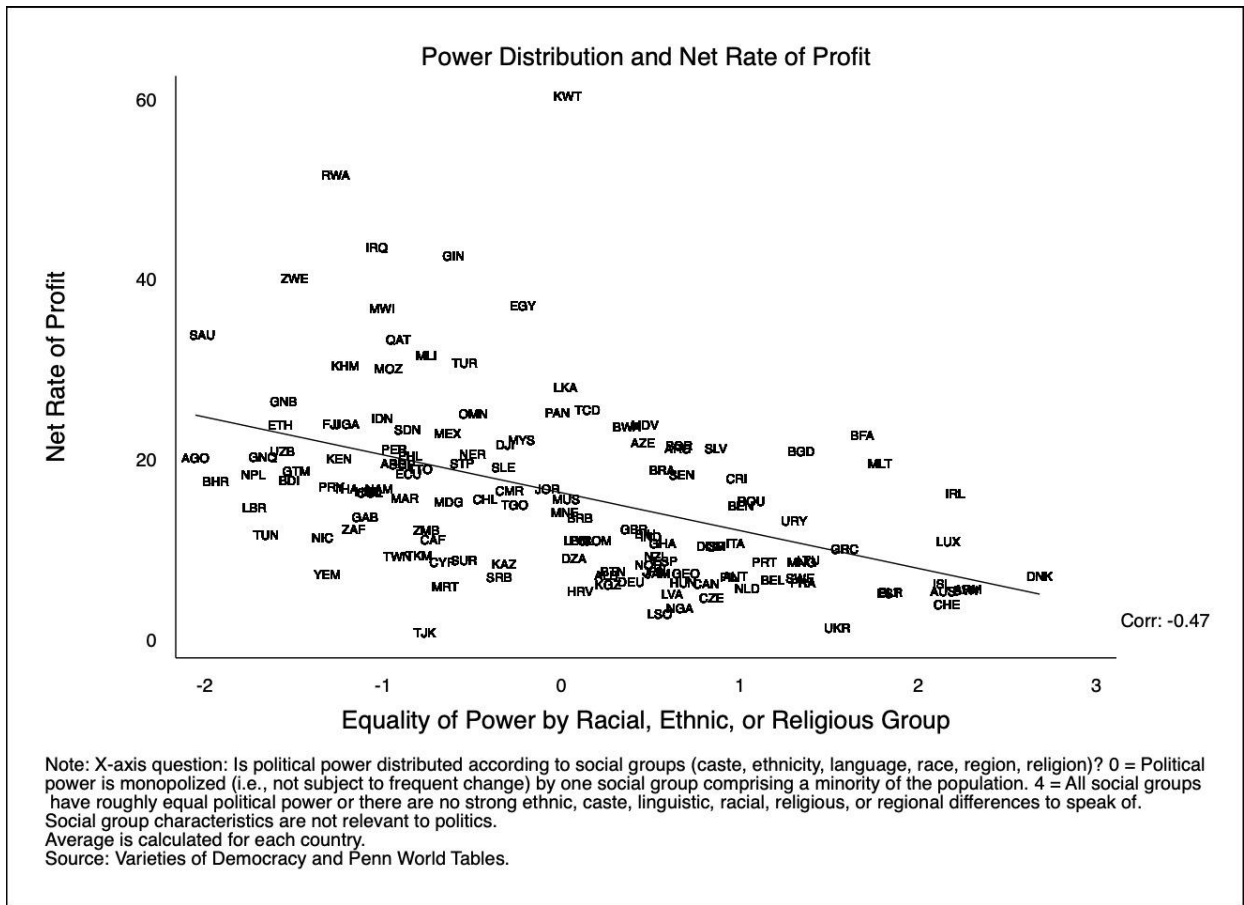


Figure 2