

MARXIAN EXPLOITATION AND DOMESTIC COLONIALISM: A REPLY TO DONALD J. HARRIS*

By
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INTRODUCTION

Few academics analyzing the conditions of black Americans have employed a Marxist analysis. An important exception is Donald J. Harris who presented such a framework in the pages of this *Review*.¹ His paper is divided broadly into three parts. The first, using my work as a point of departure,² is devoted to a critique of the concept of the black ghetto as an internal colony. A second part of the papers develops an alternative formulation using a concept of exploitation based on that formulated by Karl Marx. Finally he employs the construct developed to examine the position of Blacks in the labor market, housing market, and consumer goods market.

The first section of this paper reviews our differences as seen by Professor Harris; the second criticizes his analysis in the light of my reading of Marx; and a final section deals with the usefulness of the colonial analogy.

THE HARRIS CRITIQUE

Professor Harris' critique of the colonial model is directed at the analysis I offered in my book *The Political Economy of the Black Ghetto*. Harris expresses concern for what he sees to be a lack of rigorous development of the concept of exploitation, and an emphasis on the spatial dimension of a separate ghetto economy.

* I would like to express my gratitude to colleagues Keith Aufhauser, Ray Franklin and Norman Madrid who read an earlier draft of this paper. I am also indebted to Harold Wolpe of Essex University, England for his extensive assistance in clarifying a number of points at issue. Many of the particulars in this paper came from extensive comments he so generously offered.

In my book I wrote: "In its relations with the dominant white society, the black ghetto stands as a unit apart, an internal colony exploited in a systematic fashion..." There are two key relations involved: "(1) economic control and exploitation and (2) political dependence and subjugation" (p. 5). I described how the situation of the ghetto reveals similarities of form between the relationship of a colony to a colonial power and the position of Blacks in the larger American society.

Harris suggested that there is a "need to expose the basic determinants and driving forces underlying these forms. . . . More specifically, what is required is a systematic analysis of the internal situation in America on its own terms in the light of some basic set of principles. Such principles would enable us to identify exactly what constitutes a colonial situation in terms of the crucial set of production relations as well as political and social conditions which distinguish it. In this light, we could examine to what extent the actual situation of Blacks in America corresponds to that situation." (p. 6).

Harris posits that a mere description of oppression is not enough. Pointing to similar manifest patterns at home and abroad is insufficient unless a theoretical framework is used which can explain the nature of these relationships in a causal fashion. Without such a rigorous development the colonial analogy is nothing but a political metaphor lacking analytical rigor. At this level he suggests I have failed to develop the "ghetto as colony" as a conceptual tool. This, he indicates, is revealed in failures to conceptualize a theory of exploitation or to indicate "whether discrimination or segregation are necessary and/or sufficient conditions for the existence of exploitation, however defined." (p. 7). Harris presents an alternative approach designed to overcome these failures and to show in so doing, the irrelevance of the internal colony notion.

The major difficulty with Harris' alternative formulation is that while its core is theoretically consistent (i.e. it takes Marx's schema as its point of departure), its extension of Marxian constructs to explain racism as one particular form of exploitation is less satisfying.

Harris starts by defining exploitation as:

"an excess in the value, in units of labor-time, that labor produces over the value that the worker receives plus the costs of raw materials and replacement of depreciated equipment. The ratio of this surplus to the value of wages constitutes the *rate of*

exploitation ... It arises out of the specific terms and conditions of exchange of labor, the most basic of which being the fact that the worker owns only his labor time ... while the employer owns the means of production." (p. 10).

In this formulation, all workers are exploited " ... though they may not all be equally exploited. Differences in the rate of exploitation are associated in turn with differences among workers arising from their different locations in the production system, their different historical conditions of development, the possible existence of an 'aristocracy of labor,' etc. These features matter insofar as they affect the conditions of exchange of labor and hence the value paid for labor. One such feature which is of crucial importance for purposes of this discussion is *racial discrimination*." (p. 10). This is so because racial discrimination may have the effect of increasing the rate of exploitation of black workers. "The question to be asked is whether there is a systematic pattern of underpayment of black labor relatively to whites *for the same task, same level of skill and same level of productivity*." (p. 11). Harris then identifies two conditions which he indicates may produce this super-exploitation: weak black trade unions and state intervention to the disadvantages of black workers. Harris further believes that there are tendencies toward the elimination of any differential exploitation and expresses the view that super-exploitation of Blacks raises contradictions because of the realization problem (p. 12). A concluding section of this paper applies his alternative framework to the existence of housing and consumer goods markets in the black community. While touching on these applications, my discussion will concentrate on the more central concern—his alternative formulation.

EVALUATION OF HARRIS' ALTERNATIVE FORMULATION

The difficulty with Harris' formulation of the problem is that he does not get much beyond the Volume I concept of the average value of labor power which Marx uses to explain the nature of exploitation. Marx is concerned with the general phenomenon and so he measures the value of labor power as "determined by the value of the necessaries of life habitually required by the average labourers. The quantity of these necessaries is known at any given epoch of a given society, and can therefore be treated as a constant magnitude."³

For his purposes it does not matter whether a particular laborer is more skilled than another, Marx works with average labor. He knows all workers are not of equal skill. He also knows that the cost of

reproducing labor power is greater for more skilled workers. Marx writes:

“All labour of a higher or more complicated character than average labour is expenditure of labor-power of a more costly kind, labour-power whose production has cost more time and labour, and which therefore has a higher value, than unskilled or simple labour-power. This power being of higher value, its consumption is labour of a higher class, labour that creates in equal times proportionately higher values than unskilled labour does.”⁴

Marx works with “unskilled average labour” to save the “superfluous operation” of conversion and to simplify the analysis.

But if we are to use these Marxian constructs to study different rates of exploitation between one group of workers (whites) and another (Blacks) then the Harris departure from Marx becomes central.

Harris defines exploitation in terms of *labor-time* (see the above quote from Harris’ p. 10). However, the rate of exploitation does not turn on the fact that the worker owns his *labor-time*. On the contrary, the worker owns his/her *labor* power and it is precisely because in the expenditure of, labor-power over time he loses possession of his/her actual labor that it is possible to extract the surplus. Wages under capitalism according to Marx equal the value necessary to reproduce labor power, but labor power is expended over the time it takes to produce the equivalent of its own value *plus* an additional period during which the surplus is created.

Is this distinction between labor time and labor power merely a quibble over correct Marxist interpretation, devoid of any intrinsic importance? I think not. Harris’ statements notwithstanding, *if less skilled black labor can be reproduced more cheaply than highly skilled white labor, then the low wages of the Blacks proves nothing*. In fact, even though better paid the more highly skilled white may produce the necessary cost of labor reproduction in less time and so be more highly exploited in the Marxian sense of the term.

The issue of relative exploitation or super-exploitation of Blacks is examined by Harris in a logically consistent, but overly narrow context. To Harris “The question to be asked is whether there is a systematic pattern of underpayment of black labor relative to whites *for the same task, same level of skill and same level of productivity*.” (p. 11). He also states that the existence of black-white income disparities are not enough to prove the case because of extent of task segregation and suggests that there is “an absence of adequate statistics.” (p. 11). Surely this is not all there is to the matter. For

instance. Blacks are excluded from equal educational opportunity and from many unions. Thus to measure exploitation of Blacks doing the same task at “the same level of skill and the same level of productivity” is to measure only the tip of the iceberg. The rather large body of econometric work, while it may not be ideal, has taken in account racial occupational distributions standardizing for age, sex, region, education and other factors, and has shown a large residual not explained by such factors, indicating that black workers—who may by such measures be considered (except for color) interchangeable with white workers—are paid less, and are therefore by Harris’ terminology are super-exploited.

Since wage payments are based on the average skill level required to the extent that black workers (or any other workers for that matter) are underpaid for their level of skill (excluded from certain job categories, not promoted according to ability etc.) an under-utilization of labor occurs which Harris characterizes as “capitalist waste.” “Waste” in this sense may not be irrational from the viewpoint of individual employers or capitalists as a class.

Harris distinguishes only between a petty capitalist sector and the “corporate capital sphere,” which as a matter of definition consists of the “big” capitalists.” (p. 19). For some purposes this two-fold division of capital may be useful. In the study of racism further subdivision is helpful, for different groupings within the corporate capitalist sphere may have different needs. Some consumer durables producers and the more advanced technology-oriented firms have an interest in Blacks having higher incomes and being better trained; but there are also others who employ Blacks and other minority groups in secondary labor markets, who face extreme competition nationally and internationally and so have an interest in maintaining a low cost labor pool. Maintaining racist practices in part is a matter of changes in the skill requirements of production, i.e. the need for better trained black workers as opposed to unskilled ones.

Harris offers a discussion of corporate penetration of the black market and the harm done to the petty-capitalist sector, commenting that “In these various ways the corporate capitalists thus act *sometimes* to break down the ‘face of white racism,’ discrimination, and segregation” (p. 22). This takes place where the independent capitalist is squeezed out by the chain store and by the conglomerate wishing to sell to the black market, bombarding the ghetto walls in much the same fashion as Marx saw earlier capitalism destroying the old forms of handicraft production throughout the world as European capitalism expanded its colonial empire. It is, as Harris

says, a question of investment possibilities which are attractive for corporate capitalism (p. 23).

There is a central question to be posed here. Is the labor market function of the black ghetto to provide low skilled labor? If so, then the economics of the ghetto is no accident, no unfortunate exclusion but part of a system working the way it should work to perpetuate itself. If this is so, then the low wages paid to reproduce this labor does not provide much opportunity for the advanced capitalist sector to profit in providing goods and services in the ghetto marketplace: But what of the counter-trends? The growth of the black middle and working class is a very real phenomenon. The central question then becomes: what is happening at the heart of the economy? How is the development of the mode of production proceeding and what do such changes imply for black Americans? Some advanced sector capitalist may have different needs from those of the more low wage marginal employers. But in terms of the development of the social relations or production it is not clear that racism will be eroded as Harris seems to imply by the historical development of monopoly capitalism.

Harris is interested only in measuring exploitation in the Marxian meaning of the term. This is far more restricted than what is meant by the term in common usage. If he wants a different term which will encompass the fuller relation of oppression that is certainly o.k. but we must not because of his definitional preferences lose sight of the encompassing nature of the relationship embodied in the term racism. In this context saying that blacks are exploited because they are workers is not to tell the whole story. Exploitation in the labor market is not the only form of exploitation. While I agree with Harris that exploitation at the point of production is the crucial dimension I think his argument that what appears to be exploitation of Blacks because they are ghetto residents is really just a disguised form of their exploitation as workers is a restrictive formulation. He indicates that to say Blacks are exploited in their capacity as consumers is to engage in double counting. (p. 15). By Marxian measure this is true (s/v is the rate of exploitation, where "s" is the surplus value created by the worker and "v" is the cost of reproduction of labor power). This conception must be compared to the usual framework which argues that with a given money wage, if ghetto residents pay more for goods and services their real incomes are less for two reasons which are conceptually different: (1) they get paid less (from whites they are exploited as workers), and (2) they pay more for goods and services in the ghetto compared to

other parts of the market area (i.e. they are exploited as consumers). There is overwhelming evidence that prices are higher (in some measure reflecting the higher cost of doing business in poorer neighborhoods) and that a greater proportion of low income whites than low income non-whites are able to live outside of neighborhoods where such practices flourish. Thus, Blacks as a group are more heavily exploited in the sense of both lower earnings (in the sense of exploitation discussed in the first part of this paper) and as consumers (in terms of paying more for the same or inferior goods and services than do whites).

Now this may be true because Blacks buy in the petty capitalist sector, but why they must buy there is the real question. And then we are back to the need to explain racial discrimination. The point is that the restricted notion of exploitation as Harris defines it is not well suited to a discussion of the differential degree of exploitation faced by Blacks compared to whites in the U.S.

UNEVEN DEVELOPMENT AND CLASS RELATIONS

I think it is possible that spatial aspects of distribution can be presented within the context of a Marxian framework and suggest that they may be of increasing importance because of the worldwide expansion of "big" capital to which Harris alludes in the concluding part of his paper.

The historically determined division of formal political power in the U.S. allows for a higher degree of autonomy to local government than is the case in most parts of the world. As local capitalists first outgrew local, then regional, then national boundaries, the fiscal relations of government lagged far behind. For this reason tensions developed between the needs of city governments and their power to deal with these needs. The logic of an area related analysis is evident when the nature of production in urban regions is studied. Not only do business firms compete with each other, but local governments compete in attracting firms to locate in their jurisdiction. Successful cities gain jobs and tax revenues when they succeed in attracting industry. Such a formal organizational arrangement forces local governments to keep expenditures down for low income groups. Extra-market forces such as racial discrimination and zoning laws work to divide jurisdictions. In some higher income areas residents can enjoy more public services at lower cost by keeping low income people out.⁵ The nearby high income area may be served by low wage workers who are not allowed to reside in it. The spatial separation of the two political jurisdictions or even neighborhoods is

clearly seen in terms of production relations. An uneven development pattern occurs in which low wage areas cannot provide resident services without driving out low wage employers. But in addition a low wage sector also contributes significantly to the potential surplus that can be extracted in higher wage industries as well.

Many of the inputs required by the high wage firm may be produced locally by low-wage firms in the area. Then too, the workers in the higher wage industry receive a higher real-income *ceteris paribus* through the purchase of goods and services from firms employing low-wage (ghetto) workers. The wages paid in the advanced sector and production costs generally can be kept down because of the existence of a ghetto work force.

What is being reproduced is not abstract labor but class relations as well. In this respect racism may not be so irrational for the maintenance of the present economic order. If all young people were given the opportunity for the education which would equip them to hold high paying creative jobs at the top of hierarchical structures and if the educational system did not operate to exclude a large proportion and thereby force them to accept the dirty work at the bottom, the system would not "work" nearly so well. If there were not a group at the bottom easily recognized as "naturally inferior" if all workers considered themselves to belong to the same class in opposition to the small group which holds the means of production and controls the production process and runs the major institutions of society, then workers might be more conscious of their common interests. One major need of the system is to mystify the class relation. While racism is not necessarily essential for this purpose but it certainly serves this function well.

CAUSATION VS DESCRIPTION OF DISCRIMINATION

Before discussing how labor markets reproduce class relations let us briefly examine Harris' explanation of the "conditions which could conceivably give rise to a situation of super-exploitation" (p. 11). The differential ability of Blacks and whites to sell their labor could, in Harris' view, be explained "for instance, where it can be shown that black trade union representation is relatively less developed and therefore less militant. It could occur also in regions and industries where the reserve army of black unemployment is relatively more swollen so as to weaken the bargaining power of black labor relatively to that of white labor." He states that to know

whether or not this is the case one needs some evidence and he is open to persuasion (p. 12). There seems to be ample evidence on the location of black workers by region and industry. To no one's surprise Blacks are in industries and regions where they have less ability to bargain. Black workers and their unions may be less militant (though I do not think this is the case) but that is secondary. They are mostly in undesirable jobs in declining industries. Is that a *cause* of their exploitation? Is being an unwed mother, or over 65 a cause of poverty? These are *characteristics* of exploitation and of poverty—not their causes.

In addition to weaker trade union representation, Harris also sees “the direct intervention by some intermediary, such as the state” as possibly altering the wage determination process to the disadvantage of black workers. He questions how widespread or systematic such types of intervention are. While he mentions minimum wage and quota arrangements this “possible condition” remains somewhat vague. A Marxist theory of the state, however, would suggest that the capitalist class uses the state apparatus to sustain the status quo relations which favor capital at the expense of labor. Sometimes the form in which state power is exercised is quite blatant as when black welfare recipients in Southern states have been thrown off of public assistance when the agricultural season started and are put back on again in the winter. Welfare payments in all parts of the country are kept below prevailing low-wage payments in the area's labor market to “preserve initiative” and maintain the pool of potential workers. This type of behavior makes sense in the context of stratified labor markets and of a Marxist theory of the state.

The dependence of a black marginal working class is best preserved in a colonial context of undermining self-identity, fostering dependence, and the arbitrary discipline by police, welfare investigators, schools and prisons. Since these institutions are operated by the local level of government it would seem sensible that local capitalists desire a low-wage strata in the labor force.

Harris expresses the view that discrimination in the educational system prevents Blacks from acquiring “qualifications” needed for entry into skilled jobs. He argues that it is the lack of such skills that limit corporate expansion into the black sector (p. 24). He also says that “government policy can play a role through job training programs, unemployment subsidies, bonus schemes and such like ... but only a limited one” (p. 24). This type of formulation which makes the abstract phenomenon labeled “discrimination” the *deus ex machina*, the causal mechanisms, of exploitation which even

government can only modify to a limited extent, also places government policy within a class-neutral position which given the function of the state in capitalist society seems questionable since concessions are granted during struggle to co-op militancy or to rationalize capitalist production or reproduction relations.

Harris demands a rigorous conceptualization, but while his own work is suggestive, it certainly falls short of this goal. Not considering the relation between the mode of production and the socially necessary costs of the production of required labor, lower wages for Blacks must result from weak bargaining power and/or state intervention. It may be that the restriction of Blacks to less skilled jobs, for which the necessary reproduction costs of labor are lower than in the case of skilled labor is the mechanism by which the requirements of the system are produced, the class relations reinforced, and this may well take place along with a greater rate of exploitation of white workers as a group. This will be the case, using Marxian constructs to the extent that workers with greater skills are employed at capital intensive tasks. Exploitation increases as productivity increases and the worker produces the equivalent of his wages in a shorter period than before. Less productive workers may use more of the working day in producing the equivalent in value of the necessary costs of their own reproduction. Thus a concept developed by Marx to show how workers as a class are impoverished and enslaved by the very process thru which they create wealth may be used to show that those most oppressed may not be most exploited.

Harris explains the special exploitation of Blacks by the operation of discrimination which may operate to ensure black workers get lower wages or he refers to the weaker trade unions among Blacks or state interference. But this is simply to describe the situation we all know to exist and which the internal colonialism thesis attempts to explain. In other words he is simply taking as given the very issue which is at stake.

It is difficult in much of what Harris has written to see how the Marxist explanation differs from a non-Marxist explanation and to see why ghetto phenomena are unique.

His explanation of ghetto housing markets are that landlords and real estate brokers operate in a risky area, they must pay competitive interest rates, and wish to squeeze as much as they can out of tenants. But isn't this true of landlords everywhere? In addition Harris says they use their "class position" which makes their influence over state policies more potent. Don't all landlords do this

too? Isn't the major difference that black tenants have less bargaining power due to racism? Similarly the corporate sector is not interested in investing in most black communities because of "*relative deprivation* (in terms of real income) of Blacks compared to whites." (p. 25). That is, direct investment by large corporations are not profitable because Blacks are poor. Again we are faced with economic inequality as a cause, not with an explanation of the basis of that inequality.

Harris raises the very central question of "how does the general category of profit motive apply to the particular circumstances of the ghetto? Who, in any case, profits or benefits from these conditions?" (pp. 7-8). After a long discussion he concludes that "... it is difficult to say with any precision to what extent this sector of capital shares in the general rate of exploitation of black labor. If there were *no* direct employment of black labor that share could be positive or negative depending on the size and direction of certain transfers due to the price mechanism, to monopoly conditions and to the role of the state. We know that it is at least positive since there is in fact direct employment of black labor though the amount of such employment varies from industry to industry." (p. 19).

The situation is complicated by the fact that the capitalists themselves are unaware of the actual amount of their share." (p. 20).

Or again Harris writes, "if ghetto merchants have a higher capital intensity than average they get only part of their surplus from the black labor they employ. The rest comes from the labor employed in other sectors, which may be white labor. Alternatively, if their capital intensity is lower, they lose some of the surplus to other sectors ... whether the capital intensity of merchant capital operating in the ghetto is higher or lower than average I am unable to say." ⁶ (p. 15). At the end, Harris leaves us knowing little more than when we started about what the facts are in the matter of who benefits and how much.

I think it important to point out that Donald J. Harris claims only to present an alternative formulation. While his work draws on Marx, it is not an explicit nor consistently Marxian analysis. Harris grants the importance of the state but leaves "such questions open at present." (p. 22). He understands that the relation between black and white workers entails "the empirical problem of application of this theory to the specific facts of American economic history. As I indicated at the outset, my chief concern is with *theoretical* considerations." (p. 27, emphasis in original). Just as he offers little in the way of specific historical analysis (except for the case of slavery which he discusses briefly and I think misleadingly viewed

from a Marxist perspective).⁷ he asks: what is the exact source and the amount which different individuals and groups profit from the particular circumstances of the ghetto? (p. 8). He has no answer to his own question. This complicates the issue as to how change can take place. But Harris is not interested in policy and expressly excludes matters of political strategy from his discussion (p. 33, fnnt. 23). Harris says only: "The extent to which Blacks and white workers can come to acquire an awareness of this nature as the struggle (that is, the process of formation of consciousness) is of course not explained by the analysis here." (p. 28). In short, Harris ignores the key relations of a Marxist analysis of economic and social relations. There is no analysis of the relation between race and class, no attention to the reproduction of social relations, the role of the state, of consciousness, of the specifics of historical development as related to class formations. I think dealing more fully with the richness of the Marxian approach would have helped him better achieve the goals he sets for himself.

It seems to me Harris is faced with two major problems. He has a framework which Marx developed to illuminate the operation of capitalism. Marx stresses the involvement of the capitalist system by placing prime emphasis on the exchange of labor power for wages as the origin of surplus value. The concept of exploitation was a technical description of a moment in the production process which at the same time represented the key social relation. All parts of the economic and social order—money, capital, free labor and consumption, as well as production—are separate elements and yet also encompassed in this relationship. The relationship is universal to capitalism yet always historically unique. Explaining the method of Marxian economics and especially the concept of dialectical materialism in which within a seemingly stable equilibrium situation opposing forces are in a tension which must bring forth a reconciliation of a kind which will break apart existing relationships, is a difficult task.

Harris' first problem then is that while he has a theory of exploitation (Marx's), he does not have a theory which explains the special oppression of Blacks in the U.S. He can describe that oppression; however, he does not explain it causally in the rigorous theoretical terms he sets out as criteria at the start of his paper.

His second problem is that as much as he disapproves of the colonial analogy (and I prefer to see it as that rather than as a colonial "model" for reasons to be discussed below) he is forced to come to the rather lame conclusion that: "... one can hardly

distinguish, on the surface at any rate, the internal situation in the capitalist metropolis from that in the colony.” (p. 29).

THE GHETTO AS COLONY IN THE CONTEXT OF CLASS ANALYSIS

The real failing of the colonial analogy I would suggest is that the key relationships involved – “economic control and exploitation” and “political dependence and subjugation” which both necessitate separation and a superior-inferior status relation – are not unique to the colony-metropolis relationship, but are replicated, albeit more subtly, in the class relationship within all capitalist societies. The phenomenon is in its essentials the same between the colony and colonial exploiters, as between the capitalist class and the working class.

One can understand from a Marxist point of view that any analysis which does not start from production and then proceed to exchange and consumption is faulty a priori. The spatial orientation of the ghetto as a colony is deficient from this perspective because it posits exploitation on a spatial basis rather than in terms of the relations of production. Such a misspecification of the problem leads to the search for panaceas in the realm of spatial autonomy (separatist development, community development, black capitalism), schemes which cannot succeed in any significant way so long as the source of oppression—the exploitation encompassed in the sale of labor power by wage labor to capitalists—continues. This is I think the basic truth which the Harris cum Marx approach helps clarify.

The relation between even colony and colonizer is not a relation of exploitation in the direct Marxian use of the term “exploitation.” As Charles Bettelheim points out capitalist relations of exploitation cannot be between “countries” and one might add, colonies or even internal colonies and colonization. A relation between “countries” cannot be a relation between classes. Says Bettelheim: “... the relations between the capital of the industrialized countries and the workers of the under-industrialized countries are usually not “direct relations” (most commonly it is not a matter of buying the labor power of these workers but of buying products from “local” exploiters – landlords, merchants, usurers, traders, capitalists, etc.) ... This helps to “conceal” ... the relations of exploitation that “unite” the working people of the poor countries with the capital ... of the industrialized ones.”⁸

Thus, the same caveats Harris urges in correcting the “ghetto as colony” analysis, from a Marxist view may perhaps also be offered in

the case of “real” colonialism abroad. The point is that the concept of exploitation expresses a production relation. As Bettelheim sees the matter in the international context, incorrectly formulating the relation of exploitation makes “the *proletarians* of the rich countries appear to be exploiters of the poor ones.”⁹ The same can be said of the logical inference regarding the relation between white and black workers following the internal colony argument.

Internationally workers in the advanced nations in general are more exploited in the Marxist use of that term. In recent years as Blacks have moved into basic industry, the rate of exploitation of Blacks in the Marxian sense has increased even though relatively speaking their wages have gone up. Ghettoized Blacks in the service sector, or who work in marginal retail stores are much less exploited in this meaning than those in the more capital intensive sectors. One can see, given the Marxist meaning of exploitation why Harris prefers to leave open the question of capital intensity in the ghetto marketplace. Yet the apparent contradiction can be discussed without obscuring the morality and the economics of the matter.

I think it is possible and necessary to relate the basic relation of exploitation to the process of discrimination and to the spatial existence of the ghetto. Let us start with the labor market and a complaint against Harris.

I do not understand Harris’ dismissing my “mechanistic” queuing theory of the labor market and then going on to an “unmechanical” queuing theory using the familiar phrase “Blacks are the last hired and the first fired,” (pp. 25-6) a phenomenon which “expresses one aspect of this mechanism.” Basically Blacks have been at the end of the line and only hired after whites. Whether you want to call this a queue or the last hired first fired mechanism doesn’t seem to me to matter very much. I also tried to indicate that in addition to direct discrimination in hiring there is also segregation by job categories *ala* dual labor market theory (or as I would now prefer to term it, segmented labor markets), and institutional discrimination more generally.

Harris’ Marxian theory, as summarized p. 26 suggests the existence of a reserve army of labor. He then introduces “the mechanism of discrimination as a rationing device” which insured a chronically higher rate of black unemployment. I agree. In fact I wrote in my book that: “ ... blacks remain in their historic position somewhere between Marx’s reserve army and Cairnes’ non-competing group. That is, they are an available source of labor when needed by the economy and at the same time a group set apart which can be

confined to certain types of work (low-paying, hard, and unpleasant jobs). They have been given the worst jobs the society has to offer. When labor is scarce they are given the lower rungs of better jobs; when economic conditions decline, whites move in to take even the jobs previously set aside as Negro work.¹⁰

Elsewhere I have argued that "The extent to which the capitalist class is able to isolate segments of the working class from each other strengthens its position. By creating a marginal working class of Blacks and giving white workers a relatively more privileged position it strengthens its control."¹¹ I stress that it is important to see that the position of Blacks in the society is primarily the result of their position as marginal working class and that this marginality is a result of racism in the U.S. which serves an important economic function.

Spatial separation does seem to add a dimension of awareness of the basic relationship. In the same article I quote Kerr and Siegel's description of coal towns and logging camps to indicate their ghetto like nature. "These communities have their own codes, myths, heroes, and social standards. There are few neutrals in them to mediate the conflicts and dilute the mass ... all the members of each of these groups have the same grievances." A strike for the isolated mining town is "a kind of colonial revolt against far removed authority, an outlet for accumulated tensions, and a substitute for occupational and social mobility."¹² Kerr and Siegel wrote these words in the early 1950's. It seemed to me a decade or more later the parallel with the urban ghetto was very strong. This is I think so because in each case the contrast between labor and capital is clear, the oppression of one group by another based on the control of the means of production is central. In this regard the usefulness of the "ghetto as colony" analogy becomes more apparent.

Harris says that "the colonial analogy suggests that there is some way in which Blacks as a group, regardless of whether they are owners or workers, can benefit from the breakup of a supposedly 'colonial' situation. It stretches the imagination to see why, if this were indeed a possibility, black workers should in any way be better off under black owners than under white owners" (p. 30). Since this statement comes in the context of an examination of my work, the clear inference is that I hold such a view (that black workers would be better off under black owners). Readers of my book will recall that my third chapter was devoted to showing that this is not the case. They may recall my quoting Robert Allen to the effect that "any black capitalist class must act, in effect, as the tacit representative of the white corporations which are sponsoring that

class.”¹³ My last chapter, I thought, underscores my support for those who see the struggle for autonomy and collective community control as steps toward more basic changes.

In a footnote Harris says that he does not consider in his paper the meaning of the colonial analogy as a basis for organizing efforts related to such issues as “community control of the ghetto.” Such questions are to him, “matters of political strategy and tactics which have been arbitrarily left out of the present discussion” (p. 33, footnote 23). I, too, would stress the arbitrariness of his omission and also suggest the error of severing questions of economic analysis from their logical political context. It is just the usefulness of the colonial analogy to those struggle for community control that gives the construct much of its value. Harris may feel that history dooms such efforts.

I have dealt briefly with the concept of stratified labor markets and of the need for a clearer understanding of the way race is used to divide the working class, and how the divisions within the working class are conditioned by the development of the mode of production. I think such relations are primary. Strategically I have suggested that the spatial existence of the black ghetto is important.

The usefulness of viewing the black inner city as an economic unit is enforced when recent demographic trends are examined. In 1970, 58 percent of the black population lived in central cities compared to 44 percent twenty years earlier (In 1970 only 28 percent of whites lived in central cities; 35 percent had in 1950).¹⁴ The population increase for Blacks over the last decade has almost all been in the central cities. It is true that more than half of all Blacks still live in the South but in terms of influencing white America, it is perhaps more crucial that in all regions except the South over 90 percent of the black population lives in metropolitan areas and the larger the metropolitan area, the greater the proportion of Negroes in the central cities and the greater the change in the percent Negro since 1960. In 1960 only 3 large cities in the country had a majority of Blacks to the total population; in 1970 there were 16. The potential for black organization is the crucial factor. Blacks and other oppressed minorities did not truly “choose” to struggle at the local level. The choice was forced by their material conditions. As Blauner has written:

“Today’s urban ghettos and barrios, like the legal segregation of the past, are devices for racial control. They reflect the basic contradiction of racial systems, which bring nonwhites into a

society to appropriate their land or labor and not to associate with whites as free and equal citizens. The ghettos are the modern "solution" to this insoluble dilemma. They provide walls between the racially oppressed and the mainstream, shield the white majority from the anger and hostility of the confined, and permit the middle class to go about its daily business with a minimal awareness of how basic is racial division to American life." 15

This spatial concentration of Blacks led James Boggs a decade ago to write:

"The big American city, with its concentration of economic, political and social resources, is today the black man's land. The cities have become to today's social force what the factories were to the workers in the 1930's." 16

Malcolm X in his speeches of the same period expressed his philosophy as one demanding local control over the politics and the economy of the black community. Malcolm referred to Blacks as a colonized people in the U.S. and sought help from Third World nations to bring pressure on the U.S. through the U.N. Carmichael and Hamilton in their very influential books popularized the colonial image as did Kenneth Clark, whose prominence and position of respect in establishment circles gave greater acceptance to the term "colonialism" to describe the relation between the inner city black community and the larger white community.

There are however a number of very different positions which flow from the colony analogy. Some urge the establishment of an independent black nation funded through payment of reparations to Blacks for the centuries of oppression either as a large autonomous nation in some part of what is now the South, or as a federation of autonomous black regions in the central cities of the North. Others suggest that moving in the direction toward separatist dual development would not serve black interests, but would lead to a form of neo-colonial indirect rule in which a capital starved black economy would be dependent upon the rich and powerful white economy. Building candy store capitalism—an economy of small business to compete with U.S. multi-national conglomerates—does not seem to me to be the answer.

"The argument thus far has been that the colonial analogy, while in broad outlines valid, is best viewed as a sub-category of a general

class analysis. Concentrating on the colonial and racial aspects of black economic oppression as the important and unique elements leads to separatist, nationalist and independence-oriented solutions which are utopian in the contest of contemporary American capitalism. This is not to say that the colony-mother country analysis has not been useful. It has. It has created black pride, fostered unity and militancy, and sharply pointed up the differences between growing up white and growing up black in America. The limits of the usefulness of the approach come when solutions are discussed. An independent black state either at the community level or in terms of establishing a new black nation is simply not viable. This way leads to neo-colonial or indirect rule through a local governing class controlled by outside interests.”¹⁷

The major problem presented by the ghetto analogy is that it stresses spatial relations and not class relations. In my book I veered too far in this direction and failed to deal sufficiently with class relations. I did warn, however, that it was because black power ignored the class dimension it was and still is a basically flawed construct. Yet at the same time the autonomous force racism has developed cannot be ignored in contemporary America. Those who would have white workers see their common interest with Blacks, must be able to present a theoretically rigorous explanation of discrimination as well as exploitation and be able to present such an analysis effectively. Much remains to be done.

FOOTNOTES

¹Donald J. Harris, “The Black Ghetto as “Internal Colony”: A Theoretical Critique and Alternative Formulation,” *Review of Black Political Economy*, Vol. 2, No. 4, Summer, 1972. All further references to Harris in the text by page indicate numbers from this article.

²William K. Tabb, *The Political Economy of the Black Ghetto* (New York: W. W. Norton, 1970).

I acknowledge a debt to Professor Harris for pointing out a deficiency in my work of not developing a causal theory of racial exploitation. I think his central criticism is correct. I did not adequately stress the class nature of racial oppression. Race relations are a type of social relation which arise out of the way material production is carried out and power is distributed in society. If one is interested in ending racism one must understand the nature of the system that has created and sustained racism.

At the same time I also find much of what Harris says regarding my work to reflect my views inaccurately. The degree to which Harris’ critique distorts my thinking and contains inaccuracies can best be judged by those who have read both works. This paper deals with the matter of Harris’ alternative formulation.

³Karl Marx, *Capital*, Volume I edited by Frederick Engels (New York: International Publishers, 1967), p. 519.

⁴*Ibid*, p. 197.

⁵I have developed this point elsewhere in an article co-authored with Stephen M. Miller, "A New Look at a Pure Theory of Local Expenditures," *National Tax Journal*, June 1973.

⁶See William K. Tabb, "Viewing Minority Economic Development as a Problem in Political Economy," *American Economics Review*, May 1972.

⁷Harris in the paragraph following the one in which he defines exploitation goes on to say "This alternative formulation is relevant to the question of the role of slavery in the history of American Capitalism." While a minor point to non-Marxists perhaps, what Harris here appears to be suggesting is that all exploitation takes the same form. Thus discussing slavery Harris states: "Under slavery, the surplus value is that portion of the total labor of the slaves rendered to the owners in excess of the amount which the slaves get back in the form of their consumption requirements." (fn 8, p. 31). I do not think Marx would agree. For Marx the condition of slavery is such that: "Wealth confronts direct forced labor not as capital, but rather as relation of domination." Karl Marx, *Grundrisse: Foundations of the Critique of Political Economy*, translated by Martin Nicolaus (Middlesex, England: Penguin Books, 1973), p. 326. The "Slave-owner relation" since it does not posit a capital-free labor relation does not itself belong to the sphere of capitalism. This is consistent, however, with Northern and British capitalists benefiting greatly from slavery.

⁸Charles Bettelheim, "Theoretical Comments," in Arghiri Emmanuel, *Unequal Exchange: A Study of the Imperialism of Trade* (New York: Monthly Review Press, 1972), p. 301.

⁹*Ibid*, p. 301.

¹⁰Tabb, *op. cit.*, pp. 26-7.

¹¹William K. Tabb, "Race Relations Models and Social Change," *Social Problems*, Spring 1971, p. 438.

¹²*Ibid*, pp. 437-438.

¹³Tabb, *op. cit.* p. 59, quoting from Robert L. Allen, *Black Awakening in Capitalist America: An Analytic History* (Garden City, N.Y.: Doubleday, 1969), pp. 187-188.

¹⁴See Jack E. Nelson, "The Changing Economic Position of Black Urban Workers," *Review of Black Political Economy*, Winter, 1974.

¹⁵Robert Blauner, *Racial Oppression in America*, p. 32.

¹⁶James Boggs, *Race and the Class Struggle* (New York: Monthly Review Press, p. 129.

¹⁷William K. Tabb, "Black Americans: Internal Colony or Marginal Working Class?," presented to the VIII World Congress of Sociology of the International Sociological Association, September 18, 1970, Varna, Bulgaria.