SOME RECENT THEORIES OF RACE AND CLASS: A REVIEW

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The topic of race and class encompasses numerous issues and is understood in extremely varied ways, depending upon the theoretical orientation, political concerns, methodological capacities and/or purpose of a given author. Issues as diverse as the income effects of racism on blacks (and/or other minorities and/or whites), the correlation of race and occupation, the class differentiation among blacks (and/or other minorities), the class position of blacks (and/or other minorities and/or whites) in the social structure, the ideology of racism and its relationship to colonialism, racism's effect on the class structure, the class structure's effect on racism, the effect of race and/or class on the attitudes of people of different races, the relationship between racism and capitalism, and many others can be, and are, often included under the general rubric of a discussion of race and class.

While most, if not all, of these issues are important, this essay will focus primarily on the role and interest of different classes, or strata within classes, in the racial oppression of blacks and the structural connection between racism and U.S. capitalism. Specifically, I will review the "split labor market theory" advanced by the sociologist Edna Bonacich, the "class struggle" theory developed by radical economist Michael Reich, and the "segmented labor market" analysis developed by Richard Edwards and his colleagues in the Union of Radical Political Economists. Given the theoretical and methodological distinctions between these different theories, the understanding of such central concepts as "race" and "class" vary from position to position.

A discussion of these three perspectives highlights some of the main controversies involved in the race/class debate. In particular, Bonacich and Reich hold polar opposite positions on the social forces that cause racism. Bonacich argues that "ethnic antagonism" is largely a drive rooted in white labor's attempts to defend its high paid positions against competition from cheap, non-white labor, whereas Reich denies any economic interest of white workers in racism and instead places the cause of racism at the doorstep of capital. In my view, both have a hold of an important part of reality, but have overstated their respective cases. I also believe the "segmented labor" analysis, if subjected to certain important modifications, holds out prospects for clarifying not only the relationship of race and class, but the relationship of racism and capitalism in the U.S. in their present stages.

In what follows I will reconstruct the different theories and point out some of the main strengths and weaknesses of each.

EDNA BONACICH AND THE SPLIT LABOR MARKET

Edna Bonacich's "central hypothesis is that ethnic antagonism first germinates in a labor market split along ethnic lines." (1972, p.549) Her thesis is that white workers, which she identifies as a high paid labor group, are the primary generators of "ethnic antagonism" due to their vehement defense of their "class interests" against "lower paid ethnic minorities." (Bonacich, 1972, 1976, 1981)

Despite extensive elaboration of this thesis and a capturing of an important part of reality (i.e. an economic contradiction between higher paid white workers and lower paid minorities), the theory does not quite hold together, either theoretically or empirically.

According to Bonacich, "to be split, a labor market must contain at least two groups of workers whose price of labor differs for the same work, or would differ if they did the same work." (1972, p.516). Not all labor markets are split, and not all split labor markets are ethnically defined, but in the U.S. both conditions are said to hold true. "'Ethnic' rather than 'racial' antagonism was selected as the dependent variable because the former is seen to subsume the latter. Both terms refer to groups defined socially as sharing a common ancestry in which membership is therefore inherited or ascribed, whether or not members are currently physically or culturally distinctive." (1972, p. 548)

She argues that the differentiation in the price of labor commanded by different ethnic groups can be explained by the different resources and motives of the respective labor groups. By resources Bonacich refers to (1) accustomed standard of living derived from existence in separate economic systems, regions, or nations, (2) information (e.g. knowledge of the prevailing wage standards, labor laws, etc.), and (3) political resources (e.g. political organization and clout). By motives she refers specifically to the peculiar aims of temporary migrant or immigrant workers who are seen as only trying to make a buck to take back to their original homes.

> "In sum, the prejudices of business do not determine the price of labor. Rather, business tries to pay as little as possible for labor, regardless of ethnicity, and is held in check by the resources and motives of labor groups. Since these often vary by ethnicity, it is common to find ethnically split labor markets." (1972, p.553).

Thus, Bonacich considers the price of labor commanded by different ethnic groups to be objective attributes of the native circumstances of each group, rather than the result of the action of any group upon the other.

Leaving aside her subsumption of race into ethnicity and her dubious assertion that both are inherited (which, for example, leaves unexplained the racial categorization of the tens of millions of "racially-mixed", some into "blacks" and others into "whites"), this analysis lays a flawed foundation for the rest of her theory.

It ignores the central role of the capitalists in colonialism and neo-colonialism in the developing world, as well as their history of slavetrading and slavery, sharecropping, the robbery of Indian lands and setting up of Indian reservations, the ripping off of northern Mexico--all of which were key to setting their "price of labor" and determining their "resources". Moreover, Bonacich notes but passes over the fact that the capitalists hardly accept the wages demanded by minorities once they are here, but rather do their best to drive down their wages. Bonacich also ignores the fact that the capitalists have sometimes willingly made concessions to white workers in the privileged access to certain jobs, stability and higher wages, and that such privileges are not simply inherent in the birthright or the supposed potent political clout of white labor. In other words, it seems theoretically and empirically unjustified to hold the capitalists completely harmless for the distinction in wages between whites and blacks.

Having described the formation of the split labor market, Bonacich next turns to an explication of its dynamics. She identifies three "classes" with distinctive "class interests," as follows. The business "class aims at having as cheap and docile a labor force as possible to compete with other businesses," and recruits cheap labor and/or mechanizes to achieve this aim. Thus business is seen to have congruent interests with cheap labor and antagonistic interests vis a vis higher paid labor. White Higher Paid Labor (which, by the way, is said to include not only white workers but also independent white farmers, artisans or small businesspersons) attempt to maintain or extend their privileged status in the workforce by excluding or segregating (called "caste") the ethnic minorities into the worst and lowest paid jobs. As such, white higher paid labor find themselves in conflict with both business and cheap ethnic labor. Cheap ethnic labor, according to Bonacich, merely wants to work and in this is opposed by higher paid labor. Their supposedly congruent interests with business account for the fact that they are often used by capital for strikebreaking and wage undercutting. Thus "either they lack the resources to resist an offer or use of force by business, or they seek a quick return to another economic and social base." (1972, 554).

Polemicizing against the view that sees in the dynamics of the labor market a capitalist class dividing the workforce on racial lines and thereby exploiting and ruling all, Bonacich states:

> "What fits the evidence better is a picture of a capitalist class faced with (rather than creating) a labor market different in terms of bargaining power (or price). Capital turns toward the cheaper labor pool as a more desirable workforce, a choice consistent with the simple pursuit of higher profits. Higher price labor resists being displaced, and the racist structure they erect to protect themselves are antagonistic to the interest of capital." (1976, 44)

Thus, "ethnic antagonism is specifically produced by the competition that arises from a price difference" between white and minorities.

Bonacich is correct in identifying an economic basis for antagonism between that section of white workers that is highly paid and minorities. She also rightly shows that at times capital has shown a paternalistic interest in cheap black labor. But she has badly overstated her case and fallen prey to some of neo-classical economics' most cherished myths.

For example, she holds to a version of the view that capital's commitment to an inherently just and fair free marketplace would lead to the homogenization of the price of labor, and the end of the racism, or at least the racist wage differential: "Business, I would contend, rather than desiring to protect a segment of the working class supports a liberal or laissez fair idea that would permit all workers to compete freely in an open market. Such open competition would displace higher paid labor," and, by obvious extension, end racially oppressed labor as well. (1972, 557) From this point of view, the continuation of racism is laid solely at the doorstep of high paid (white) workers.

I dare say that if this were true, the capitalists have the strength to have eliminated racism ages ago and in that effort, would have been ably aided by racial minorities themselves. But such has not been the real history of this country and a theory that suggests otherwise must contain some serious deficiencies.

What Bonacich misses is that capital's need for cheap labor does not produce an anti-racist interest on their part, but the very opposite: a stubborn and powerful class interest in racism in order to produce and reproduce such cheap labor. To consider capitalists' interest in cheap, racially oppressed labor a congruence of interests between capital and minorities takes some tortuous reasoning indeed. At best it is an unwarranted generalization of capital's recruitment of cheap labor from other countries in the face of white labor opposition. But this view is even less relevant after the initial period of the recruitment of minority labor (e.g. from Africa, the South, Mexico, Indian reservations or wherever). Is it not, above all, the capitalists who not only initially produce the conditions that make minorities sell their labor cheap but who also ensure that it be cheap for generation after generation? This is not to say that certain groups of white workers have not had some role in this, but that the capitalist interest and role has been a much more powerful and determining force in this process.

Although Bonacich ridicules the notion that minority unemployment serves the interests of capital (1976, 35), such unemployment is key not only to keeping minority labor cheap, but to cheapening the labor of all workers through wage competition. Bonacich has built her entire theory around the notion that a cheap labor pool undermines higher paid groups, but she one-sidedly sees in this a material basis of white workers in racism in order to defend their wage distinction.

This view is one-sided because the aggregation of white workers into a uniform Higher Priced Labor group glaringly ignores the significant differentiation in wages commanded by different whites. This differentiation defies classification of all white workers into a Higher Priced Laborin Class with a common economic interest in defense of maintaining their high wages. Instead, there seems to be a basis for most white workers (who are by no means high paid) to decide to unite with minorities in a common fight against their common exploiter that could benefit all.

Although this has seldom happened in U.S. history, it is no excuse to be blind to the fact that racial antagonism in the working class primarily serves the interests of the capitalists. Nor is it an excuse to equate the relatively substantial privileges of a minority layer of exceptionally high paid white workers with the interests of all white workers. Racism cheapens labor as a whole (even if it may help create a layer of substantially privileged white workers), serves to keep labor divided and politically weakened.

In short, although Bonacich tends to use radical or even Marxist-sounding rhetoric--class, class struggle and contradiction--and seems to express a radical viewpoint, in fact she has developed a theory that is pro-capitalist and anti-white worker. To her, the white workers and their unions are the source of racism while capitalists and minorities share a common anti-racist interest. This view is based on the theoretical error of imputing an abstract commitment of capitalists to a free labor market that would promote equality among workers and of arguing that it is only white workers' racist distortion of the labor market that produces and reproduces racism. It is further prejudiced by an extremely narrow focus on the historical periods of initial recruitment of minority labor by U.S. industry (e.g. the Chinese in the late 19th century, blacks in the 1920s, etc.)

B. MICHAEL REICH'S "CLASS STRUGGLE" THEORY

Racial Inequality represents the culmination of more than a decade of study of this topic by Michael Reich, one of the founders of the Union of Radical Political Economists and among the most influential neo-Marxist economists in the United States. Although much of his earlier work centered on the development of the theory of labor segmentation (to be discussed later in this essay), this book largely ignores that theory and instead focuses on a critique of neo-classical economic theories of racism, and the elaboration of a "class struggle theory" of this problem. As he puts it, "I argue that a class conflict view of the economy, in which racial inequality works to divide and weaken workers and reduce their strength relative to capitalists, does accord not only with a logically coherent theory, but with historical and econometric evidence as well." (p.164)

Reich sets out to prove three main theses: (a) Racial inequality, far from disappearing as some conservatives have recently argued, is extremely persistent. This suggests its deep structural roots in U.S. capitalist society. (b) Neo-classical economic theories of racism are inadequate both theoretically and empirically while a class struggle theory is logically and empirically more accurate. (c) Most if not all white workers economically suffer from racism. Hence, an economic basis for working class unity against racism exists and is the key to the anti-racist struggle.

In my opinion, Reich makes a strong argument for each of these theses. However, while generally on the mark, both his "class struggle theory" and his view that white workers economically suffer from racism are overdrawn generalizations of a complex and contradictory reality. Let us take a closer look at each of these theses.

Reich's analysis of the data on racial inequality is extremely comprehensive, incisive, and powerful. Reich painstakingly disaggregates the data according to year, region, sex, industry, urban/rural, private v. public employment, family structure, secular v. cyclical trends, and other categories to present a vivid picture of "the persistence of racial inequality."

His main conclusion is that the relative gains of blacks have been paltry, and major gains have not taken place since the 1930s and 1940s. He further concludes that what gains have been made were almost entirely a result of a one-time structural change (namely the decline of agricultural South and black concentration in it) and cyclical economic factors (i.e. the ups and downs of the economy as a whole), as opposed to long term and steady secular gains across a number of fronts.

Reich's econometric studies show that the dramatic decline of blacks in agriculture (from 10% in 1949 to 2% in 1969) "accounts for the entire observed increase in the relative male median income ratio between 1949 and 1969." (Reich's emphasis, p.64) And he demonstrates that black gains took place almost exclusively in years of business cycle upswing. (p.33) Indeed, he calculates that a percentage decrease in black unemployment produces an improvement in the black/white earnings ratio of 4 to 10 times that produced by secular trends.

The only clear black gains have been the increased percentage of blacks in professional and managerial positions (from 2% in 1949 to 12% in 1969) and the improved relative earnings of black women to white women (.40 in 1950 to .92 in 1970). These few gains must themselves be significantly qualified by the fact that black managers and professionals are concentrated in the lowest paid sectors (2/3 of them earned less than $10,000 in 1970!) and black women work far more hours than their white counterparts. Moreover, these gains failed to significantly affect the overall picture due to offsetting factors, especially widespread unemployment and underemployment.

Reich demonstrates that urban blacks have made no relative gains. In the North and West their income fell from .71 to .69 that of whites from 1949 to 1969, while staying even at .56 in the South. His study of 49 private industries reveal a mediocre gain in relative income of .03 over the same time period, with 13 industries actually showing a decline in the black/white income ratio. These failures negated a modest improvement due to the increased access of blacks to government jobs where their income is significantly higher than in non-farm private employment (in 1969, $5493 v. $3901).

In short, Reich's analysis gloomily suggests that blacks have made no relative gains in private industry or urban areas, despite their ever increasing numbers and percentages in these areas.

Finally, Reich punctuates his analysis by proving that the numerous equalizing factors at work since WWII have been overwhelmed by the retrogressive forces. These equalizing factors include regional migration and urbanization of blacks, improvements in the quantity and quality of black schooling, changes in public opinion among whites, outlawing of legal segregation and increased government antidiscrimination efforts, greater public expenditures for programs that increase black incomes, increased antidiscrimination activity and organization among blacks, greater and more positive representation of blacks in the cultural arena, and an increase in black voting rates and in the number of black elected officials. "These changes ought to have exerted a significant upward effect on the relative incomes of nonwhite males and females." That they did not suggests the deep rooted structural character of racial inequality in the urban and industrial setting, and it is to his discussion of these that we now turn.

Reich begins by doing an admirable job of reconstruction and critique of the numerous (liberal as well as conservative) neo-classical economic theories of racism (Chapters 3 and 4, and part of 5), but his own alternative is unexpectedly paltry.

His main critique of the neo-classical economic theories centers on "the neoclassical assumption that competitive labor markets will clear through wage adjustments." (p.76) "The neoclassical paradigm focuses on the interactions of individual economic agents in markets and investigates the outcomes produced by market-clearing activity under alternative conditions of supply, demand, and degree of market competition." (p.75) Thus, from the neoclassical point of view, racism should be eliminated by the very workings of the capitalist labor market.

As Reich shows, and many neoclassicists themselves admit, this has simply not occurred. To account for the persistence of racism, various theories have been developed that attempt to maintain the neoclassical framework, but incorporate factors that have supposedly prevented labor market competition from eliminating racism. One by one, Reich enunciates and critiques as logically incoherent and/or empirically faulty the leading (liberal and conservative) neoclassical theories of racism: Becker's "psychic pain theory," Krueger and Thurow's "white monopolistic cartel model," Bergmann's "crowding model," Welch and Arrow's "discrimination as a relation among workers" thesis, and various "employment relation models" of discrimination. (pp.76-186, see my earlier bibliography for references to these theories.) He particularly chides them for failing to recognize that capitalists, not white workers, benefit from racism and that capitalist wage relations are themselves responsible for the production and reproduction of racism.

Half of chapter 5 is devoted to Reich's own theoretical analysis, and chapter 6 to an historical analysis based on his theory. The latter would take us to far afield, so we focus in on the theoretical analysis. Actually, Reich is at least as concerned to argue for (his institutionalist version) [See Cain, p.1226] of Marx's theory of exploitation as he is to develop an analysis of racism. (pp.186-203). His general point is that the "productivity of workers and their wage payments now become variables determined not solely by their skills and the complementary capital goods with which they work, but also by their bargaining power. Worker solidarity tends to retard productivity while advancing wage pressures on capitalists," in the workplace as well as influencing governmental determinants of the distribution of income. This, then, is the theoretical basis for his argument that racial inequality undermines worker solidarity thereby lowering the wages of both white and black workers and enhancing capitalist profits and political domination. "This theoretical analysis illuminates how racial inequality can divide workers and benefit capitalists in a capitalist economy." (p.202)

Thus, the heart of Reich's theory lies not in a distinct theory or analysis of racism per se, but in a combination of what he considers Marx's theory of capitalist exploitation and an extended econometric attempt to prove that racial inequality works to lower the wages of white workers. This latter is crucial to the central thesis of the book: that racial inequality is not in the economic interests of white workers and "that the economic basis exists for the creation of a broad interracial class alliance opposing racism in all of its forms." (p.12)

I am not statistically sophisticated enough to comprehensively judge Reich's assertion that "large capitalists and elite professionals are the only groups that lose income from advances in racial equality." (p.9, more generally, pp.109-159 and 268-305.) He seems convincing on the point that as black/white income inequality increases, income inequality among whites also increases; i.e. as blacks do worse relative to whites, wealthy white do better relative to poorer whites. However, this is not quite the same as his conclusion that "most white workers lose from racism and...rich whites benefit." (p. 158) It is quite possible for racism to raise the absolute level of many white incomes, with the greatest share accruing to the wealthy. In that case, racism would benefit many whites while also increasing income inequality among whites.

To the extent that racism keeps blacks at the economic bottom, the places above them are more available to whites. While I agree that racial competition in the labor market may tend to lower wages for many (especially higher paid) whites, one must ask what white wages would be were there no racism to begin with; i.e., it seems reasonably clear that they would not so disproportionately hold high wage jobs to begin with, nor would there labor participation and employment rates be so high. Thus, the conclusion that white workers experience a net loss from racism requires that the wage-lowering effects of racism offset the wage-raising effects among whites.

> According to Steven Shulman, a close colleague of Reich's: "The only evidence Reich provides which would directly support such an interpretation [that whites lose more than they gain from racism] is in a table (Table 7.6), where he shows that for men median white earnings go up as black/white relative earnings increase (between industries). But these figures refer only to persons currently (1970) in the labor force who were employed in the previous year, and hence do not include white income gains from their greater probability of being in the labor force and having held a job." (Shulman, 1985a, p.50)

Nonetheless, Reich's assessment is based on a thorough econometric analysis, and I would not so readily discount it. For example, he concludes that in 1970 "Wages and unionism were lower and profits were higher where racial inequality was greater" and he offers strong evidence that "racial inequality exacerbates white inequality because racial antagonisms reduce the redistributive nature of expenditures on local public services." (p. 269)

Yet even if one accepts his thesis that, taken as a whole, racism tends to lower the wages of almost all white workers, it still does not lead one to his central political conclusion that white workers have a virtually unalloyed economic interest in anti-racism. The picture is much more complicated. Almost all whites benefit in at least some material (not to speak of non-material) ways from racism, even if the overall balance sheet shows them losers. These short-run benefits to whites from racism may be less than the long run benefits from solidarity; but the former is a reality, while the latter is only a possibility. In addition, a large number of white workers, albeit a definite minority, may benefit overall. This minority of white workers, combined with the capitalists and other high paid professionals, technicians, managers or small businesspersons, together with the various relatively petty ways that almost all white workers benefit, has for most of U.S. history impelled the vast majority of white workers to at best show little enthusiasm for the struggle against racism, if not outright hostility to it.

To ignore these political and economic counteracting facts displays a blindness to important aspects of reality and imperils the relevance of theory to explain or predict political action. It may even lead to backward political conclusions. For example, Reich urges anti-racists to stay away from "particularistic issues" such as busing, affirmative action, etc. that may not benefit white workers in favor of fighting to increase the "economic pie" for all workers. (p.4)

It is true that "the economic pie that gets divided between black and white workers does not have a fixed size," and that working class unity could enhance it if other favorable circumstances exist. (p.312) But Reich forgets that forcing such concessions requires a host of favorable economic and social circumstances, not to speak of an incredibly powerful mass peoples' movement. And, at any given point in time the sum total of material and political resources are finite and a racial struggle and not just a class struggle tends to rage over how it will be divided up.

In short, while Reich's general finding may certainly help advance anti-racist work among white workers, by itself it is insufficient to overcome the substantial obstacles to advancing such work. It is unstable and opportunistic to base the struggle against racism on what will benefit white workers. While any practical political movement realizes that these must be kept in mind and utilized when possible and/or necessary, the center of attention must be what is democratic, fair and just, and in this it is the concerns and situation of minorities that must take centerstage.

THE URPE ECONOMISTS AND THE SEGMENTED LABOR MARKET

The great strength of the theory of segmented labor markets is its concern with theoretically and empirically explaining "persistent and important objective divisions among American workers" (xi) in the 20th century U.S. from a Marxist point of view. More specifically, it attempts to identify structural divisions in the labor market that divide workers into different segments and to explain how those structural divisions intersect with distinct racial (and sexual) oppression, thus perpetuating both to the benefit of capital.

The thesis, as of 1975,* consists of 4 main theses. First, that 19th century competitive capitalism tended to homogenize labor; i.e., to eliminate skill, occupational, working condition and wage distinctions within the working class. Second, that "between roughly 1890 and 1920, the American economy experienced a critical transition--from a more or less open, competitive...entrepreneurial capitalism to a more or less closed, oligopolistic, national- and international-market-oriented capitalism dominated by giant corporations" yet with competitive enterprises persisting. Third, that "a consequence of the dualistic industrial structure [i.e. oligopoly and competitive] was a corrollary dualism in labor markets" that reversed the homogenization of labor characteristic of the 19th century. Fourth, "the dualistic industrial and labor market structures have interacted with preexisting divisions by race and by sex to produce enduring divisions which are likewise rooted in objective economic structures." (xi-xii)

Points 3 and 4 will be our main concern here.

Edwards, et.al. argue that the advent of monopolies releases the big capitalists from short run competitive and profit maximization pressures, and turns their attention to capturing strategic long-run control over product and factor (including labor) markets in order to create and stabilize monopolistic control. Such aims were threatened by labor upsurges starting about 1870. In response to such challenges, as well as the tremendous growth in size of workforces and the new industrial technology, it is argued that the "employers turned to strategies designed to divide and conquer the work force" by stratifying rather than homogenizing workers' conditions.

First, the adoption of Taylorism and other Scientific Management techniques led to the bureaucratic form of the modern corporation with "a rigidly graded hierarchy of jobs and power by which `top-down' authority could be exercised." (xiii) This restructuring of the internal relations of the firm exacerbated labor market segmentation by creating "internal labor markets"; labor markets run exclusively under the control of the firm (or later, together with labor seniority programs) and including internal recruitment, training and a graded job ladder. At management discretion, many workers even within the firm, disproportionately minority, were excluded from access to the entire job ladder and held in entry level jobs.

A second source of labor market segmentation is seen to be the capitalists' attempt to manipulate and divide groups they faced in the external labor market. Examples of this include conscious attempts to exploit race, ethnic and sex antagonisms to undercut unionism and break strikes. In addition, employers favored conservative "business oriented craft unions" against newer "social oriented industrial unions. Later, they adopted "a relatively new divisive means [to allocate jobs and promotions], the use of educational `credentials'. For the first time, educational credentials were used to routinize skill requirements for jobs." Clearly, this supposed meritocracy usually works against racial and ethnic minorities.

Third, the division of firms into monopoly and competitive firms, itself accentuated labor market segmentation. The monopolies enjoy shelters from competition by dint of the tremendous capital required to enter; technological, market power and financial economies of scale; and generate higher rates of profit and growth than their smaller, labor-intensive competitive counterparts. Correspondingly, there developed a "dualism of working environments, wages and mobility patterns. Monopoly corporations, with more stable production and sales, developed job structures and internal relations reflecting that stability...In peripheral firms, where product demand was unstable, jobs tended to be marked by instability; therefore workers in the secondary labor market experienced higher turnover rates." (xv) The labor market characteristic of monopolies they call the "primary" segment of the labor market and that of competitive capital the "secondary" segment.

Moreover, the "independent" segment is divided into an "independent primary" sector and a "subordinate primary" segment. The former refers to many professional, managerial and technical jobs, the latter to semiskilled blue collar and white collar jobs.

Unfortunately, Edwards, et.al. do little to utilize the segmented labor market analysis to clarify the nature and dynamics of racism. Rather, they limit themselves to an empirical finding that, since WWII, "black employment began to be dominated increasingly by three kinds of jobs: (1) low-wage jobs in the secondary market, mainly in peripheral industries; (2) some jobs in the primary labor market, largely in the core industries into which blacks had already gained access before World War II; and (3) jobs in the rapidly expanding service sectors, most of them in the secondary labor market." (xvi)

In short, although they make a promising beginning, the labor market segmentation theory stops far short of a comprehensive analysis of racism, let alone of the relationship between race and class. For example, the labor segmentation theory could be used as a basis to understand the class structure of the black and other minority communities, the dialectic of contradiction and unity of interests between minority and white workers (or, more precisely, sectors of white workers and sectors of minority workers), the role of racism in the allocation of workers to different labor segments, the role of racism in the reproduction of such segmentation, etc.

That none of these questions are addressed suggests that these writers suffer an underlying ideological blinder, an economic determinist outlook that tends to reduce all social relations, or at least racism, to economics. They fail to delve into the dynamics of race relations in itself, and then, using the advances they have made, discuss the mutual interaction of race and class. (See Pettigrew, 1981)

In this sense Reich's Racial Inequality is consistent with the labor segmentation analysis. Both tend to limit their purview to economic questions and see racism as an adjunct to capital's attempt to divide and rule the working class. While partially true, such a view is too narrow to comprehend the full dynamics of racism, let alone the relationship of race and class. (For that matter, it terribly oversimplifies the dynamics of capitalism and the capital/labor relationship itself.) In particular, it does not confront the possibility that racism, as a distinct social relation, is not simply a passive instrument of capitalists to add to the profits of capitalists, but also is a dynamic shaping factor of the society and polity as a whole, of the class and political structure.**

Conclusion

Each of the theories discussed above make important contributions to an analysis of the relationship of race and class. Bonacich's focus on racial competition in the working class is absolutely essential, even though her Split Labor Market theory is extremely overdrawn. Reich's analysis of the persistence of racism, his critique of neoclassical theories, and his insistence that the capitalist class is the main beneficiary of racism are also central to an adequate theory of racism, and of the relationship of race and class. The theory of labor market segmentation holds out the unfulfilled possibility of providing a more sophisticated analysis both of capital's interest in racism and of the racial competition within the working class.

Length considerations prevent me from making extensive comments of my own on the issues at hand. However, my main concerns have already been expressed in the course of commentary on the various theories herein discussed. Perhaps my most general concern is that a distinctive theory of race relations not be foregone under cover of a discussion of race and class. Such an analysis by definition cannot and should not be limited to the economic realm, critical as that realm may be. In fact, an analysis of race and class requires an adequate theory of each in order to deal with their interconnection.

To this let me add two suggestive but necessarily brief comments specifically on the issue of race and class.

First, I submit that the most fruitful political economic framework for analyzing the relationship of race and class is Marx's theory of the accumulation of capital rather than limiting it, as Reich does, to his theory of exploitation. The accumulation of capital incorporates the theory of exploitation, but places it in the context of the economic functioning of the whole society and its historical development, rather than limiting it to the capitalist factory. In other words, the theory of capital accumulation would force one to grapple with racism in the coming into being, historical development and stages, and eventual demise of U.S. capitalism, rather than simply the issue of profit making. It would allow the possibility that racism was a dynamic force in the very shaping of classes and the class struggle in this country since its origins, and to specify how this is so or not in different historical periods.

Second, in consideration of the role of racism in U.S. capitalism in the twentieth century, and especially since WWII, I submit that V.I. Lenin's theory of imperialism and especially of the stratification of the working class under imperialism is crucial. In a nutshell, he shows how the monopolies secure tremendous superprofits due to their preeminent role in the national as well as international markets (including the exploitation of the Third World). A part of these superprofits is, in turn, used to split the national working class by the creation of an exceptionally privileged (high paid, stable, politically enfranchised) "labor aristocracy" that can then be counted on for political and ideological loyalty to imperialism. The imperialists force the working masses of the underdeveloped countries, and a lower strata within their own countries to bear the brunt of under- and unemployment endemic to capitalism.

The racialization of this phenomenon may have great explanatory power for the persistence of racism internal to the U.S. working class. This is all the more true since it was precisely at and just after WWII that the U.S. became the overwhelming dominant world power, that a combination of coercion and bribery was used to break up the formerly progressive bloc in the trade union movement, and that blacks entered en masse into the U.S. urban working class, clearly in this lower strata.

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* Over the last 15 years, Richard Edwards, Michael Reich, and David Gordon have published an extensive literature on their collectively generated theory of segmented labor markets. (See, for example, Edwards 1979, Edwards, Reich and Gordon 1973, Gordon, Edwards and Reich 1982. In this essay I have limited myself to their Labor Market Segmentation (1973).

** As a matter of fact, it has been left to other writers to begin to fulfill some of the promise in the labor market segmentation theory. Harold Baron and Steven Shulman in particular have done some interesting work along these lines, both explicitly incorporating labor segmentation into their analysis. (Baron 1971, 1973, 1985 and Shulman 1981 and 1984.) In addition, the more recent version of labor market segmentation theory, contained in Reich, Edwards and Gordon's The Segmentation of Labor in U.S. Capitalism (1981), while more comprehensive than any previous version, still tends to leave racism out of the picture. In fact, it even undermines some of its previous theoretical and empirical strengths by unhinging the segmentation of labor from the monopoly vs. competitive capital dichotomy, and linking it instead to a categorization of the relative control of various segments of labor over the labor process.

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