



Patrick L. Mason: *The Economics of Structural Racism: Stratification Economics and US Labor Markets*

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In *The Economics of Structural Racism*, Patrick Mason states, “Exclusion is a central quality of Black life in the US political economy” (p. 337). What Mason does in this book is show that economists must take this exclusion seriously as African and eventually African American labor have always been at the center of the economy of the country now called the United States. We cannot properly understand the US economy without examining the role of Black labor, and Mason pulls together hundreds of sources and his own careful analysis of current and historical data to bring into focus the underlying racial structure of this economy.

The book is built upon Mason’s over three decades of teaching and research on African Americans in the US Political Economy. The fact that the book was drawn from his teaching notes is reflected in the care with which it is constructed and its accessible nature. The overall arguments in the book begin even in the very detailed table of contents and move forward from there. Each chapter contains a summary discussion, and the chapters are organized into five overarching parts: Part I — Foundations, Part II — African American Educational Progress and Transformation in Family Structure, 1965 – Present, Part III — African American Income and Wealth, 1965 – Present, Part IV — Structural Racism, 1965 – Present, Part V — Restatement and Discussion.

As its title suggests, Part I builds the foundation for the rest of the book. Here, Mason carefully traces the history

of the central role of race in the US economy as he covers chattel capitalism (1619 to 1865), servitude capitalism (1865 to 1965), and racialized managerial capitalism (1933 to present). While chattel capitalism represents the longest running of these three systems, Mason spends less time explaining it because it is presumably clear how race was at the center of an economy where Whites treated Africans as economic inputs whose productivity was to be maximized. Mason goes into much more detail on the latter two types of capitalism.

Servitude capitalism and its supporting Jim Crow laws took root after the failure of post-Civil War Reconstruction to secure the progress made towards a multi-racial democracy that was beginning to emerge in parts of the South. During the core years from 1877 to 1941, “Whites used state-tolerated and state-sponsored violence and the criminal legal system to keep African Americans in the South and in agricultural and extractive production” (p. 63). Mason discusses how lynching, convict leasing, debt peonage, chain gangs, and sharecropping kept African Americans entwined in cycles of violence and debt and prevented nearly all upward mobility.

The shapes of chattel capitalism and servitude capitalism will be familiar to most students of American history; however, to the non-specialists, the idea of racialized managerial capitalism may be new and even controversial. However, the detail with which Mason defines the system and the mound of evidence that he presents, which is at the very least observationally consistent with its existence, will engage economists with a wide range of prior beliefs. For Mason, racialized managerial capitalism is characterized by the centuries-long historical racial disparity in wealth, “along with substantive White control of managerial financial, informational, and decision making resources.” The wealth disparity is reproduced as largely White managers “use their discretion to distribute resources across racial

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groups differentially” (p. 12). Mason has been engaged in this area for some time and answers many of the questions this kind of statement might raise for economists. What is clear in reading *The Economics of Structural Racism* is that if we believe Mason’s contention that “Chattel and servitude capitalism were social systems designed to transfer wealth from persons of African descent to persons of European descent” (p. 40), then acknowledging the existence of race as an organizing logic of our current system flows logically. It seems highly unlikely that a set of institutions for which race is so foundational would evolve into a meritocracy in such a short period.

The book’s continuity is provided by the slow-moving nature of institutional change and Mason’s use of stratification economics rather than an individualist approach to understand how the US economy is organized. An individualist approach to the economy “is supported by a largely Libertarian frame: competition creates a level playing field, persons with identical skills and market-functional values and behaviors will receive identical treatment in the market” (p. 3). In this model, groups obtain better economic outcomes because they are “are endowed with higher-quality market functional values, behaviors, and culture” (p.3). On the other hand, “Stratification economics takes the idea that people with identical skills and market-functional behaviors will not necessarily receive identical treatment in the labor market seriously” (p. 4). Competition doesn’t compete away racial inequality. Instead, the “pursuit of profit creates differentiation and inequality” (p. 4). In this same vein, Mason is careful to note throughout the book that major progress towards African American economic equality, especially after the end of slavery and Jim Crow, came because of public policy interventions and even war rather than racial disparity being competed away in the market.

That progress towards economic equality has come through policy interventions rather than market competition is one of a number of key themes that Mason develops in Part I. In keeping with the clear organizational structure of the book, the themes are pulled together and succinctly summarized. In the remainder of the book, these themes are applied to African American educational progress, changes in family structure, income and wealth inequality, employment disparities, and cultural diversity. Mason’s own examination of data and thorough literature reviews solidify the themes developed in Part I and illustrate the present impact of structural racism on African Americans and other marginalized communities. In doing so, Mason creates significant value even for readers familiar with these topics. Mason provides context to what most had read as isolated studies. Economists often try to answer a very specific question. Mason connects the dots across many individual studies to provide a unifying framework with which to view both previous and future studies.

A significant chapter in this book is “Transformations in Family Structure.” From an individualist perspective, many of the economic challenges facing African Americans have been caused by the decline in two-parent African American households. Female-headed households are seen as “dysfunctional.” “The stratification perspective argues that it is important to distinguish between family structure, family functioning, and family resources” (p. 140). Mason pulls together multiple strands of literature to show how the economic marginalization of African American males strains their roles as traditional providers for the family. Economic marginalization impacts the number of African American men who are available for marriage and thus also affects families, women, and children. This strain “provides important causal explanations for the disproportionate decline of marriage among African Americans” (160).

The Economics of Structural Racism is valuable not only because of the insight it provides into the workings of the US economy but also because it pushes back against long-held stereotypes about African American “dysfunction” that have guided policymakers, often into inaction. One of the most striking sets of graphs presented by Mason, Figs. 9.1 and 9.2, show that despite strong African American gains in education, the wage gap between Black and White workers, both male and female, has been stubbornly persistent over recent decades. “For the 43 years from 1976 to 2019, the White male wage advantage did not decrease (and, at times, grew substantially) while the White male education advantage continuously declined” (p. 250). Mason reviews stereotypes of African Americans as anti-intellectual while showing with data that African Americans as a group have increased their educational attainment despite, at times, the lack of individual incentives to do so.

While sections of the book will be gut-wrenching for those who have experienced or care deeply about these issues, it is not one of despair. Overall, Mason provides many examples of what Author and MacArthur Fellow Kiese Laymon describes as “Black Abundance.” With the data and research that Mason presents, it eventually becomes clear that the story of African Americans is one of survival and accomplishment despite institutional structures that were built to keep them, often violently, at the bottom of the economic and social order. Mason emphasizes the significant assets African Americans were able to accumulate in the decades after emancipation. He quotes Monroe Work, who compares that accumulation of wealth to that of newly freed Russian serfs. “No other emancipated people” made as much progress as African Americans “in so short a time” (p. 72).

The Economics of Structural Racism is a book that should be read widely, even by economists specializing in general issues in the US economy. Even for those who take a more individualist approach, the facts and arguments laid out by

Mason must be engaged for any informed understanding of many aspects of the United States. For those familiar with this literature, Mason provides a wealth of data, statistics, and analysis of previous work in this area. While the focus on African Americans guides the book, there is ample data on gender and Latinx communities and an in-depth look at immigration and African American communities. Mason also places current headline issues like mass incarceration and police violence into historical and economic contexts.

The book provides a template for mapping the position of other marginalized groups in the US economy, and its focus on stratification economics can help a wide range of people see their own abundance.

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