

Pursuing a Human Rights Economy

DARRICK
HAMILTON
The New School

There is no better place to critically examine economics, authoritarianism, and democracy than The New School. In our history, we began essentially as an anti-fascist university. We have always combated economic oppression and pioneered new ways of understanding the economy and its social impacts and inequalities. And in our next iteration, I think we are ready and poised to understand politics and economics through identity group stratification – the ways we separate and divide people based on cursory identities and use those identities to distribute both economic and political power in a weaponized way.

So let me begin: the structures of our political economy go well beyond class and individual bigotry. As a matter of course, race and social identity in general are weaponized and linked to economic processes and outcomes. They are strategically used to generate hierarchy and propel systems of poverty, stratification, and persistent inequality, both within and across nation states.

It is naive not to recognize that essentially every policy and every structure in the US and the entire globe is racialized, and the impact of that racialization is by no means limited to Black people. Ignorance of

both past and existing racial hierarchy under the guise of forward-looking race neutrality is what the sociologist Eduardo Bonilla-Silva accurately labels as “colorblind racism”. Racism, sexism, and other “-isms” are not simply irrational prejudices, but long-standing leverage points and strategic mechanisms used for exploitation and extraction that have benefited some at the expense of others.

The framing of my discipline of economics as a science itself implies a purity devoid of politics, power, and tribalism, even though we constantly see those factors across space and throughout time and human history. Economic orthodoxy is based on a dogma: a faith that markets somehow are natural, transparent, efficient, non-discriminatory, and inevitable. This belief does not give enough credence to the political actions that form and codify markets in the first place.

The baseline concept of individuals or nation states as price takers does not adequately take into account power and capital, especially when we think about the inequities linked to identity group stratification, or international stratification across nations. As inequality continues to grow both within and across nations, we must move beyond the neoliberal framing that centers markets, personal responsibilities, and individual choices as the fair and just mechanisms of value and distribution. That framing lacks an adequate understanding of resource endowments, power, and distribution, and conveniently ignores the historical evolutions of how those distributions came to be in the first place.

Instead, we must move towards a new, more moral and fair political economy grounded in human rights and shared prosperity. That's why at the Institute on Race, Power and Political Economy, we are advancing the concept of inclusive economic rights: the promotion of human rights economies where economic rights become the cornerstone investment in our future and a necessary and inseparable component of human rights.¹

It is important to understand the historical context in which the human rights framework emerged, in the wake of World War II and the dismantling of the fascist Nazi regime. In 1948, the United Nations General Assembly issued the landmark Universal Declaration of Human Rights,

¹ The Institute on Race, Power and Political Economy at The New School, of which I am the founding director, was inaugurated in 2020.

in which human rights were recognized as universal and related to the human dignity of people and of nation states, with governments having the responsibility to deliver them.

The Universal Declaration introduced five basic categories of human rights: civil, political, social, cultural, and economic. We have forgotten that fifth one: economic. Although we have never fully extended these rights to all people, particularly those that are racially stigmatized, and those living in the Global South, there's nothing new or radical about an economic rights framework. An updated 21st-century iteration of economic rights would learn from the past about the failures of exclusion and unequal power. It would emphasize that the design, implementation, and management of economic rights need to be intentionally inclusive of all socio-identity groups and all nation states, particularly those that are most marginalized.

We think about wealth and resources as economic outcomes, but their true essence is a function of how they determine people's opportunities and economic and social positions, outcomes, and futures. For example, when we look at wealth disparity, mainstream economics blames it on poor individual financial choices and decision-making on the part of the borrowers of financial products. That framing is wrong – and so is the directional emphasis.

Wealth disparities instead are grounded in unequal and meager economic circumstances; they are not due to individual decision-making or deficient knowledge that constrains available choices. Disparities reflect how poor borrowers and poor nations have few financial options and are driven to obtain and use predatory financial services. As households and nation states with few assets and low incomes, they are compelled to turn to high cost, unconventional, alternative financial service products. They are generally aware that these products are predatory, but they do not have alternatives. These last resort debt traps result in indentured borrowers having to pay higher and higher interest rates, until they ultimately default on the original principal they borrowed, further depriving them of access to future credit. So, as we move away from more strict and obvious forms of oppression and exploitation, this use of finance is another way in which we indenture our nations and individuals.

Existing distribution of financial products is based on racialized, exploited, and extractive histories, so a rebalance of power with public intervention is necessary. The rhetorical illusion and elegance around words like “freedom” and “choice” obscures the narrow and specific notion of rights: not the economic rights of people, but the economic rights of property. This rhetoric ignores the immoral practices by which that property came to be distributed in the first place and the ongoing inequalities that maldistribution continues to perpetuate.

So, the neoliberal framing of our political economy naturalizes poverty and inequality by deeming it the result of unproductive or deficient behavior – that is, subpar outcomes are seen as resulting from personal choices by individuals, communities, or heads of states. That is the rationale for austerity policies. If behavioral modification, particularly with regard to human capital investments, is the central issue, why should we fund government and international agencies and programs? In the neoliberal framework, those efforts would at best misallocate resources to irresponsible individuals or nation states, and at worst create dependencies that further fuel that irresponsible behavior.

An inclusive economic rights frame turns all of this on its head by locating poverty and inequality as resulting from an absence of resources. Poverty and inequality are not rooted in bad individual choices and behavior, but instead come from policy choices that deny people the resources they need to live meaningful lives. One correction is for governments to end poverty directly by placing resources in the hands of people as a right.

Without resources, individuals are largely restricted from benefiting from economic markets, and instead are either at the mercy of charity or vulnerable to exploitative agents with resources in those markets. But in a human rights economy, governments have the fiduciary responsibility to provide the enabling goods and services that are critical for self-determination and people’s productive capacities. Without these goods and services, individuals have limited agency to reap the rewards of their efforts or ingenuity. Our economic system is couched myopically in the value of self-interested accumulation, which leaves us vulnerable to greed and exploitation. Growth without human rights has become our explicit expression of economic well-being, but growth in isolation from economic

rights fails to adequately capture the multiple dimensions of prosperity, including the full growth of human capabilities, morality, sustainability, and people's civic engagement.

We need measures of economic well-being and economic and international policies that center people and their living and natural environments as well as industrial policies that center people in the places they live. Without such a potent policy apparatus to provide pathways of economic security and self-determination for all people, white supremacy and the despotic political appeal for divisive and fascist leadership will remain, even in the face of overall economic growth. Governments have the fiduciary responsibility to reinvest in their most treasured resources: their people.

