

WHAT COS




RACISM HITS US ALL



Addressing systemic racism is a moral imperative;
it can also make economies stronger

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George Floyd. Breonna Taylor. Ahmaud Arbery. Three Black Americans killed in acts that reminded the world that systemic racism is still very real in the United States. The early summer protests that followed, though sparked by those deaths, were manifestations of deeper anger and despair at the racism that has plagued the country since its founding.

As protests spread worldwide, many began to shift focus from solidarity with Black Americans to racial injustice within their own countries. Adama Traoré. João Pedro Matos Pinto. David Dungay, Jr. Different names from different countries, but still victims whose deaths have forced reexamination of the global presence of systemic racism and sent demonstrators into the streets to demand better.

Demanding an end to racism, and a remedy for its legacy, is not just morally correct but a boost to economic development. Continuing to deny the existence of racism, and refusing to confront it, will lead to a less vibrant, less cohesive, less prosperous world.

Birth of a nation



A multiracial nation since its independence, the United States has struggled to overcome what many refer to as its “original sin”—slavery—and the de jure and de facto racial discrimination that followed its abolition. Systemic racism continues to burden the United States, and Black Americans have borne the brunt of its legacy.

Racism in local American police departments is a deep-seated problem. According to analysis by the *Washington Post* and the *Guardian*, Black Americans are twice as likely as whites to be killed by police while unarmed. Although this is one of the most widely known forms of systemic racism, the problem runs much deeper.

For example, racism is rampant in medicine—in 2016, the US National Academy of Sciences found that 29 percent of white first-year American medical students thought



that Black people’s blood coagulates more quickly than white people’s, and 21 percent believed that Black people have stronger immune systems. Such misunderstanding often leads to inadequate preventive care and inferior treatment, resulting in worse health outcomes for Blacks than whites across the board. One study published by the American Heart Association found that racist medical notions contributed to Black women in America being a third more likely to die of heart disease than white women.

Racism has restrained Black economic progress for decades. The benefits of the post–World War II GI Bill, which fueled the growth of the American middle class, were largely denied to Black people at the insistence of white members of Congress from the South desperate to enforce racial segregation—war heroes or not. “Redlining,” a Federal Housing Administration policy that refused to insure mortgages in Black neighborhoods, shut Black Americans out of one of the most common avenues for accumulating wealth, home ownership. These factors have all played a role in a persistent Black-white wealth gap. According to a 2019 McKinsey report, median Black families have 10 times less wealth than median white families.

Liberté, égalité, fraternité—pour qui?

Many other countries, such as France, experience similarly entrenched racism, even though that country’s national mythology purports it to be a steadfastly color-blind society. The government refuses to compile statistics on faith, ethnicity, or skin color in its census. This universalist outlook masks modern-day racism resulting from historical atrocities. As is true of many countries in Europe, France’s role in perpetuating colonial race-based slavery in the Americas is often misunderstood, leading to a belief that racism is a new-world, not an old-world, problem.

As Maboula Soumahoro, a specialist in African diaspora studies at the University of Tours, told France 24, “Because slavery was illegal on the mainland, people in France have the impression that this hyper-racialized history that is characteristic of the modern world only concerns the Americas,” adding that “France is not blind to racism. France *thinks* it’s blind to racism.” This refusal to see race, and the official policy that derives from it, leaves the country unprepared to address systemic racism.

Policing in France may be less lethal than in the United States, but violence and discrimination are

targeted far more toward racial minorities than toward French people who are white. Young men perceived as Black or Arab are 20 times more likely to face identity checks. Twenty percent of young Black or Arab French people reported being the victim of brutality in their most recent police interaction—well above the 8 percent of their white counterparts.

As in the United States, however, this systemic racism extends far beyond treatment by police. In a country where religion is often strongly correlated with race, men perceived to be Muslim by employers are up to four times less likely to get a job interview than candidates seen as Christian, according to the think tank Institut Moutaigne (Valfort 2015). A 2018 study by the University of Paris-Est Créteil found that job applicants with Arab-sounding names got 25 percent fewer responses than those with French-sounding names.

Racial—or racist—democracy?

Brazil’s views on racism are also deeply rooted in its national self-image. For many, the country is viewed as a “racial democracy”—which stems from the belief that Brazil transitioned directly from the 1888 abolition of slavery (the last country in the Western Hemisphere to do so) to participatory, multiracial democracy, avoiding the discrimination enshrined in law in countries like the United States and South Africa. In the minds of many Brazilians, racism and discrimination don’t exist in Brazil—after all, Brazil never passed laws like Jim Crow segregation or apartheid, so how could it be truly racist?

Yet in a country where people of partial or full African descent are in the majority, Blacks in Brazil lag far behind whites in major quality of life indicators. Black Brazilians fare far worse in educational attainment. For example, in 2012 fewer than 13 percent of Afro-Brazilians over the age of 16 had received postsecondary education, 15 points lower than whites (Pereira 2016).

Some would ascribe this to class differences, not race; however, one study found that among sets of Brazilian twins in the same household where one was labeled white and the other nonwhite, the nonwhite twin was at a distinct disadvantage in educational attainment, particularly if the twin was male (Marteleto and Dondero 2016).

Black Brazilians also bear the brunt of violence at the hands of law enforcement. In 2018, the police

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killed 6,220 people in Brazil, and despite representing about half of the national population, 75 percent of those killed were Black (Sakamoto 2019).

These systemic factors have widespread socio-economic consequences. A study by the Brazilian Institute of Geography and Statistics found in 2019 that the average income for white workers was 74 percent higher than for Black and brown workers—a gap that has remained stable for years. Even with the same level of education, Afro-Brazilian men made only 70 percent of comparable white men's income, and Afro-Brazilian women only 41 percent.

Economic costs

Systemic racism is a global problem. It is real, and there is a robust moral argument for addressing it. However, one factor that is often ignored in this critical conversation is the broader economic dimension. Because it prevents people from making the most of their economic potential, systemic racism carries significant economic costs. A less racist society can be an economically stronger one.

For instance, the wealth gap between American whites and Blacks is projected to cost the US economy between \$1 trillion and \$1.5 trillion in lost consumption and investment between 2019 and 2028. This translates to a projected GDP penalty of 4 to 6 percent in 2028 (Noel and others 2019).

Or think of France, where GDP could jump 1.5 percent over the next 20 years—an economic bonus of \$3.6 billion—by reducing racial gaps in access to employment, work hours, and education (Bon-Maury and others 2016). Witness also Brazil, which is losing out on vast sums of potential consumption and investment because of its marginalized communities.

A worldwide scourge

Of course, these three countries are not the only ones to experience racism, its deleterious social and economic effects, and the need for broader acknowledgment of its existence.

For instance, in a poll of Australians taken in the wake of the George Floyd protests, 78 percent

of respondents said that US authorities have been unwilling to address racism. Only 30 percent believed there was institutional racism in Australian police forces. This view conflicts with both the lived experience of indigenous Australians in particular and with the A\$44.9 billion the Alfred Deakin Institute believes racism cost Australia between 2001 and 2011.

Meanwhile, various racist incidents in China against African immigrants jeopardize the lucrative Sino-African trade and investment relationship. According to Yaqiu Wang, a researcher at Human Rights Watch, this is another case of discrimination denial, “where Chinese authorities claim ‘zero tolerance’ for discrimination, but what they are doing to Africans in Guangzhou is a textbook case of just that.”

Countries should not try to address racism simply because it will help their economic development. It is a debt owed to their own citizens. However, the world should understand that commitment to respecting human rights and racial equity shouldn't be a passive statement of values. It should be a call to action, backed by active measures to acknowledge, understand, measure, and eradicate systemic racism. The world is at an inflection point, and it is up to our policymakers to meet the moment. If not, racism will continue to cost us all. **FD**

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