Insofar as mainstream economics claims its research has scientific objectivity, it ignores “its role in constructing and normalising gendered and racial inequalities of power” (Hewitson, 2013, 93). This is the case for stratification economics as it continues the historical tendency of employing gender and race as convenient group identification features for stratifying economic inequalities (Arestis et al., 2014), which are frequently presented as fixed and stable identities. This essay challenges the assumption that identities are fixed and stable by employing a postcolonial lens as it traces the colonial entrenchment of gendered and racial binaries in the economic development of Australia.

The essay starts by outlining the key tenets of both stratification economics and postcolonialism. This is then followed by an overview of how the imposition of policies such as the nuclear family model on Aborigines anchored dualistic modes of thought into the economic organisation of their society. The impact of this can be seen with the Aboriginal sex and gender diverse people who have almost entirely been excluded in academic research because they do not satisfy the gender binary (Kerry, 2017). They further demonstrate the need for stratification economics to adopt an intersectional approach in order to account for the multiple interacting identities individuals have. Finally, the essay supplements stratification economics with identity economics to demonstrate the fluidity of individuals’ multiple identities as one may cease to identify with a stigmatised categorial social identity (Davis, 2015). It thus concludes that the gender and race binaries frequently employed in stratification economics carry an implicit colonialist ontology, causing the reproduction of these social phenomena.

Stratification Economics

Stratification economics draws on the identification individuals have with social groups to explain how their behaviour reflects the interests of their social groups, leading individuals to be representative agents for them (Ibid.). This social ontological approach therefore considers social identity to be constitutive of social conflict because the pro-own-group and anti-other-group practices of representative agents results in intergroup conflict and competition (Ibid.). This becomes the basis of social economic hierarchies in the form of income and wealth differences (Darity, 2005). This is because social categories uphold prejudicial systems which maintains the advantaged position of dominant social groups relative to subordinated social groups (Blumer, 1958). While this analysis is compelling when individuals identify with a singular homogenous group and where polarisation is high among social groups, it does not acknowledge that individuals often identify with multiple social groups and that this identification is not fixed (Davis, 2015). Furthermore, these categorical social identities are constructed by economists who are located far away from the individuals to whom they ascribe these identities; individuals who themselves may not identify with these categorical social identities (Samuels, 1964A). Subsequently, these data collection and categorisation processes can become a means to exercise social control (Ibid.). While this essay critiques stratification economics for these shortcomings, it does not imply that the immense body of work in this subfield is homogenous.

Postcolonialism

Applied to economics, postcolonialism uncovers the foundations of contemporary economics in a racially specific context of colonial expansion in the 19th century. According to postcolonialism, this bedrock is constituted by
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Enlightenment ideas of progress and rationality which posits the natural endpoint of human progress to be Western modernisation (Hewitson, 2013). Hence, the insistence on a universal application of this modernist knowledge in economics “was intimately bound up with the historical constitution of ‘whiteness’ and its racial Others” (Ibid., 92). In contrast, the postcolonial approach opposes decontextualised universalistic theoretical exercises by grounding them in their historical and social setting and unveiling the constructions of gender, race, class, and ethnicity which constitute them (Kayatekin, 2009). Postcolonialism invites economists to reflect on the fact that they write from sites of power and that even when they speak on the behalf of silenced subjects, they can be complicit in dominant relations of power (Ibid.). Among their ultimate objectives is to enable societies who are theorised by economists to be ‘underdeveloped’ to “equally participate in the global construction of meaning”, economic being and becoming in the hope that their insights may allow for different economic relations to emerge (Zein-Elabdin, 2009, 1154).

The Aboriginal Experience

Through the lens of the Aboriginal experience of colonisation, modern Economics’ understanding of human progress can be seen to be constituted by the same notion of racial hierarchy that came to justify the economic enslavement of Australia’s natives (Hewitson, 2013). The nuclear family ideal exemplifies the way that contemporary theories of gender and race were built into Economics as it embodied the racial progress of Europeans and their economic development (Ibid.) This patriarchal model was used as an instrument for determining the economic productivity of citizens and by the mid-nineteenth century it became the hallmark of Australian civilisation (Davidoff and Hall, 2003). Indeed, Captain James Cook proclaimed in 1770 that the British acquisition of Aboriginal land illustrated in part the latter’s failure to create nuclear family homes (Hewitson, 2013). In contrast to the male breadwinner model, Aborigines treated the whole group as members of their family and did not distinguish them from their blood parents (Broome, 1994). This aspect of Aboriginal culture was suppressed as the male breadwinner ideal underpinned the Commonwealth’s wage fixation system (Hewitson, 2013), showing the role that colonial economics played in the exclusion of unfamiliar social practices and subjectivities (Charusheela and Zein-Elabdin, 2003).

To qualify for male breadwinner wages, Aboriginal men had to acquire Australian citizenship by proving they could integrate in the Western economic system, which could be revoked at any time should they not be considered as upholding the values and lifestyle of white Australia or if they did not maintain continuous employment (Hewitson, 2013). This required Aboriginal men to restructure their family dwelling from being made up of multiple generations of family who had extensive obligations and responsibilities, to a unit limited to parents and children; effectively preventing the flow of knowledge and culture between extended kin (Edmonds, 2007).

Similarly, some Aboriginal men were told that they would not be entitled to European housing if they did not uphold European morals of monogamy (Mitchell, 2007). This policy was underpinned by an ideology of men’s economic and social role of having authority over the women and children in their family, which was associated with an increase in private property and the decrease in women’s public labour (Ibid.). In turn, Aboriginal dispossession was justified in part on the ground that indigenous promiscuity showed that Aborigines lacked property sense (Ibid.).

As for Aboriginal women who conformed to the nuclear model, they were only recipient of government payments if they assimilated to white Australian life (Hewitson, 2013). To ensure they lived in housing far from their extended family, lived a non-nomadic lifestyle and adopted European hygiene standards and household customs, Aboriginal women were under surveillance by Commonwealth welfare system agents and State Protectors (Ibid.). They were further obligated to attend training clinics and watch films which taught them how to be model Australian mothers and wives (Ibid.).

These policies reflect an economic stratification of societies organised according to gender, sex, race, heterosexual and monogamous dualisms whereby subverting these European norms resulted in being treated as a ‘savage’ and ‘primitive’ Other. The legacy of this imperialistic tendency can be identified in modern stratification economics as it presupposes the coherence of binary gender and racial categories.

Sex and Gender Diverse Aborigines
The transformative effect colonisation had on Aboriginal relationships can further be seen in the rejection of trans Aborigines by their own community. While it is commonly assumed that there were no trans and queer Aborigines in traditional cultures, this misunderstanding is the result of their absence in historical records (Kerry, 2017), “reinforce[ing] a heterocentric reading of Aboriginal cultures” (Baylis, 2015, 1). Through oral histories and the recollections of existing individuals of older generations, we know that there were and still are trans Aborigines (Kerry, 2017). The lack of documentation on this group can further be attributed to the shift in Aboriginal social and sexual constructs that colonisation induced. The pre-colonisation stance was one of non-identity where homosexual relationships were integral to community life (Hodge, 1993). This attitude changed to derision of homosexual relationships during colonisation, and eventually to the emergence of lesbian and gay identities post-colonisation as a form of rebellion against imperial heteronormativity (Ibid.), which paradoxically resulted in further stratification of sex and gender diverse individuals.

Present-day attempts to fill this gap in our knowledge has been limited by the fact that research rarely accounts for gender and sex diverse identities in samples, as shown by the response Pitt et al. received that participants felt alienated by the forced choice of a male or female gender, leading some to declare that they could not participate (2006). Such findings illustrate the inappropriateness of the use of the gender binary in stratification economics. Where research has successfully been conducted on the gender and sex diverse Aboriginal community, it has been found that trans individuals suffer doubly from racism from white Australians and transphobia from their traditional communities (Kerry, 2017). This is mirrored in the general trend that transgender Australians suffer from significantly lower full-time employment than cisgender individuals, among other economic disadvantages (Leonard et al., 2012). These instances of stigmatisation against multiple identities indicates the limitation of stratification economics to account for the compounding effect of identifying with multiple groups, which will be explored in more detail in the next section.

Intersectionality and Fluidity of Identities

Contrary to stratification economics, intersectionality implies that individuals have heterogenous memberships to social groups and that as a result of their identification with multiple groups, individuals can become anti-own group, resulting in intragroup and intergroup conflict (Davis, 2015). In the face of prejudice and stigmatisation, some experience an identity threat beyond their ability to cope and will react by developing anti-own group sentiments, while others react by intensifying their identification for the devalued social identity (Ibid.). They are most likely to distance themselves from the stigmatised identity rather than embrace it when boundaries between social groups appear to be permeable (Ellermers et al., 1990). This perception of social group mobility is affected by how opportunities are framed in terms of scarcity: where an opportunity for mobility is made temporarily available to a member of a devalued social group, the stigmatised individual may see themselves as the exception and distance themselves from their stigmatised social group (Davis, 2015).

Moreover, the possibility for intragroup conflict alongside existing intergroup conflict increases when individuals have multiple social identities stigmatised simultaneously (Ibid.). In the Aboriginal context, the stigmatisation of a single identity on the basis of race can be seen in the way that “Aboriginal men’s wages were 10%-20% of the minimum wage for white male unskilled workers”, whereas the female Aborigines were doubly stigmatised on the basis of both their sex and their race, receiving “25%-50% of the male Aboriginal wage” on the rare occasions that they were paid at all (Hewitson, 2013, 105). Conformity to European lifestyle can be seen as Aborigines distancing themselves from their traditional culture to take advantage of economic opportunities. These cases are not adequately accounted for by stratification economics because it “maintain[s] the standard economics assumption that each individual has one identity” (Guiso et al., 2006, p. 29), which is situated outside of culture.

While the model for stratification economics would be a useful predictor of patterns of interaction if categories were fixed and individuals never altered their identifications, this is undermined by a wealth of anthropological and psychological research which rejects this static model (Darity et al., 2006). With respect to race, stratification economics treats individual identification as strictly passive and exogenously given as it ascribes a fixed parameter to the individual rather than accounting for the role learned associations and cognitive processing plays in the fluidity of identification with racial groups (Ibid.). Indeed, contrary to this economic model, modern physical anthropologists...
argue that race is not a biologically meaningful concept (Ibid.). The fickleness of the concept of race is well-illustrated by the Aboriginal experience as the Commonwealth censuses counted ‘half-caste’ Aborigines and excluded ‘full-blood’ Aborigines were not (Hewitson, 2013). Further attempts to ‘convert’ the race of Aboriginals can be seen in the government-sanction assimilation scheme whereby Aboriginal children were abducted and raised in ‘white families’ to transform them into white Europeans (Kerry, 2014). This continues to be an issue of economic interest as lighter skinned people are more likely than darker skinner people to experience high economic and social status; thus, ascriptive characteristics translate into significant economic capital (Darity et al., 2006). In turn, instances of ‘passing’ destabilises the assumptions of racialised identity norms in stratification economics.

Conclusion

Ultimately, stratification economics needs to be revised from its transcendental perspective whereby the economist postulates ontology to integrate the subject’s perspective of their identity, as it is not always stable or exogenously observable (Kaul, 2002). This essay has demonstrated this by highlighting the coevolution of economics and colonialism, which both drew from Enlightenment ideas of progress and rationality as well as the white gaze’s construction of delineated racial and gender groups. These notions were entrenched in the economic development of Australia as a result of colonial policies such as the nuclear family model and the Commonwealth welfare system. The ontological presumptions of gender and race binaries can still be seen in modern stratification economics which continues to categorise individuals according to these nebulous social identities. The experience of trans, ‘mixed-race’ and female Aboriginals shows the compounding effect of having multiple stigmatised identities, while the former two cases destabilises the very conception of gender and racial social identities as homogenous. By comparing stratification economics with the intersectional approach of identity economics, it was further explained that the stigmatisation of multiple identities can lead to individuals rejecting and ceasing to identity with one or more of their social identities, illustrating the fluidity of identification with social groups. Not only is stratification economics seen to be mistaken in its binary groupings of individuals, but it is seen to be harmful because the use of such reductionist language actuates the existence of these groups. Thus, the central claim of this essay is that “theories do not just explain (or predict or describe) a reality out there, but discursively produce mediated accounts of reality” (Kaul, 2002, 717).

Bibliography


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