

CURRENT SCHOLARSHIP

The Janus Faces of Money, Property, and Governance: Fiscal Finance, Empire, and Race

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This paper contributes to the literature on racial capitalism by deploying a key insight of the Law and Political Economy tradition, which is that politics acting through the law plays a constitutive role in the monetary hardwiring of economies and their property rights. By focusing on two key elements of fiscal finance, central banking and taxation, the paper shows that while the pressures of democratic self-governance created one type of hardwiring in Britain and its white dominions racialized politics created a different type in the colonies of color. In short, the particular monetary hardwiring of the colonies of color effectively “kicked away the ladder” needed for their successful socio-economic development, occluding the very different policies pursued in Britain and the dominions. This left the colonies of color in a vulnerable state at independence, providing much weaker foundations for their subsequent economic development. Given the key role played by gold in the anchoring of banknote emissions by the Bank of England (BoE) Britain’s global politics of gold and silver was central to its domestic economic development. And the BoE, a private joint-stock corporation, was deeply enmeshed in the government’s domestic and colonial governance policies. As with the BoE taxation systems domestically and internationally exemplified the same principle: private property was always embedded in the public sphere following different modes of governance in different historic and geographic contexts. Simply put, politics acting through the law was actively creating markets in different ways rather than protecting pre-existing and privately-created ones.

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