

HISTORY

Considering the Case for Slavery Reparations

There's no just way to decide who should pay whom.

◆ BY THOMAS J. GRENNES

There is great current interest in the history of slavery in America and its legacy. What has stimulated this, 157 years after slavery was abolished? The Black Lives Matter movement that emerged following the killing of George Floyd in Minneapolis in 2020 and the *New York Times's* 1619 Project brought new attention to the problem of racism in U.S. history. Also, persistent achievement gaps between African Americans and other Americans raise questions about the ongoing socioeconomic effects of enslavement and subsequent segregation and racism.

Enslavement took away part of the humanity of previously free Africans, an extreme example of denying equal opportunities to workers. As property owned by someone else, slaves were reduced to the status of farm animals and other possessions. In their 2012 book *Why Nations Fail*, MIT economist Daron Acemoglu and (now) University of Chicago political scientist James A. Robinson identified slavery and similar institutions that rely on coercion as major barriers to prosperity. (See “The Wealth—and Poverty—of Nations,” Spring 2013.) Free workers can choose their skills, their location, and their employment (including self-employment), but slaves are denied those choices.

The misery of slavery and its lingering socioeconomic effects, along with the effects of segregation and racism, have inspired calls for the payment of reparations to the victims of slavery and their families. Liberals appreciate the notion of just compensation for harm. However, as we will see, reparations for slavery are subject to complexities and uncertainties that make a just compensation scheme unlikely.

HISTORY OF SLAVERY

An appreciation of the history of slavery in America and its

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connection to the global history of slavery is important to considering the reparations issue.

Although slavery is universally condemned today and is illegal nearly everywhere, it was common for most of human history all over the world. Enslavement of different groups, including Africans, was widespread in the ancient world. The Aztecs practiced slavery before the arrival of Columbus. Spanish colonists brought African slaves to Jamaica by 1513, Portuguese traders brought African slaves to Brazil as early as 1526, and Hernando de Soto brought African slaves to Spanish Florida in 1539. Of all the African slaves who were transported to the Americas, only about 4% came to the lands that became the United States, and most of them arrived during the colonial period when British, French, Spanish, and other colonial powers ruled the land.

Demand for slaves/ Most popular discussions of American slavery focus on the end-demand for slaves by plantation owners in the South, and the intermediate demand by European slave traders who transported slaves from Africa to America. These end-demanders were almost exclusively white men, and their slaves were almost exclusively black. Slave owners were prominent during the colonial period and in the early years of the nation. For example, 10 of the first 12 U.S. presidents, including New Yorker Martin Van Buren, were slave owners.

If an observer looked solely at American slave owners and European slave traders, the history of American slavery would look exclusively racial. However, the slave trade was much more complex and multiracial than is commonly understood.

Suppliers of slaves/ To carry out the massive Atlantic slave trade, there had to be suppliers. Among them were Africans who captured and enslaved other Africans and sold them for export. Slaveholders in America and elsewhere in the New World did not travel to the interior of Africa and capture previously free

Africans. It was much easier to buy African slaves from European slave traders who bought them from African suppliers on the west coast of Africa and transport them across the Atlantic.

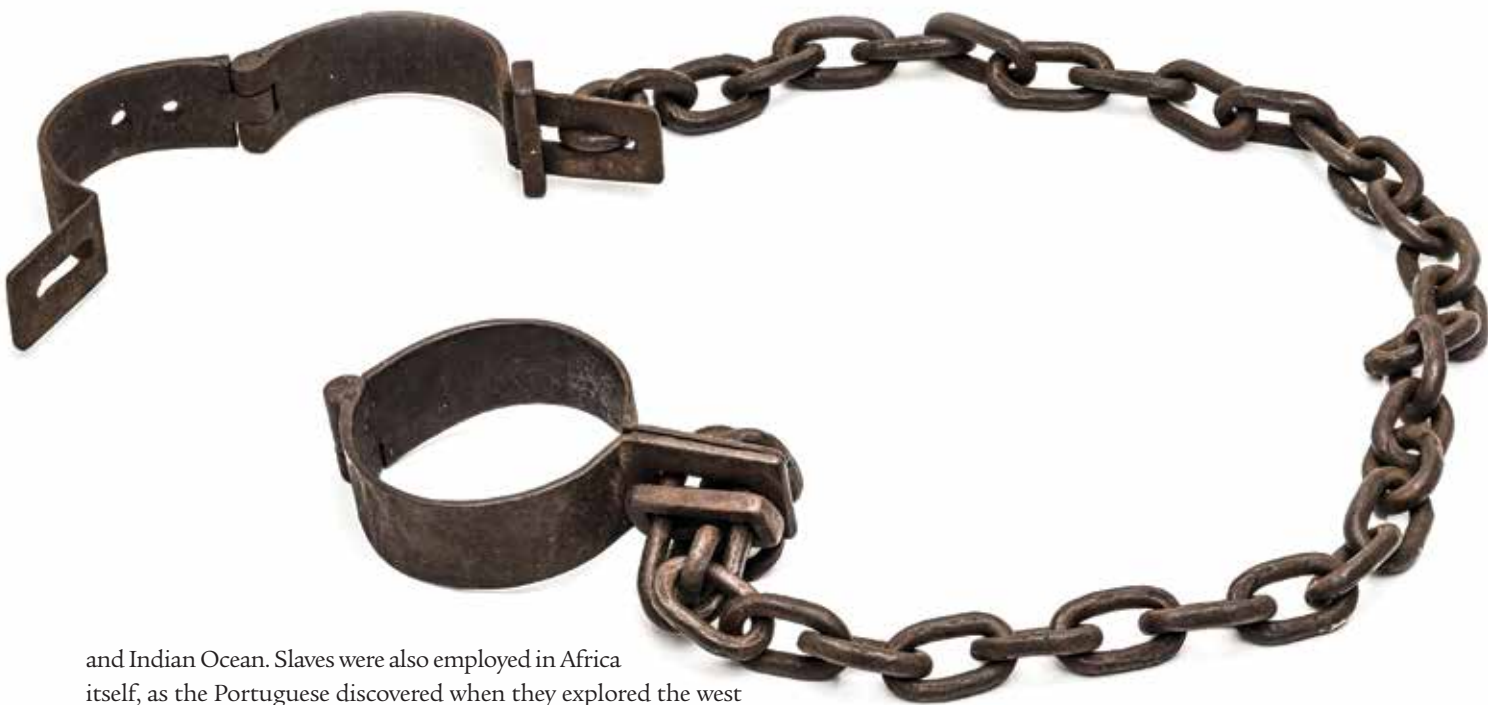
Africans who enslaved other Africans used a complex supply chain to move their human chattel to the continent's ports. Some European governments protected this trade by building forts on the so-called Slave Coast, such as the ones at Elmina in modern Ghana, Calabar in modern Nigeria, Luanda in modern Angola, and Ouida in modern Benin.

The lack of immunities to malaria and other African diseases acted as a barrier to Europeans traveling to the interior of Africa. Premium prices were paid for slaves from regions whose populations had developed immunity to the disease.

Supplying slaves to distant destinations was not new to Sub-Saharan Africa at the time Columbus discovered America. The institutions of slavery and slave exports had a long history in Africa. Prior to the Atlantic slave trade, Africa exported slaves to the Trans-Saharan market and to societies along the Red Sea

Slaves were evaluated for their commercial value in plantation agriculture, and strong and healthy slaves sold for premium prices. "The possession of a large number of slaves was, in pre-Colonial Benin, an index of a man's social status and the degree of respectability which he could command in the estimation of the people," according to Igbafe. Nigerian author Adaobi Nwaubani reported that her great-grandfather, Nwaubani Ogogo Oriaku, earned respect for owning and trading slaves.

African legacy/ The history of Africans exporting other Africans into slavery underlies some of the strife on the continent today. Fear of being seized and enslaved has resulted in a legacy of mistrust. Harvard economist Nathan Nunn and Princeton economist Leonard Wantchekon, in a 2011 *American Economic Review* article, provided evidence that current differences in trust levels within Africa are partly attributable to the slave trade, which produced low-trust cultural norms, beliefs, and values in ethnic groups that were heavily affected by slavery.



and Indian Ocean. Slaves were also employed in Africa itself, as the Portuguese discovered when they explored the west coast beginning in the 1440s. According to Cornell historian Sandra Greene, "While 11-12 million people were estimated to have been exported as slaves from West Africa during the years of the slave trade, millions more were retained in Africa."

How did African suppliers obtain slaves? According to the late historian Philip Igbafe, war among Africans was a major source of slaves and "military campaigns often yielded a rich harvest of slaves as victories were celebrated by large-scale enslavement of prisoners of war." Criminals were another source of supply, and in response to the increased demand from the Atlantic slave market, African societies made more and more crimes punishable by enslavement. These societies also sometimes forced debtors into slavery.

Tribal or ethnic rivalries continue in Sub-Saharan Africa today, and they are a barrier to the kind of inclusive institutions that are important for economic growth, such as investment in public goods. Levels of "ethnic fractionalization" remain high in Africa, including in Nigeria where more than 500 languages are spoken today.

Acemoglu and Robinson emphasize the importance of growth-enhancing economic and political institutions. Slavery is one of a class of anti-growth institutions that they call "extractive." Slavery has been a barrier to economic development in Africa and everywhere where it has persisted. In short, slavery has been harmful to Africans, including those who have never been slaves.

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Importance of institutions / Nigeria is a prime example of the importance of institutions for economic growth. It has the largest population of any African country today (over 200 million people), and it continues to have a serious problem with coercion, including kidnapping for ransom.

The success of recent voluntary Nigerian migrants to the United States contrasts sharply with the economic problems in Nigeria. Nigerian Americans have achieved higher education levels and higher incomes per capita than Americans in general, whose per-capita income is more than 10 times the per-capita income of \$5,170 in Nigeria. The success of Nigerian immigrants has been compared favorably with the similar success of certain Asians, who have also succeeded in America despite their facing racial discrimination. (See “The ‘War’ Against Chinese Restaurants,” Summer 2017.)

In short, differences in incentives provided by economic and political institutions appear to be important factors contributing to differences in outcomes across countries.

Persistence of slavery in Africa / Slavery in Africa in various forms has continued into the current era. In West Africa, 30% of the population was still enslaved in 1900, according to Acemoglu and Robinson. Even today, African economic and political institutions continue to allow for the use of forced labor. The United Nations Human Rights Council reported in 2022 that several African countries continue to practice de facto slavery. Some modern Africans appear to be trapped along a sub-optimum route that some analysts call “path dependency.”

U.S. SLAVERY AND ITS AFTERMATH

Various writers for the 1619 Project have claimed that leaders of the American Revolution sought independence to preserve slavery. This claim has been challenged by several historians.

The new nation did not start with a blank slate on slavery. Under the colonial powers of England and others, slaves were the property of their owners and trade in slaves was legal. Slavery existed longer during the colonial period (1619–1776) than it did in the independent United States (1776–1865).

Slavery existed almost exclusively in the Southern states, and despite heavy debate, the Founders found it impossible to get agreement on the status of slavery from all 13 states. As a pragmatic move, the Articles of Confederation left the legality of slavery up to the states, a decision that was echoed in the Constitution. As a result, the Northern states fairly quickly ended slavery within their borders, making it the “peculiar institution” of the South.

At the national level, there was a growing push to limit slavery. The Northwest Territory Act of 1787 made slavery immediately illegal in the territory and illegal in any states that might be formed from it. Under the new Constitution, slave imports were prohibited after 1807. Whenever a new slave state was proposed, opponents of slavery insisted that an additional free state must also be added. Slaveholders believed these restrictions were

intended to slowly strangle the institution, fueling animosity between the Northern and Southern states.

In 1861, the Civil War broke out as Southerners worried the new president would move to end slavery. A year later, Abraham Lincoln issued the Emancipation Proclamation, symbolically ending slavery in the rebelling states. In 1865, slavery was formally abolished throughout the country by the 13th Amendment, and “equal protection of the Laws” was extended to the newly freed slaves, and all citizens, with the 14th Amendment. Of course, the era of Jim Crow and judicial decisions like *Plessy vs. Ferguson* trampled those rights for a century, until the civil rights era.

Damaging the United States / The harmful effects of U.S. slavery were not limited to the slaves and their descendants; it hurt the nation generally. Just as Africa’s economic development was stunted by the slave trade, so the forced labor of Africans damaged and distorted healthy economic growth in the United States. Well-functioning labor markets are crucial in a capitalist economy, and they require that workers are free to acquire skills, migrate to productive locations, and choose employers. Slaves, of course, are not allowed to make any of those choices.

On the general harmfulness of slavery, Nunn, writing in a landmark 2008 econometric analysis of American slavery’s effects on current economic performance, concludes:

Examining the relationship between past slave use and current economic performance, I find evidence consistent with [the] general hypothesis that slavery was detrimental for economic development. Looking either across countries within the Americas, or across states and counties within the U.S., one finds a strong significant negative relationship between past slave use and current income.

THE CALL FOR REPARATIONS

Duke University economist William Darity Jr. et al. outlined a prominent call for reparations in the Spring 2022 issue of the *Journal of Economic Perspectives*. The intention of this and similar proposals is to compensate the descendants of slaves for the hardships that the institution and subsequent racial atrocities visited upon their families. Because it is not easy for some people in 2022 to demonstrate that they descended from slaves, many of these proposals would compensate black Americans generally.

The obvious challenge to these proposals is that the compensation money must come from somewhere, and that somewhere is U.S. taxpayers. This, in essence, would punish living Americans for an institution they neither participated in nor allowed to exist. This invokes collective guilt by blaming all Americans, including those whose ancestors never owned slaves and may have openly opposed slavery. According to the 1860 Census, 60% of Americans lived in free states, which did not allow slavery.

Immigration since 1865 / Substantial immigration to the United

States by people of all races since 1865 further weakens the case for paying reparations based on race. A large percentage of Americans today descend from people who migrated here after slavery was abolished. Research on data from a half-century ago indicates that, of those European Americans who immigrated between 1820 and 1970, 81% arrived after 1870 and hence were not involved in U.S. slavery. That percentage has only climbed in the intervening 50 years.

Even more questionable is ascribing guilt for historical slavery to people who had no connections with slavery other than having the same skin color as slave owners. Some Americans today descend from slave owners, but others descend from European serfs who were freed about the same time as American slaves. The Hapsburg Empire abolished serfdom in 1848, and the Russian Empire ended it in 1861. Given that these people were descendants of forced laborers in Europe, it is difficult to justify requiring them to compensate descendants of forced laborers in the United States.

Moreover, if the goal of reparations is to punish the descendants of those responsible for slavery, the punished would have to include descendants of the Africans who supplied other Africans to the market. In 2022, African countries are among the poorest in the world. African economies have suffered from slavery and other extractive policies that have made Africa the poorest continent in the world today. North American income per capita is six times the per-capita income of Africa. Putting aside the practical difficulties of requiring these people to contribute to reparations, there is the moral question of taxing impoverished people today for the actions of their long-ago ancestors.

Recipients/ Reparation proposals that would pay all black Americans are poorly targeted. They are intended to compensate the descendants of American slaves, but immigration of black people since 1865 presents a problem. These people have no ancestors who were slaves in America and may have ancestors who were enslavers. Many of the descendants of Nwaubani's slave-trading Nigerian great-grandfather have migrated to America, for instance, and they could be rewarded if reparations were based on race. This would be an unjust outcome.

Reparations for Japanese Americans/ It should be acknowledged that reparations for past race-based injustices are not new to the United States. Payments have been made to some Japanese Americans who were detained during World War II.

However, that case differs in important ways from the proposal to compensate black Americans for slavery. The internment of Japanese Americans was clearly an illegal act by the American government. The victims of the incarceration were easy to identify, and only the survivors were compensated. Payments were not extended to Japanese Americans who were not incarcerated or to subsequent generations. In contrast, as has already been argued, just recipients of slavery reparations are difficult to identify, as are the just payers.

CONCLUSION

Just compensation for slavery is a far more complex issue than simply transferring money from today's white Americans to black Americans. Africans enslaved and sold fellow Africans to European and American demanders of slaves. The new American nation inherited slavery in 1776 and did not eliminate it until 1865; however, from the nation's earliest years, public policy increasingly restricted slavery before ending it altogether.

In 2022, it is impossible to pay reparations to slaves or penalize slave owners, as they have all been dead for decades. The case for paying reparations based on race is grounded in problematic notions of collective guilt and collective desserts. Targeting of descendants of slaves is very imprecise. Black immigrants after 1865 did not have ancestors who were slaves in America. Targeting of slave owners is also very imprecise given the enormous immigrant flows into the United States since 1865. Inter-marriage between historical slave-holding and non-slave-holding families, as well as enslaved families, further complicates this.

There is a better way for the nation to pursue justice for its past. The United States should continue to pursue becoming a "more perfect union" by vigorously ensuring that all Americans receive "equal protection of the laws" as promised by the 14th Amendment. This would mean equal opportunities for all people, consistent with Martin Luther King's vision that people not be judged by the color of their skin but by the content of their character. Importantly, this pursuit would not *deny* equal protection to anyone. Trying to atone for the evil of slavery by, in essence, imposing a race-based transfer scheme would violate this vision and further polarize Americans. R

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