

## **Distribution Agreement**

In presenting this thesis as a partial fulfillment of the requirements for a degree from Emory University, I hereby grant to Emory University and its agents the non-exclusive license to archive, make accessible, and display my thesis in whole or in part in all forms of media, now or hereafter now, including display on the World Wide Web. I understand that I may select some access restrictions as part of the online submission of this thesis. I retain all ownership rights to the copyright of the thesis. I also retain the right to use in future works (such as articles or books) all or part of this thesis.

Bisma Punjani

April 13, 2021

How the Home Became a Deathtrap: An Essay on the Subprime Mortgage Crash

by

Bisma Punjani

Rocío Zambrana  
Adviser

Philosophy

Rocío Zambrana  
Adviser

Elissa Marder  
Committee Member

Alix Chapman  
Committee Member

Javier Villa-Flores  
Committee Member

2021

How the Home Became a Deathtrap: An Essay on the Subprime Mortgage Crash

By

Bisma Punjani

Rocío Zambrana

Adviser

An abstract of  
a thesis submitted to the Faculty of Emory College of Arts and Sciences  
of Emory University in partial fulfillment  
of the requirements of the degree of  
Bachelor of Arts with Honors

Philosophy

2021

## Abstract

### How the Home Became a Deathtrap: An Essay on the Subprime Mortgage Crash

By Bisma Punjani

Tracking the Conquest of the Americas until neoliberalism, this paper demonstrates how banks were never under risk of serious scrutiny after the financial crash of 2008. This paper will demonstrate, through histories of the plantation economy, American Expansion, coloniality, urban renewal projects, and the updating of slavery into liberal institutions, that tight frameworks of neocolonialism, settler colonialism, and various Marxisms cannot explain the aftermath of the crash. Rather, this essay borrows from Tiffany King, Saidya Hartman, Nelson Maldonado-Torres, and Hortense Spillers to unsettle standard explanations of racialized labor. Instead, this paper offers that indebtedness and fungibility form grammars of blameworthiness that always seek to deny livingness and access to space/territory for African Americans. As such, the collaboration between banks, the government, and white people meant that subprime mortgages were never meant to provide flourishing black communities but rather short-term liquidity to boost the American market. The purpose of this paper will be to demonstrate, not only that reverse redlining profited both the settler state and neoliberal financialization, but that American Expansion itself has always come at the sacrifice of racialized people.

How the Home Became a Deathtrap: An Essay on the Subprime Mortgage Crash

By

Bisma Punjani

Rocío Zambrana

Adviser

A thesis submitted to the Faculty of Emory College of Arts and Sciences  
of Emory University in partial fulfillment  
of the requirements of the degree of  
Bachelor of Arts with Honors

Philosophy

2021

## Acknowledgements

I would first like to thank two close advisors to me, Rocío Zambrana and Miguel Gualdrón, for embracing me with decolonial love and challenging me to think critically.

I would like to also thank the Carlson family, my parents, and Sana Punjani for supporting me, caring for me, and reminding me to have fun once in a while.

Finally, I would like to thank Dr. Chapman, Dr. Marder, and Dr. Villa-Flores for their deep engagement with my work and their brilliant insights.

## Table of Contents

Part I .....	6
Part II.....	12
Part III.....	17
Part IV.....	24
Part V.....	34
Part VI.....	40

## How the Home Became a Deathtrap: An Essay on the Subprime Mortgage Crash

Bisma Punjani

[P]  
[SEP]

The success of the Civil Rights Movement, along with post-war financial prosperity, nurtured thriving centers of Black life. Natalie Baptiste points her readers to Prince George's County in Maryland, the most successful Black-majority county in the United States. The median income home was approximately 74,000 dollars, and where the rate of Black owned business typically sits around 7%, its rate was 54.7%. Its citizens held degrees at higher rates than the national average and were a part of the professional class. Baptiste suggests that while this county didn't represent the economic conditions of all Black people, it symbolized that things were and could get better. However, 25% of mortgages were subprime. After the 2008 crash, the value of homes in this county fell more than three times than the national median. Rate of foreclosures were two times higher than its neighboring counties. 15% of its citizens were foreclosed upon. This county was not alone; high-income African Americans were 80% more likely to receive foreclosures than their white counterparts. Baptiste remarks: "Not even a good credit score would have spared Blacks from these discriminatory lending practices."

The destruction of racialized economies is not unique to African Americans. Rather, as a general theme of neoliberalism, financialization often promises prosperity only to actually intensify dispossession. In the case of Mexico, Asa Laurell argues that

neoliberalism has performed a “second wave of original accumulation<sup>1</sup>” (247). Laurell posits that before 1968, Mexico did not experience military dictatorships and established successful democratic practices (247). However, after the implementation of neoliberalism, democracy eroded. After Mexico’s financial crises of 1984, it renegotiated its terms of debt with the IMF and the World Bank. Where popular protests against neoliberalism were commonplace, Mexico’s president imparted military violence against those protesting renegotiations. President Zedillo massacred almost 60 violent and non-violent protesters (248). Between 2006-2012, the government murdered and disappeared over 80 thousand people. Through austerity measures, a cornerstone of neoliberal governance, public services became privatized; loss became socialized (246). Wealth inequality increased, wages fell, working conditions worsened, and public health worsened. Just like the case of Prince George’s, a promise of financial independence and prosperity devastates not only local economies but social fabrics as well.

This paper, then, will seek to blur the lines between logics of settler colonialism that aims to replace those deemed blameworthy/disposable and the very irreplaceability of those that live in the Global South whose labor has already been chased to the bottom. Rather, in understanding the nature of transnational banks/corporations in a neoliberal context, these two dichotomies are blurred by a set of financial institutions that target individually by place and persons globally. To do this, Part I of this paper will introduce the

---

<sup>1</sup> According to Marx, primitive accumulation, or original accumulation, describes an accumulation of wealth that was necessary to begin capitalism. He argues that the foundation of capitalism required a violent dispossession of land and social life to manufacture a marketplace where labor could be bought and sold (Marx, 507).

basic logic of neoliberalism, Part II will provide a definition of settler colonialism that begins in the “discovery” of the New World, Part III will explicate the function of debt in the settler state, Part IV of this paper will introduce the purpose of debt for racialized bodies globally, Part V will merge the first four parts in order to clarify the purpose of neoliberal development projects relative to the settler-liberal state, and Part VI will provide a conclusion.

Part I will provide a brief explanation of the crash as well as the aftermath. It will be contextualized through Maurizio Lazzarato’s Marxist formulations to explain the ways neoliberalism has altered life from previous epochs and regimes of capitalism. His work will provide a framework of the material conditions that allowed the crash to happen in the first place. Contrary to previous formations of capital as a creative, productive power, he explains the ways that the debt economy specific to neoliberalism creates and destroys value in the same gesture. In this way, the power of corporations has lost its productive telos and the power of the government has lost an agenda specific to the people it governs through the arbitrary laws of the markets themselves. Thus, Lazzarato brings a specific pausing of time through debt in order to illuminate global neoliberal conditions.

Through an understanding of Nelson Maldonado-Torres, Tiffany King, and Aníbal Quijano, Part II will center the New World as different in the white imaginary from the rest of the world. It tracks the ways that whiteness, formed under feudalism in Europe, translated into a non-ethics of perpetual war (disposability/replaceability) in the New World as an updated manifestation of whiteness. Through these accounts, Part II will give

specificity to the US during the crash of 2008 and will centralize the violent clearing of land for white settlement as ultimately paramount to the role of labor and racialized labor.

Part III, the centerpiece of this paper, will thoroughly evaluate the settler-colonial conditions of chattel slavery and its transition into Reconstruction as the birth of liberal capitalism. This is central to understanding the ways that race has been institutionalized, universalized, and intensified under the guise of development and progress. Through a Marxist conception of liberalism in Saidya Hartman, as well as the work of Hortense Spillers, Black Reconstruction came to form the key features of liberal colonial capitalism in two ways. First, liberal capitalism defined all valid bodies as property-owning, and in this gesture, became emblematic of Western ideas of progress. Yet, given the forced labor of captured bodies under Reconstruction, liberalism marked Black people as both non-property owning bodies but also a universal source of disposable property in themselves. Liberalism, rather, just turned flesh into body (Spillers, 68). The second key feature, using Hartman once more, that is explored is the ways that Black poverty, despite the matured nature of liberal capitalism, creates mechanisms of responsibility/guilt/blame and generates a debt economy. Through assumptions of freedom fashioned under liberalism, a debt economy is formed whereby African Americans become responsible for their poverty and are indebted to white people/institutions for their aid. This section will offer that the debt economy of the United States, more than just financial, allows the capitalist state to grasp onto the very subjectivities of its all its laborers.

Part IV will contextualize the idea of development and debt as a global, colonial project in order to outline the epistemic and mechanical “toolbox” of neoliberal

institutions. In order to give specificity to American victims of the crash, it is important to stress the ways in which global designs of extraction rely heavily not just on images of racialized bodies, but also racialized territories and their colonial landscapes. Through creating parallels between promises made by neoliberal financial institutions to American subprime homeowners and those in the Global South, this section will contend that these parallels cannot explain the types of discipline and blame cast onto American subprime borrowers.

Harnessing the ideas behind King's use of maps and settlement, Part V will track the role of redlining, housing, and nationalism under settler colonialism. This section will posit that the expression of whiteness through homeownership is a mere updating of a national ideology of expansion, conquering, and resettlement. Through the grammars of colonial modernity and landownership as an ideology specific to America, this section will combine the various frameworks explored throughout this essay to explain the aftermath of 2008.

Part VI will be a brief conclusion of ideas explored in this paper. While redlining was enforced by the state through patterns of settler colonialism, the introduction of neoliberalism complicates the logics of a state that universally governs settler-colonial desires. Rather, absent the state, transnational institutions may, in their technocratic/automatic governance, use the same mechanisms globally. If settler colonialism aims to organize production/consumption, then neoliberalism does the opposite. In this gesture, settler colonial formations of blame/subjectivity combine with the know-how of transnational institutions to extract based on place and persons under development economics to form local debt economies. In this way, the melding of the two

aims to perform an updated and more intense form of extraction and dispossession under the guise, as always, of progress into the sphere of rationality/literacy. In the merging of these two concepts, ideas of development used in the Global South and the settler-colonial nation of the Global North, one thing becomes clear. While colonial capitalism may continue to intensify its violence on white laborers, it saves the worst of its violence (accumulation by dispossession), for people of color while also using them as scapegoats for its own calculated mistakes.

## **Part I**

What caused the 2008 global financial crises? The explanation can be boiled down into four segments: deregulation, securitization, growth of subprime mortgages, and raised rates of subprime borrowers (Amadeo). First, financial deregulation occurred after the repeal of the Glass-Steagall Act, which was a New Deal-Era act that separated commercial banking and investment banking. Effectively, money sitting in commercial banks could now be invested elsewhere by those banks. Second, securitization allowed for the creation of mortgage-backed securities. In short, mortgages were repackaged with a slew of other debts into a single product that could be bought, sold, and traded amongst financial institutions. Through calculations of interest rates, estimation on future worth of the product itself, and payments, these commercial loans could now be sold to investors. This became an especially prevalent practice, as Amadeo puts it, because banks could not only profit from a double transaction from investors and debtors, but having sold the debt, did not take on any of the risk. Moreover, there were companies that profited by insuring those

debts in the cases of default and so gave the illusion that there was no risk in the market at all. Third, the growth of subprime mortgages was encouraged by the Community Reinvestment Act. This act, which encouraged loans to people and places that would otherwise be denied, worked with federal banking institutions to securitize the subprime loans and thus make investment attractive. Lastly, the solution to the Dotcom crash of 2001 by the Fed was to lower interest rates of subprime borrowers and promote interest-only loans. This was done to encourage spending at banks that were suffering from the recession. From that point, the rates of subprime loans doubled. With the demand for homes increasing, more homes were made and even everyday people started treating homes as investments to be traded.

However, this created an “asset bubble” whereby the price of an asset is higher than its actual value. People did not realize that those low interest rates would be adjusted, that it was essentially a teaser, and when the interest rates started to rise, many people would not be able to make their payments. Supply and demand had inverted and there were more homes than people who could afford homes. Prices of the homes plummeted; the bubble popped. Investors around the world panicked, Americans panicked, banks panicked and the economy crashed.

Chakravartty and da Silva claim that subprime borrowers were blamed despite the calculated mistakes of financial institutions (367). Is this true? Through a content analysis of 195 articles between April 1st, 2008 and June 3rd, 2018, I found that this was indeed the case (Punjani, 4). This study coded news articles from across the political spectrum for blame, sympathy, and praise directed at lenders, recipients, and the government. The data

suggests that blame was directed towards recipients 30% of the time, banks 48% of the time, and the government 22% of the time (5). While this already indicates direct victim-blaming, the research found that there were many sites of implicit victim blaming (12). Frequently, the government was blamed for encouraging lending towards irresponsible borrowers, thus already assuming them to not be worthy. On the flip side, banks were three times more likely to receive praise than recipients, as articles frequently cited the dedication of the banks to make things right. The question becomes, then, why was the debt the primary mechanism of financial growth in the first place (Mahmud, 479)? Why were banks praised?

Often, a new debt economy is often considered the key, novel feature of neoliberalism and advanced capitalism. The debt economy, Lazzarato argues, has drastically altered previous relations of capital where “The so-called ‘real’ economy and business are but aspects of the capitalist process of valorization, accumulation, and exploitation,” (20). This is to say, even businesses become a farm for financial institutions; their growth requires the use of credit. And so, unlike the past, debt performs as a power relation that complicates the relationship between workers and owners. Rather, “It is impossible to separate finance from production, since the former is an integral part of every sector of the economy. Finance, industry, and the tertiary sector work in symbiosis,” (22). And as such, consumption and production itself manufactures debt. Lazzarato provides the automobile industry as an example of this symbiosis:

“The automobile industry functions entirely on credit mechanisms (loans, leasing, etc.). For people to sell a car, they must also sell a loan. Consequently, General Motors' business is just as much automobile production as—and perhaps even more so—consumer credit, which is indispensable to the sales of its products to consumers,” (22).

In short, Lazarrato argues:

“Debt is not an impediment to growth. Indeed, it represents the economic and subjective engine of the modern-day economy. Debt creation, that is, the creation and development of the power relation between creditors and debtors, has been conceived and programmed as the strategic heart of neoliberal politics. If debt is indeed central to understanding, and thus combating, neoliberalism, it is because neoliberalism has, since its emergence, been founded on a logic of debt,” (25).

However, this symbiosis is not balanced. As a power relation, Lazaratto argues “We have moved from Fordist regulation, which privileged the industrial and debtor side, to financial regulation, which prioritizes the financial and creditor side,” (30). Even debt reduction, under neoliberalism, actually produces debt. When governments perform austerity measures, they reduce their own debt. What they can't guarantee, they privatize, and thus create the individualized debt that allows financial institutions to leech off public savings. In short, a transnational class that rules over local, taxpaying citizens has been created.

All this considered, Lazaratto argues that this debt/credit relationship doesn't contradict Marx, but is better understood as a continuation of the conditions that Marx describes (34). He argues that Marx had defined money as a unit for the equal exchange of commodities that is commanded by the market (33) It has been redefined, however, as an inherently asymmetrical power of debt. Debt, not the market, "commands" through its power of creative destruction. While this has many implications, it centrally means that one's entire existence becomes devoted to selling oneself.

As a power relation, Lazaratto argues that it is not only one that governs the flow of capital. Instead, "It also functions as a mechanism for the production and 'government' of collective and individual subjectivities," (29). Lazzarato, harnessing the work of Nietzsche, offers that the genesis of the debt/credit relationship began with a need to make behavior predictable, so trust could be built, and promises kept. First of all, just promising is not enough, but must be associated with the pain of breaching a contract and etching it into memory. If not met, there is a process of personal collateralization, so debt creates guilt and personal duty to whatever might be lost. Thus, a promise to labor to pay back debt is combined with working on oneself to form self-regulated governance of individuals. Therefore, labor and work on oneself go hand in hand to create a *people* who are capable of promising. For all these reasons, the *homo economicus* no longer calculates equal exchange of labor, but a subjective understanding of the evaluation of debt (30-33). Neoliberal capitalism exercises control over the future through the power of debt on subjectivities. Everyone is controlled by guilt, responsibility, and promises. The risk analysis of future profit required of neoliberal financialization, thus, is made actually calculable by linking

present predictability to future profit. For many, this can be thought of much like previous forms of indentured servitude.

Thus, Lazzarato sets up to something particular about the debt economy: its lack of real choice (45). Money is made for the sake of making more money. This is different from money for the sake of production, which is production for the sake of more production. Through production, there is possibility and choice. Through debt, there is nothing: no decision, but only creation or destruction, and never progress (35). Through the means of “neutralizing” time and bodies, this sort of self management comes together with the superfluosity of industry to make it so that there is no choice for the individual, society, or industry (45).

This understanding of neoliberalism as a continuation of the intensification of capitalist violence is approximately captured by David Harvey’s “accumulation by dispossession” (Chakravartty et al., 367). Both Lazzarato and Harvey argue that neoliberalism works to capture “new territories” like housing or unemployment insurance not through equal exchange, but through force or the threat of a force. For Harvey in particular, it is a “New imperial moment where primitive accumulation (forced extraction and privatization of the commons) has become a more dominant feature of neoliberal globalization as opposed to expanded reproduction (economic growth where workers are incorporated as consumers),” (366). In this way, the type of dispossession in the failure to repay debt performs the same work of Marx’s “primitive accumulation”.

My essay will argue that the crash of 2008 provides substantial evidence that tight explanations of neocolonialism, settler colonialism, and the global processes of neoliberal

extraction fail to fully capture the white supremacy under neoliberalism in America. As such, the heart of my essay will seek to answer and contextualize the following question put forth by Paula Chakravartty and Denise da Silva:

“The essays in this issue ask the question that Harvey does not even consider, one that he also seems to see as already asked and answered by the subprime mortgages themselves and their securitization, which is: what is it about Blackness and Latinidad that turns one’s house (roof, protection, and aspiration) and shelter into a death trap?” (367).

## **Part II**

While this essay generates discussions of Chakravartty and da Silva questions, this section will comprise a clarification of settler colonialism. This will be done not only to bring clarity to Lazzarato and Harvey’s assumptions of the novelty of debt, a global “collective” class of laborers, and what constitutes a commodity, but also highlight much-needed nuance about the debt crises in the United States. Lazzarato spends significant time crossing similarities across the West to highlight neoliberal violence. This section will clarify that while neoliberalism works through the same toolkit, the colonial legacies of the place and persons matter equally to the outcome of neoliberal extraction. This is an essential intervention, as extraction from primarily working class African Americans has led to several overgeneralizations. The most violent, dehumanizing of these understands African Americans as landless in the first place and so does not consider them as

experiencing loss during 2008 in any remarkable way. The second generalization, that this moment was a result neoliberal recklessness, fails to explain exactly how banks received massive bailouts and also profited. In order to tackle overgeneralizations and taught dichotomies, Tiffany King introduces the language of Conquest in the Americas. Using this language, she offers a theoretical maneuver beyond easy explanations of 2008 by bookmarking Conquest as a shared “dialect” (21).

King argues that settler colonial studies often becomes a tool of white supremacy to monitor and “facilitate” conversations between Black and Indigenous people (15). On one hand, it assumes “Indigenous studies is solely rooted and fixed in imaginaries of land as territory,” (4). On the other hand, African Americans are often bound into a space of “rootlessness and only metaphorized by water”. This is often because their forcible kidnapping across waters landed them on plantations, which is a land that was not legally theirs. Histories of sharecropping have reinforced academic discourse about their landlessness. King, while pushing against these sharp dichotomies, does not aim to conflate histories. Nor does she aim to disregard Diasporic thought that centralizes a collective experience of pain and death.

Rather, she argues that the origin of this sharp dichotomy has been more or less fabricated to create an illusion of a historical accident. The history of settlement in America often asserts that the discovery of America was an accident, that violence and racism began with Indigenous genocide, which only then made possible the slave trade in Africa. In reality, Columbus’ voyage and subsequent violence were not so accidental at all. Using Hortense Spillers and Sylvia Wynter, King argues that epistemic formations in Europe

before 1492 had already made “conquest imaginable and executable” (53). The slave trade had already been initiated by the Portugese. Europeans had already occupied territory in West Africa (1). They had already asserted themselves as conquerors (16). Thus, when thinking about violence in the United States, her work demands an understanding of the racial contract of America as one that guarantees Black *and* Indigenous death for the sake of white self-actualization and settlement. This section, thus, will lay the groundwork for the question: how did a home turn into a “deathtrap”?

Quijano, in line with Marx, argues that projects of domination were informed by ideas birthed during Enlightenment period thought, which emerged from a desire to free Man from the chains of the church (172). While Christian hegemonic rule created a dichotomy between the divine and the human, the Enlightenment period sought to assert human agency. This is to say, the previous dichotomy was ruptured by asserting agency into a chain of command. Previous ideology translated into a hierarchy with God, then Man, then nature so as to make nature not only a plaything of God, but of Man as well. This gesture, more than just work against religion, formed the prerequisites of what it means to be Man. Quijano outlines the three parts of this paradigm, all of which borrow from the previous dichotomy to fashion Man akin to God over nature. First, the subject at hand, like God, is capable of discovering all knowledge through their own mind, or rationality. As such, there is no need for any intersubjectivity in this individualistic paradigm. Second, much like the divine nature of God that exists in its own right, Man holds an ontology that does not need to be defined in relation to anything else. Rather, it is nature and objects that are defined against Man and therefore have no ontological identity outside of Man. Third, in

the same ways that God and Man are incompatible in nature, Quijano writes: "The 'subject' is bearer of 'reason', while the 'object', is not only external to it, but different nature. In fact, it is nature," (173).

Quijano asserts that the notion of a rational soul was only possible through theological debates about whether the Indigenous had souls or not (Maldonado-Torres, 245). Like King, Maldonado-Torres argues that Man had already assumed this position. The voyage was always one of conquering (Maldonado-Torres, 244). He argues that before the Enlightenment understanding of self as defined by Quijano (the ego cogito), there was the ego conquiro. The ego conquiro is defined by the certainty of self as a conqueror against a permanent suspicion of a "racialized" other, the "barbarian" (245). This permanent suspicion of others and certainty of self as conqueror allowed the ego cogito to question oneself and find certainty in oneself as a thinking thing; one stood as the "backdrop" against the other (246). As such, "Skepticism becomes the means to reach certainty and provide a solid foundation to the self. The role of skepticism is central for European modernity." This skepticism about the humanity of others formed a voyage fueled, already, by the desire to Conquest.

As such, the conquerors did not follow an "ethics of war" that was followed in other, non-racialized contexts, but a "non-ethics of war" (247). Where in the past there was a code, with standard conduct and some rhyme and reason for violence that transgressed these codes, the non-ethics of war naturalizes and radicalizes the expectation. It radicalizes war through race by defaulting to genocidal tendencies where there can be no survivors. In other words, it mandates "a world in which the ego cogito exists alone". It also naturalizes

war through race by the always looming “preferential option for the ego conquiro”, or a standard attitude that buttresses a justification for genocide (246). So, those that survived that specific moment of Conquest became permanently “vanquished” or naturally enslaved. With the idea of the “preferential option for the ego conquiro”, Maldonado-Torres punches at the heart of liberal ideology that holds humanism as categorically separate or opposite of fascism. He argues that this belief does not make sense. The ego conquiro, or misanthropic skepticisms, helped to establish liberal notions of the state, of the rights of Man, where “Security for some can conceivably be obtained at the expense of the lives of other.”

Quijano’s assumption that racial categories originated upon the Encounter with the Indigenous falls in line with many academic traditions that centralize Indigenous genocide as the genesis of racialized violence. Thus, it dichotomizes settler violence by assuming genocide and resettlement on one hand and the extraction of labor on the other. This paper does not seek to undo Quijano’s work on Eurocentric rationality. As this essay proceeds, it uses his creation of the colonial difference as a tool to understand liberal/Enlightenment formations of “modern” economic subjects. Rather, it resituates Quijano’s work as an incomplete archetype of colonial violence like all others. To fully comprehend the subprime crisis, Black violence in America must be put into conversation with the types of punishment, death, and resettlement which can only be done in their own homes and native communities. A “telos” of modernity, which is anchored in response to the Enlightenment period thought on labor and rationality, then cannot fully explain such violence (King, 33, 114).

As King contends, there is and was a “co-witnessing” of the non-ethics of war, one experienced not just by Indigenous people, but African Americans as well (xi). In line with Maldonado-Torres, she writes, “Genocide and slavery do not have an edge. While the force of their haunt has distinct feelings at the stress points and instantiations of Black fungibility and Native genocide, the violence moves as one,” (x). Although she pushes against the tight packaging of both experiences as separate, she does not fall into reflex and assume that both experiences are the same. She argues, rather, under conditions of Conquest, “the death of one was often tethered to the death of the Other” and that there was no strict, neat logic about who was killed, when, how, and why (xi). Maldonado-Torres points us to an understanding of a standard ethics of genocide imparted for simultaneously many purposes and no purpose at all. Its use on Indigenous people for settlement is but one violent instantiation (King, 65).

### **Part III**

This essay thus far, although briefly, has worked to establish that African Americans can not simply be understood as laborers and Indigenous people cannot simply be understood as targets of elimination and genocide. This formation made by those like Quijano falls into Eurocentrism, which imagines that “Indigenous subjects who do not labor across the land fail to turn the land into property and thus fail to turn themselves into proper human subjects,” (23). This incorrectly and retroactively attempts to explain Indigenous genocide. What this actively veils are the modes of violence always present on them. It falls into assumptions that their own failure to produce labor prevented them from

being considered human. Given this retroactive formation, Black people who did labor were fashioned as potential citizens of the liberal state because they fell into “European notions of progress and modernity” (24). This “modern teleology of labor” forgets “racialization, accumulation, and domination rather than labor as the primary mode of Black subjectification,” (22). This overemphasis on labor will be deconstructed in the following passages.

Spillers argues that the propertylessness of African Americans originated in the reproductive processes of African-American women. In the Antebellum period, property was denied to African Americans through a law that only permitted the passing of property through women (65). Because women could not own property, all property was passed along to slave owners, including Black children then legally considered property. In this gesture, neither Black women nor Black men fit into the requirements of property relations through this disfiguration of gender relations. While standard gender roles were only formulated after the Industrial Revolution (Davis, 131), the reproduction of animals was certainly understood (Lugones, 743). Thus, the disordering of property and familial relations served to make a distinct difference between human and animal.

When one talks of flesh, she writes, “We mean it's seared, divided, ripped-apartness, riveted to the ship's hole, fallen, or “escaped” overboard,” (67). It is a sort of “atomizing”, then, not only for reproductive purposes. It was a violence that all ungendered captive bodies had to endure—to be a plaything, a “living laboratory” (68). Even after Emancipation, it was only a shift between flesh to the body. There is no social, no epistemic, or economic liberation. In the words of Marx, there is no “real liberation” but only the

illusion of it (4, 1968). She writes, “The ruling episteme that releases the dynamics of naming and valuation, remains grounded in the originating metaphors of captivity and mutilation so that it is as if neither time nor history, nor historiography and its topics, shows movement,” (Spillers, 68). And so semantically veiled as a body, there is flesh, through which the afterlife of slavery is repeated and its significance remains unchanged. Instead, and on the skin, exists “a grid of associations” that are drawn upon, and extracted from, for profit and for blame.

Without the property relations, Western vertical conceptions of the family could not exist. Thus, a house suggests far more than it appears. Given that it is the main form of inheritance, it signifies, above all, dispossession. The home, a symbol of gender relations between the public and the private, becomes a mark of failure for African Americans. It signifies the blame of African American women, whose reproduction is regressive, whose pleasure is excessive, and whose mothering is nowhere to be found (78). In essence, the home stands as a symbol of the dispossession of body, of motherhood, and blaming for its lack. Moreover, it translates the guilt of all the “sins” assigned by society to African Americans and transcribes them onto Black women. If the requirement to be a laborer is the potential to transform that labor into property (King 23), it certainly is not the case for many African Americans. Rather, an understanding of Black people as a commodity, or Black fungibility<sup>2</sup>, work as a better descriptor of the conditions laid out by Spillers.

---

<sup>2</sup> Hartman’s definition of black fungibility, for our purposes, can loosely be understood as what Spillers calls a “grid of associations”. This notion describes the ways that African Americans become abstracted as a matrix of “pleasure and possession” for white use and thereby become a commodity (Hartman, 21).

Working with Spillers, Hartman explains that the production of blame can be traced back to how liberalism was formed (115). In accordance with Marx, she argues that liberalism was made in ideological reflex to what came prior; the rhetoric of oppression only updates itself to historical and material shifts. She argues that slavery and freedom “presuppose” one another. If slavery worked to constrain freedom, then liberal freedom was only made possible to oppose slavery. In other words, liberalism, like capitalism, was made in the image of slavery and in reaction to slavery (a sitting between freedom and bondage). Because the servitude of Black people defined the Antebellum era, the liberal state worked in opposition, in freedom from, the conditions of Black people in America. The liberal state thus defined itself as the guardian of “sovereignty, right, and power”.

However, “The longstanding and intimate affiliation of liberty and bondage” had bound up conceptions of freedom and autonomy as inseparable from “property and proprietorial notions of the self”. In short, the teetering between freedom and bondage was believed to be in complete opposition to bondage. It was believed that a whole new world was created, marked by the end of formal chattel slavery. While Marx argues that the language of domination was completely shifted, from religious to secular, from public to individual, while continuing oppression (Marx, 1, 2008), Hartman argues that this was only true for white laborers. For Black people, this resulted in a “Double bind of freedom: being freed from slavery and free of resources, emancipated and subordinated, self possessed and indebted, equal and inferior, liberated and encumbered, sovereign and dominated, citizen and subject”. It is then not individuality, as imagined by the liberal state, but a “burdened individuality”.

Moreover, the reification of humanity through the individual laborer never came into fruition. The past was simultaneously forgotten and radically centered to forge an individual that is “burdened, responsible, and obligated” (132). In a Lockean sense, Black people entered into a contract with the state to receive individuality and rights. In return, they would be held accountable to the state and to one another to maintain “calculated reciprocity”. But, as Hartman explains:

“To be responsible was to be blameworthy. In this respect, the exercise of free will, quite literally, is inextricable from guilty infractions, criminal misdeeds, punishable transgressions, and an elaborate micropenality of everyday life. Responsibility made man an-end in himself, and as such, the autonomous and attending agent was above all else culpable” (125).

In order to avoid punishment by culpability, it became essential to prove “oneself worthy of freedom” (126). Accountability could only be accomplished, however, with work. The only work available for African Americans was that which was a part of the mixed-labor system. To not work would be blameworthy, and so to work was “inseparable from debt peonage.” With morality equated with the state, the state with work, and work with debt peonage, the state fabricated a “dutiful free laborer.”

While morality was a central paradigm, it was not as if Black people willingly accepted. Many actually worked around the system and refused to be controlled by fear of punishment (127). Historical concerns about the productivity of Black people, then, were heightened. This concern was valid; ideas of liberalism did not match up with the reality

that Black people were still being actively forced into work on the plantation. As a result, there was a huge campaign to help transition slaves into free labor. In short, these programs sought to equate development into humanity with work and self-interest (138). Not only was the state an arbiter of morality, but work in itself became moralized. However, despite the initial intentions of this campaign, Black people still resisted through non-work and demanded more. In these cases, older modes of violence, such as physical punishment, were required to induce productivity. Under these conditions, “It appeared that only the cultivation of rationality and responsibility could eradicate the badges of slavery....My reading of these texts emphasizes the disciplinary, punitive, and normalizing individuation conducted under the rubric of self-improvement,” (130).

Black people were not only forced into economic indebtedness, or indebtedness to the state, but indebted to white people for “gifting” them their emancipation<sup>3</sup>. Debt, an implication of a borrowed future and dependency on others for ensured survival in the present, is then always looming (131). The ability to reconfigure, update, and make use of indebtedness, of blameworthiness, is the paramount result of Black fungibility.

Through Hartman and Spillers, it becomes clear that settlers do not think of Black people primarily as laborers. Spillers in her work, and Hartman as demonstrated here, argue rather that they are treated as commodities for the enjoyment and pleasure of

---

<sup>3</sup> Hartman argues that the initial “gift” was that white people fought the Civil War to end chattel slavery. As a result, supposed advancement was framed out of human rights and into a matter of choice. Policy making from demands for institutional change is met from this perspective to this day. It appears in discourse everywhere, like in white responses to affirmative action or negative backlash towards antiracist protests by athletes with large platforms.

others. It was liberalism that defined them as laborers, not commodities, in reaction to slavery. This was only made possible through imagining a clean break from the Antebellum past and liberal future, or a result of American amnesia (133). If freedom was made in reflex to the bondage, then the liberal state centered the rights of those who owned property and who could work to potentially own property. Thus, the supposed free Black person continues to be tethered to the death of the Indigenous, neither of which own property nor are considered only laborers. With genocide as perceived in the nations past, and Black people inscribed into the liberal future, sharp dichotomies between Indigenous and Black people have not only been falsified, do not only retroactively work to make the past into an accidental conflict, but have been necessary to force a national innocence by imagining that all debts have been settled.

In conclusion, this section has worked to unsettle many assumptions made by those who centralize Marxist paradigms of labor like Harvey, Lazzarato, and Quijano. Through King and Maldonado-Torres, this essay has worked to outline that there is not always a collective telos of labor. In other words, there is something “other” than just racialized labor (King, 114). Rather, many forms of punishment and settlement in America flow beyond and can be understood as violence for the sake of white enjoyment and self-actualization. The Black laborer as one ruled by the market, too, falls short of accounting for the particular pre-capitalist modes of accumulation by dispossession that have always been legitimized by the state. As such, Lazzarato’s assumption of a rupture of equal exchange through the capitalist market are thrown into chaos through understanding Hartman’s Black fungibility. According to Chakravartty and da Silva, subprime mortgages

are “incomprehensible” exactly because for these reasons (367). It was, and still is, domination and damnation through debt, which for African Americans, isn’t a mechanism of neoliberalism but a fact of Black life in America altogether.

#### **Part IV**

Before continuing the project of untangling the various moving pieces of the 2008 financial crisis in the US, this section will seek to provide some commonalities across both the Global North and the Global South. It is important to remember neoliberalism as a larger historical project whose pieces were put together by Western empires. This is because, ultimately, this essay takes the position that while neoliberal urban renewal projects nationally had several goals that served the settler project, the conditions for its policies in the first place were part of a larger “official story” of a “pro-market pro-poor” endeavor (Chakravartty et al. 365, 364). It was the story of white capitalists attempting to save the so-called risk riddled, forgotten, illiterate, and marginalized communities who had been left out of the power of capital to modernize. If this sounds familiar, it’s probably because it is. In the words of Chakravartty and da Silva: “Neoliberal architectures and discourses of dispossession act on earlier forms of racial and colonial subjugation (369).”

This essay offers, thus, that urban renewal projects whose official story was to undo redlining do not run contradictory to King’s analysis of the purpose of white settlement. They do not run contradictory in the way that the American government’s goals to promote racial equality in America during the Cold War were not antithetical to settler logics.

Rather, to promote itself as a pillar of freedom and equality abroad against communism, it performed much of the work Hartman describes as running antithetical to the past.

As Arturo Escobar indexes, the Truman Doctrine given during Cold War tensions outlined the United States as the savior for all “underdeveloped” countries abroad<sup>4</sup> (3).

Escobar argues that the intent was clear:

“To bring about the conditions necessary to replicating the world over the features that characterized the “advanced” societies of the time... In Truman’s vision, capital, science, and technology were the main ingredients that would make this massive revolution possible. Only in this way could the American dream of peace and abundance be extended to all the peoples of the planet,” (5).

As such, the attempt to save the Third World was a continuation of the project of modernization previously outlined by Quijano. This holy trinity of capital, science, and technology thus became inextricably tied to neoliberal ideology. Development economics and its tools became as real as the laws of gravity itself. Just like the problem of the “civilized” justified violence and conversion schools, neoliberalism too leaned on these grammars, but this time with poverty as a buzzword. It too, according to Escobar, allowed “society to conquer new domains” (36). And, similar to schools and programs outlined by

---

<sup>4</sup> This ideology was only made possible through the end of World War II, which marked the United States as a global superpower. This manifested, almost immediately, through the creation of the World Bank in the Bretton Woods Conference. It legally inscribed the United States as the chair of the World Bank and majority voting power. They were, thus, responsible already for the economic development of the Global South. This power allowed them the ability to create the favorable terms of debt, and through bilateral trade agreements, leverage all deals with the Global South in their favor.

Hartman, the “politics of poverty” came not only with a desire to assimilate marginalized people into consumers/producers, but transformed them into something that required “management.” Those on the receiving end had to be taught as such.

While management of development for the “uncivilized” has taken on different forms under neoliberalism, it is as old as colonial projects themselves. Walter Rodney, for example, tracks the ways in which this exact project manifested in parts of Africa during colonial expansion. He argues that pre-colonialism, the practice of learning was distinctly different from contemporary forms of education (58). Learning was multifaceted, communal, and above all else, was shaped around the best interest of a healthy, cohesive, and spiritually nurtured society and individual (58). It was specific to the natural needs of the various communities, their geography, and their resources. The colonizers, then, did not enlighten Africa (60). They did, however, build more infrastructure for formal education that emulated European symbols, values, and social structures. The class structure, racism, specialization, and division of labor taught in European schools, thus, were transported to these facilities (60-61). In short, “Colonial schooling was education for subordination, exploitation, the creation of mental confusion and the development of underdevelopment” (61). The official story, Rodney argues, was to “modernize” African agriculture and to rationalize its subjects through a violent indoctrination into capitalism (2). This was never the goal, he remarks, as the “development” into capitalism was but a justification to “transfer wealth from African to Europe”. In short, the salvation of Africa was chiefly a project to formulate a “developed” Europe and an “underdeveloped” Africa.

Taken together, what Rodney, Quijano, King, and Escobar emphasize thus far is a “colonial matrix of power” that ties together the afterlife of slavery and the present life of capitalism to touch every facet of being. In short, coloniality and modernity work together to create and destroy life and wealth in one gesture always. This is done through formulating those locked into the past, or victims of coloniality, as people in need of salvation through modernity by the already modernized subjects (Mignolo, 188). This has been found throughout history, Mignolo notes, as salvation through Christianity, democracy, and now, financialized neoliberalism. Through this epistemic formulation frequently called memesis, there is a rational subject that is constantly being updated in contrast to a planned, racialized subject that has failed to develop. In the words of Fanon, “Between the white man and me the connection was irrevocably one of transcendence,” (106).

Unlike the past, however, neoliberal technologies utilize a “techno-discursive instrument” and the automatic governance of global financial institutions (Escobar, 36). Absent the welfare state, a set of “know-hows” used by technocratic governance is enforced with automatic market-based solutions that lack any creative power to address the needs of people. The discursive elements that formulate normative ways of being in the world override what is both top down and at local levels so as to create a synchronous rhythm between the government, the people, and the market. The precarious circumstances of all people, thus, are given many of the same solutions, and all of which require the God-like instruments of neoliberal financialization. In words of Lazzarato, the debt economy governs both labor and subjectivities to create a predictable, automatic set of possibilities.

Many parallels between these development projects in the Global North and Global South, particularly in relation to the 2008 crash can be made, but this paper will depend on three. First, banks didn't randomly provide subprime loans, nor did they target all people of color, but loans were actually racially *and* geographically targeted (Steil et al., 3). This was done using New Deal redlining maps to perform what Steil calls an act of "reverse" redlining in historically credit-deprived neighborhoods (4). Second, his study establishes that private investment didn't provide to the poorest of the poor but geopolitical areas of people with strong potential for upward mobility and financial maturity. For this reason, *about 1 in 3 people who received subprime loans actually qualified for prime loans*. Out of the subprime loans made, almost half were distributed to African Americans. As income went up, the likelihood of receiving a subprime loan actually increased. This further substantiates the reality that the process of securitization had nothing to do with creating wealth in these marginalized communities but rather a strong interest in extracting wealth from those who could pay up front. This wealth was created through fees, "origination charges," and the difference between interest rates paid by banks and the exorbitant rate collected from borrowers in the short term (3). Moreover, through the ways that prime and subprime mortgages were structured as horizontally separate, it was made "difficult or impossible to transfer clients from subprime to prime lending officers" (7). Thus, even through the very structure of banking, specific places and people had already and automatically been planned to take on subprime loans.

In contrast to demonizing logic of cleaning-up America, global neoliberal institutions take up the infantilizing colonial archetype of those in the Global South for profit. Credit-

deprived entrepreneurs in the Global South are “generously” afforded micro-loans in an effort to reverse the damage of centuries of marginalization from the economy. These loans are not made randomly nor to the poorest of people, but those who have the ability to pay incredibly high fees and interest rates up front. Of course, these loans are never big enough to make a difference but are small enough to receive returns on investment without much risk (Hickel).

Global banks, like the IMF and World Bank, work similarly by keeping nations entrenched in debt by planning for their failure. As Otto Fors elaborates, after World War II, a great power imbalance between the colonizing nations and the colonized allowed global banks to weaponize the need for capital by creating unfair terms of agreement. Similar to housing in America, this debt was made appealing as investments towards a commodity that a nation could sell to gain economic independence. However, given that commodities run dry and are vulnerable to global price manipulation, they are structurally made to fail long term. These loans with high interest rates are never enough to make up for other forms of exploitation by the Global North. Through a fluctuation of commodities, the Global South must continue to take on more debt to make up for shortages. Because high rates of debt justify higher interest rates on new ones and because a commodity-dependent economy is bound to fail, these people and places are programmed already to take on unfair debt and fail. As Fors notes, the Global South currently owes 8.4 trillion dollars.

Third, the type of coercion used in 2008 runs parallel to coercion of the Global South under neoliberalism. As Escobar notes, the Global South is coerced in the sense that this

development path promises salvation not just through inclusion into the economy, but through the promise of fostering financial independence and local economies (77). For example, global financial institutions often provide financial experts to plan economies in a way that avoids direct loans from global banks through alternative lending (World Bank). Under the guise of financial literacy programs and salvation, they suggest the use of foreign direct investment, austerity measures, and free trade as a way to gain financial stability. At the surface, a restructuring of the economy doesn't seem to require debt. However, FDI requires the use of debt to make foreign investment attractive in the first place. As Otto Fors points out, financial deficits from free trade often require the use of debt to continue trade. Through austerity measures, public debt is simply translated into private debt (Lazzarato, 30).

Similarly, Steil demonstrates how these same banking institutions infiltrated local Black businesses and churches in the United States. "Wealth building seminars" hosted by banks in these sites of community promoted "alternative lending" which promised thriving local economies for businesses and Black consumers. Of course, all of these financial literacy programs recommend the use of debt (7). This account has been corroborated by a Wells Fargo subprime loan officer, Elizabeth Jacobson (Gonzalez). Jacobson recounts how only officers of color were sent to Baltimore to set up meetings with Black churches to form close relationships with ministers and reverends. She states that leaders of Black communities were targeted specifically because they were trusted and could convince people to take out loans they otherwise would not. Banks donated 350 dollars to the

church per person that enrolled. It demonstrated the bank's investment in not just potential home-owners, but investment in the community's well-being.

Not only this, but those purchasing loans were often deliberately misled by banking institutions about the types of risks they were taking on, as loan officers deliberately lied, embellished, or hid risks for the larger commissions gained by subprime loans (Steil et al., 6). People of color with good credit were given the same initial rates and teaser rates afforded to those who would receive a prime loan (Gonzalez). However, "as soon as they got to the table, things would switch". Where people thought they would get a long-term fixed loan after two years, they actually received extremely short ones followed by adjustments with high interest rates.

Fanon's notion of *les damnés* succinctly puts together the ways in which damnation and death become an inevitability for racialized people globally. Similar to Fanon, Quijano argues that ways of life before colonialism were effectively wiped out of existence and memory (169). Once effectively void of any "ontological resistance" (Fanon 83), the types of development that were natural to all societies were forged in the vision of Europe and its universal rationality (Quijano 169). Moreover, given the need to survive, indoctrination into capitalist and Eurocentric modes of organization/labor not only became the only option, but the normatively correct option. However, the totalizing logic of coloniality and modernity/rationality was a closed circuit that excluded those who had already been established as irrational, primitive, and backwards (175). Eurocentric rationality had already placed Europe at the center of knowledge production for all to follow. It was a false promise of equality, wealth, and prosperity; the logic of successful development into the

modern Man was crafted around the failure and extraction of racialized people. The relationship between debt, which is a manifestation of Eurocentric rationality, and death is unquestionable.

Tayyab Mahmud's "Debt and Discipline" puts forth neoliberalism as an American project of imperial control over global financial flows (475). This is perhaps best demonstrated by the fact that the financial sector is actually incredibly regulated with an intention of "consolidating debt as a primary source of aggregate demand" so that global savings always flow to America. Where urban renewal projects pre-dated neoliberalism, they didn't just become a place for predatory lending. In fact, the presence of potential subprime recipients shaped American financialization, as their loans were needed to provide liquidity, continued the demand for American debt, and thus "maintain hegemony of the U.S. dollar," (476). And, in the logic of imperialism, this debt didn't seek to exclude but "subordinate" subprime recipients for profit. Given how profitable it was, and that the market couldn't use industry, finance could but only expand by "hunting out economically marginal groups for mortgage and consumer credit". In this process, "Economically marginal people constituted, in effect, a 'developing country within the United States,'" (477). After the dot.com crash of 2001, the Feds had no other option for propping up the American market but to double down on subprime mortgages (478). Neoliberalism did not force change upon America as much as it "reformulated" America from a "nation-state" to a "market-state" beholden to both "imperial and domestic responsibilities" (472). Thus, Mahmud has outlined the ways in which American imperialism works to capture global savings in ways that do less discerning between nations and their industries but specific

relationships between places/people and the debt economy. As such, instruments of development economics used in the Global South easily translate onto subprime lenders.

The question continues to remain, however, what was it about housing in America specifically, about 2008, and Latinx/Black bodies have channeled this *debt* and *death*? Where subjects of the Global South under neoliberalism are often casted as infantilized, what about America made middle-class subprime borrowers “greedy” and blameworthy? Where failure to pay back rents is an assumed historical impossibility in the Global South, what about America made racialized individuals the *cause* of the crash?

Mahmud puts forth that “In the neoliberal era the hidden hand of the market and the iron fist of the law worked in concert to forge governmentalities that suture debt with discipline” and thus hones in on discipline as the flip side of debt. Mahmud, like Lazzarto, maintains the disciplinary violence of neoliberal finance is that “labor becomes individual business” and “becomes a primary ‘technology of the self’” (483-484). Through coercive, techno-discursive instruments, debt has become the new normal and a moral obligation (464). Discipline and debt, however, take place in many forms which are engineered specifically to dispossess specific class relations, races, genders, and places. In conversation with Lazarrato’s notion of a collective relationship between creditors and debtors, Luci Cavallero and Verónica Gago assert that no such homogenous subjectivities exist. This statement does not contradict the notion that colonial capitalism globally captures debt. Rather, these authors posit:

“There is a critical need to affirm that there is not a single subjectivity of indebtedness that can be universalized nor a debt-creditor relation that can be separated from its concrete situations and especially sexual, gender, racial, and locational difference, precisely because debt does not homogenize those differences but rather exploits them. The way in which debt lands in diverse territories, economies, and conflicts is central (and not a secondary feature),” (6).

Moving away from the perspective that there are “collective” subjects, or those who experience colonial/modernity the very same, and towards a perspective that one’s specific coordinates shape ontology and capture more precisely, there is space to index not only forms of debt in 2008, but the way it landed. This understanding of neoliberal logic allows greater nuance: what is “developed” takes many shapes and lands precisely on what is understood to be “underdeveloped” in a variety of circumstances for profit. To understand events leading up and after the crash of 2008, it is essential then to pay attention to the ways techno-discursive instruments typically used in developing countries combine with the settler colonial modes of debt/discipline that resist historical material explanations. Given the perspective that urban renewal projects in America predate neoliberalism, this essay borrows from both King and Dianne Harris to argue that the land-owner/home-owner is a “developed” subject specific to the United States.

## **Part V**

To summarize, this essay has briefly provided a Marxist understanding of the ways that the current debt economy captures subjectivities through self-regulation of the

individual and the collective. It has laid bare the popular Marxist paradigm that offers accumulation by dispossession as a new imperial moment that depends on an imminent threat of violence or actual violence to reorganize society. In juxtaposition, Part II of this essay offers that Conquest, genocide, and settlement frequently (but not always) supersede labor under settler colonialism. As suggested by Chakravartty and da Silva, “‘new territories’ of consumption and investment have been mapped onto previous racial and colonial (imperial) discourses and practices,” (368). As such, these accounts that only explore historical materialism fail to fully account for the colonial practices of violent extraction that have always been outside the scope of materialism in America. Its combination can be best illustrated by how the very literal maps of “new territories” for investment were mapped onto colonial practices of redlining.

King argues that maps have been used as a way of self-actualization, or “writing the self into being” (76). Similar to Maldonado-Torres, maps translate self and others into “group-self (Us)” versus others. And, similar to arguments posited by Maldonado-Torres, the act of writing oneself into being is made through a paradigm of skepticism/certainty that has led to a naturalized (later “scientific”) reality. Maps, for King, do exactly the same work by producing a “recursive feedback loop that justifies and legitimizes itself while hiding the ways that humans are both produced by (written by) and produce these codes,” (76). However, King argues that “livingness” or Black fugitivity and Indigenous resistance, throws self-actualization through maps into crises (77). Settlers couldn’t write into reality a completed “linear and stable story of Conquest, settlement and self-actualization”.

If maps provide a mode of self-actualization created through settlement, understanding it as incomplete allows what whiteness attempts to hide away to spring forth. The “pure interior space” on the map which produces the certainty of the inhumanity of others is met, from the outside, with perpetual skepticism (78). In this gesture, if the project is to maintain certainty to self-actualize, then “the White cartographic subject’s conditions of possibilities and of constraint are determined” just as much by Black and Indigenous livingness/resistance as its conditions for Black and Indigenous death. In essence, it is an incomplete story where settlement continues to be updated to function towards a telos of Conquest<sup>5</sup> through a “non-ethics of war”.

Calling back to King once more, liberalism performs work of Conquest for settlement by universalizing rights over occupied land. As explained in “On The Jewish Question”, Marx views “independent individuals” as leftover from the Christian hegemony and the birth of the liberal political order. He argues that, although they were made in the same act, liberalism presupposes the existence of independent individuals. As such, their rights appear to be “*found in existence, an object of immediate certainty,*” (Marx, 19). Through Hartman, it becomes clear that the very illusion of appearing so natural is part of the settler colonial fantasy. The metaphysical right to land, its “mastery”, not by only bourgeoisie but in the imagination of all white conquistadors, is one perpetually in motion (102). In the words of Maldonado-Torres, the certainty is reinforced through the perpetual feedback loop of skepticism and violence that legitimizes certainty. The idea of the

---

<sup>5</sup> For Maldonado-Torres, this telos is “a world in which the ego cogito exists alone,” (247).

proletarian, one that can command nature and land in a productive manner, is not a collective experience but an act of the white-conquistador's self actualization as a master.

The spiritual ethos of Manifest Destiny had formed the American man to be independent of lord or landlord. In the foundation of the United States, to be free was to be a landowner. When read with King, Dianne Harris contributes to the ways in which post-war home-ownership has become the central manifestation of the group-us versus them rationality<sup>6</sup>. The political response to the Great Depression, which stemmed from the centralization of wealth in the 1920s, was the democratization of wealth through homeownership in the creation of the Federal Housing Administration. However, federally insured housing for developers was legally unavailable in racialized spaces (29). Given that, post-war, segregation was illegal, the FHA and housing industry took up coding race as culture; white neighborhoods became school-friendly and stable, Black neighborhoods became crime-addled with low property value (38). Harris argues the "soft-soaping of empire", borrowed from past forms of racism, described housing and peripheries as clean, hygienic, and spacious in contrast to a racialized "shiftless, indolent, lazy, criminals, immoral, pleasure seeking, negligent, ignorant, careless and unsanitary," spaces (38). In short, through an occupation with housing/space, whiteness and hygiene formed modern day ideas of "domesticity" (39), which in turn, bolstered a need to keep contamination at bay. Through a combination of text, images, discourse, advertising, and television, consumption under capitalism worked to create a nucleus of housing, cleanliness, and

---

<sup>6</sup> Read: Maldonado-Torres's lords versus the "vanquished".

space as a normative vision of the settled, white middle class. Dianne Harris succinctly sets forth:

“Cheryl Harris has called “whiteness as property.” The monetary value attached to whiteness has been measured significantly in terms of homeownership, which in turn is linked to notions of citizenship and national belonging...I will also focus on the more general notion put forth by David Delaney that “race is what it is and does what it does precisely because of how it is given spatial expression,” (31).

The “prerogative” of homeownership came to be synonymous with American nationalism and individualist ideology. It is a formal institution of the “group-Us” (Harris, 62). Through the language of cleanliness contrasted with contamination, a perpetual anxiety and threat to a self-contained ideology has become a matter of national security. Through proximity to whiteness, often (but not always) purchased by Jewish people and recently Asian Americans, a war of numbers and space was waged. Housing became the frontier of a war to preserve whiteness. In short, the Encounter which produced a non-ethics of war for settlement of land has been given many names over time, and only more recently has been established through the formal institution of housing. Race in America has always meant space and nationalistic warfare to maintain control of territory.

Neoliberal urban renewal projects, which purportedly aimed to promote the growth of Black businesses, families, and communities feel inherently contradictory to the settlement project outlined above. If the settler state must negotiate between its domestic responsibilities and its imperial ones, the Community Reinvestment Act seems to betray

domestic concerns. However, as Chakravartty and da Silva argue, financial institutions could “bet on the ‘truth’ of prevailing constructions of Blacks’ and Latino/as’ racial (moral and intellectual) traits, on the certainty that they lack in ‘creditworthiness’ and are ‘untrustworthy’ debtors,” (363). In short, they were able to bet that settler concerns would be managed by the inability of Black/Latinx people to pay for their homes and consequent victim-blaming.

Celenis Moreno writes, “In this sense, it is important to recall that technologies, like Foucault states, are not permanent; instead their use is provisional and strategic, and their ends possibly multiple, but always dependent on the device through which they are articulated,” (4). Public policies, thus, perform the work of colonial modernity; these stereotypes cannot be exceeded. Instead, public policies strategically “bet” on prevailing truths for their success in managing the problems in the same ways that banks do. Banks could bet against subprime lenders *precisely* because the Community Reinvestment Act worked to problematize the borrowers in the first place. As outlined in Part III by Steil, most subprime borrowers were not risky at all and many actually qualified for prime loans. Despite this, banks could bet and “anticipate” on devices of colonial modernity, which always “privileges certain hypervisible characteristics and conceal others” so as to already assume the borrowers to be untrustworthy (12). The stereotypes of the underdeveloped outlined by Dianne Harris work exactly because of their ideological consistency in America even when they appear “contradictory” to the reality: “If you work a lot, you work like a Black person; if you work too little, you are lazy like a Black person. All of its possible

answers and actions in particular situations can be anticipated.” In essence, progressive public policy works through reaffirming that these traits are a problem to be managed (5).

## **Part VI**

As demonstrated thus far, in the aftermath of 2008, banks were never really under risk of serious scrutiny in the first place. The creation of housing segregation was always a project under management of both financial institutions and the government for the purpose of development. The FHA deemed which “credit-worthy” spaces it would insure and banks gave out loans accordingly. Settler-colonial governance profited from the punishment of Black people as a means to produce a respectable, white middle class. Banks profited from the increased demands in housing that came from an expression of whiteness. In the same vein, the CRA deemed which places were credit deprived and the banks gave out loans accordingly. The settler state profited from a booming financial sector, soft American imperialism, and an updating of whiteness as progressive. Banks profited from the liquidity mortgages provided, their progressive image, and a hand-crafted scapegoat. Whether for settler-colonial or profit-driven ends, their “device” of “articulation” always derived profit from the self-fulfilling, racialized images of homeowners in America.

And, whether through Manifest Destiny, post-war housing, or neoliberal financialization, resettlement has always been constitutive of economic growth and whiteness for the United States. In other words, in the way that coloniality is constitutive of modernity, so was the modernizing force of American financialization constituted by settler

violence. In this way, the contract between the state, the bourgeoisie, and white laborers in America is one that has always hinged on a negotiation between shared land. Consequently, the act of actually purchasing land is inevitably a “death trap.” As a child of Conquest, the land was never meant for racialized people in the first place.

## Work Cited

Amadeo, Kimberly. "Causes of the 2008 Global Financial Crisis." *The Balance*, 29 May 2020, [www.thebalance.com/what-caused-2008-global-financial-crisis-3306176](http://www.thebalance.com/what-caused-2008-global-financial-crisis-3306176).

"The Approaching Obsolescence of Housework: A Working-Class Perspective." *Women, Race and Class*, by Angela Yvonne Davis, Vintage Books, 1983.

Baptiste, Nathalie. "Staggering Loss of Black Wealth Due to Subprime Scandal Continues Unabated." *The American Prospect*, 13 Oct. 2014, [prospect.org/justice/staggering-loss-black-wealth-due-subprime-scandal-continues-unabated/](http://prospect.org/justice/staggering-loss-black-wealth-due-subprime-scandal-continues-unabated/).

Cavallero, Luci, and Verónica Gago. "10 Theses on Feminist Economics (or the Antagonism between the Strike and Finance)." *CLCWeb: Comparative Literature and Culture*, vol. 22, no. 2, 2020, doi:10.7771/1481-4374.3845.

Chakravartty, Paula, and Denise Ferreira Silva. "Accumulation, Dispossession, and Debt: The Racial Logic of Global Capitalism—An Introduction." *American Quarterly*, vol. 64, no. 3, 2012, pp. 361–385., doi:10.1353/aq.2012.0033.

Escobar, Arturo. *Encountering Development: The Making and Unmaking of the Third World*. STU - Student edition ed., Princeton University Press, 1995. *JSTOR*, [www.jstor.org/stable/j.ctt7rtgw](http://www.jstor.org/stable/j.ctt7rtgw). Accessed 1 Mar. 2021.

Fanon, Franz. *Black Skin, White Masks*. Pluto Press, 1986, [abahlali.org](http://abahlali.org), [http://abahlali.org/files/\\_Black\\_Skin\\_White\\_Masks\\_Pluto\\_Classics\\_.pdf](http://abahlali.org/files/_Black_Skin_White_Masks_Pluto_Classics_.pdf)

- Gonzalez, Juan. "Former Wells Fargo Subprime Loan Officer: Bank Targeted Black Churches as Part of Predatory Subprime Lending Scheme." *Democracy Now!*, 28 Aug. 2009, [www.democracynow.org/2009/8/28/former\\_wells\\_fargo\\_subprime\\_loan\\_officer](http://www.democracynow.org/2009/8/28/former_wells_fargo_subprime_loan_officer).
- Harris, Dianne. *Little White Houses: How the Postwar Home Constructed Race in America*. University of Minnesota Press, 2013. *JSTOR*, [www.jstor.org/stable/10.5749/j.ctt3fh6f2](http://www.jstor.org/stable/10.5749/j.ctt3fh6f2). Accessed 1 Mar. 2021.
- Hartman, Saidiya V. *Scenes of Subjection: Terror, Slavery, and Self-Making in Nineteenth-Century America*. Oxford University Press, 2010.
- Hickel, Jason. "The Microfinance Delusion: Who Really Wins?" *The Guardian*, Guardian News and Media, 10 June 2015, [www.theguardian.com/global-development-professionals-network/2015/jun/10/the-microfinance-delusion-who-really-wins](http://www.theguardian.com/global-development-professionals-network/2015/jun/10/the-microfinance-delusion-who-really-wins).
- Jerome Roos February 1, 2018. "The New Debt Colonies." *Viewpoint Magazine*, 3 Feb. 2018, [viewpointmag.com/2018/02/01/new-debt-colonies/](http://viewpointmag.com/2018/02/01/new-debt-colonies/).
- King, Tiffany Lethabo. *The Black Shoals: Offshore Formations of Black and Native Studies*. Duke University Press, 2019.
- Laurell, Asa Cristina. "Three Decades of Neoliberalism in Mexico: The Destruction of Society." *International Journal of Health Services*, vol. 45, no. 2, Apr. 2015, pp. 246–264, doi:10.1177/0020731414568507
- Lazzarato, Maurizio. *The Making of the Indebted Man: an Essay on the Neoliberal Condition*. Semiotext(e), 2012.
- Lugones, María. "Heterosexualism and the Colonial / Modern Gender System." *Hypatia*, vol. 22, no. 1, 2007, pp. 186–209. *JSTOR*, [www.jstor.org/stable/4640051](http://www.jstor.org/stable/4640051). Accessed 1 Mar. 2021.

Mahmud, Tayyab. "Debt and Discipline." *American Quarterly*, vol. 64, no. 3, 2012, pp. 469–494. *JSTOR*, [www.jstor.org/stable/23273531](http://www.jstor.org/stable/23273531). Accessed 1 Mar. 2021.

Maldonado-Torres, Nelson. "On The Coloniality of Being." *Cultural Studies*, vol. 21, no. 2-3, 2007, pp. 240–270., doi:10.1080/09502380601162548.

Marx, Karl. "Capital A Critique of Political Economy." *Economic Manuscripts: Capital: Volume One*, Marxists Internet Archive, 1995, [www.marxists.org/archive/marx/works/1867-c1/](http://www.marxists.org/archive/marx/works/1867-c1/).

Marx, Karl, and Frederick Engels. *The German Ideology*, Marxists Internet Archive, 1968, [www.marxists.org/archive/marx/works/1845/german-ideology/](http://www.marxists.org/archive/marx/works/1845/german-ideology/).

Marx, Karl. "On The Jewish Question." *On The Jewish Question by Karl Marx*, Marxists Internet Archive, 2008, [www.marxists.org/archive/marx/works/1844/jewish-question/](http://www.marxists.org/archive/marx/works/1844/jewish-question/).

Moreno, Celenis, and Nelson Maldonado Torres. "Public Policies on Gender Equality: Technologies of Modern Colonial Gender." *Editorial Global Critical Caribbean Thought*, Edited by María Lugones, Forthcoming.

Punjani, Bisma. "News Outlet Blame on 2008 Financial Crisis." 15 Dec. 2020. POLS 394R, Emory University, student paper.

Quijano, Aníbal. "COLONIALITY AND MODERNITY/RATIONALITY." *Cultural Studies*, vol. 21, no. 2-3, 2007, pp. 168–178., doi:10.1080/09502380601164353.

Rodney, Walter. *How Europe Underdeveloped Africa*. Bogle-L'Ouverture Publications, 1983, [abahlali.org](http://abahlali.org), [abahlali.org/files/3295358-walter-rodney.pdf](http://abahlali.org/files/3295358-walter-rodney.pdf).

Spillers, Hortense J. "Mama's Baby, Papa's Maybe: An American Grammar Book." *Diacritics*, vol. 17, no. 2, 1987, pp. 64–81., doi:10.2307/464747.

Steil, Justin P et al. "The Social Structure of Mortgage Discrimination." *Housing studies* vol. 33,5 (2018): 759-776. doi:10.1080/02673037.2017.1390076

Tlostanova, Madina V. and Walter D. Mignolo. *Learning to Unlearn: Decolonial Reflections from Eurasia and the Americas*. The Ohio State University Press, 2012. Project MUSE  
muse.jhu.edu/book/24260.

World Bank. "Getting to Know the World Bank." *World Bank*, July 2012,  
[www.worldbank.org/en/news/feature/2012/07/26/getting\\_to\\_know\\_theworldbank#:~:text=The%20World%20Bank%20is%20an,of%20living%20of%20their%20people](http://www.worldbank.org/en/news/feature/2012/07/26/getting_to_know_theworldbank#:~:text=The%20World%20Bank%20is%20an,of%20living%20of%20their%20people).

María Lugones, Yuderkys Espinosa Miñoso, Nelson Maldonado Torres (editores),  
*Decolonial Latin American, Caribbean and Latin Feminism: Contributions and Challenges*.  
Editorial Global Critical Caribbean Thought. (de próxima publicación) Traducción de  
Verónica Davila