

Guess who wins from racism?

Published: January 30, 2026, 7:13 am

As the [FT noted](#) yesterday:

Companies including Palantir and Deloitte have collectively reaped more than \$22bn from contracts linked to Donald Trump's aggressive immigration crackdown.

Consultants, tech groups, charter airlines and a gravel company headed by an ally of the US president have been among the biggest beneficiaries of a surge in spending on Immigration and Customs Enforcement and Customs and Border Protection.

They added:

An FT analysis of government contracting data shows that data intelligence group Palantir has received nearly \$100mn in contracts from ICE since January 2025, while Deloitte, the consulting firm, has been handed new work totalling more than \$100mn from ICE and CBP over the same period.

Those short paragraphs tell us almost everything we need to know about the political economy of racism in the modern state. Racism is not just a prejudice. It is not just a set of hateful ideas. It is also a business model.

First, this reminds us that racism is expensive. States do not persecute, detain, deport or surveil at scale without spending vast sums of public money. Borders do not militarise themselves. Enforcement databases are not built for free. Camps, detention centres, charter flights and surveillance systems all require contracts, procurement, staff and infrastructure. The so-called "small state" right is, in practice, a very large state when it comes to policing, borders and coercion.

Second, that spending does not disappear into the ether. It flows, predictably and deliberately, to private corporations. Palantir sells data integration and surveillance tools. Deloitte sells consultancy, systems design and "delivery". Charter airlines sell deportation flights. Construction and materials firms sell the physical apparatus of exclusion. Racism is not an accidental by-product of these contracts; it is their justification.

Third, this is not a bug in neoliberalism. It is a feature. Neoliberal politics has always required enemies. When economic policy is designed to suppress wages, weaken labour, dismantle welfare and hollow out public services, resentment has to be redirected. Migrants, asylum seekers and racialised minorities become convenient targets. The state withdraws care with one hand and expands punishment with the other, while always insisting that there is no money for anything that matters to the decent majority.

Fourth, this helps explain why authoritarian politics and market fundamentalism now travel together. The same politicians who claim the state is inefficient, bloated and unaffordable suddenly discover unlimited fiscal capacity when it comes to border enforcement. The same voices that oppose public investment in health, housing or education are enthusiastic about writing cheques to surveillance firms and management consultants. This is not fiscal prudence. It is an ideological choice.

The consequences matter, and they extend well beyond the United States.

Firstly, public money that could be used to fund care is diverted into coercion. When a government claims it is fiscally constrained, every dollar spent on deportation logistics is a dollar not spent on schools, hospitals or social housing. This is not an abstract trade-off. It is a reallocation of resources away from human needs towards fear management. The justification may be economically false: the consequences are real.

Secondly, racism becomes self-reinforcing. Once a commercial ecosystem grows around border enforcement, detention and surveillance, those firms acquire a vested interest in the perpetuation of hostility. They lobby. They advise. They produce reports. They normalise the language of “risk”, “threat” and “control”. Fear becomes a revenue stream that they will strenuously seek to protect.

Third, democratic accountability is weakened. Contracts of this scale are often opaque, rushed through under claims of emergency or national security. Oversight is limited. Legal safeguards are treated as obstacles. The state becomes more secretive precisely where it is most coercive.

Fourthly, this model travels. The UK is not immune. Nor is Europe. We have already seen the growth of outsourced private detention centres and prisons, data-driven surveillance of migrants and consultancy fees for failed immigration systems. The same logic applies: hostility justifies spending; spending enriches private actors; failure is rewarded with more contracts.

The conclusion is unavoidable. Racism is not only morally repugnant. It is fiscally and economically corrupting. It creates a political economy in which fear is profitable, cruelty is outsourced, and public money is transferred upwards to corporations with the right political connections.

If we want a different outcome, we need a different framing. Care must replace coercion as the organising principle of the state. Migration should be managed as a social reality, and not a militarised threat. Public money should fund integration, housing, health and work, not surveillance and punishment. And above all, we must challenge the lie that there is no alternative to this spending when the evidence shows that, when governments choose, they can always find the money.

Racism pays despite its vileness — but only for a few. The rest of society pays the price, and the direct victims pay the most of all. The question is, what are we going to do about that?