This essay examines interconnections between “race” and economic inequality in the United States, focusing on the case of African Americans. I will argue that it is crucially important to distinguish between racial discrimination and racial stigma is the study of this problem. Racial discrimination has to do with how blacks are treated, while racial stigma is concerned with how black people are perceived. My view is that what I call reward bias (unfair treatment of persons in formal economic transactions based on racial identity) is now a less significant barrier to the full participation by African-Americans in US society than is what I will call development bias (blocked access to resources critical for personal development but available only via non-market-mediated social transactions). By making these points in the specific cultural and historical context of the black experience in US society, I hope to contribute to a deeper conceptualization of the worldwide problem of race and economic marginality.

A theory of racial economic disparity should begin with some account of the phenomenon of “race” itself. We need to explain why people take note of and assign significance to the skin color, hair texture, and facial bone structure of other human beings. That
superficial markings on human bodies are socially significant – that agents routinely partition the field of human subjects whom they encounter into groups, with this sorting convention based on the subjects’ possession of some cluster of observable bodily marks – is a universal feature of human societies.

My proposal is that we think about “race” as a social phenomenon that results from the combination of two processes – categorization and signification. Categorization involves the sorting of persons into a cognitively manageable number of subgroups, based on bodily marks, for the purpose of differentiating one’s dealings with such persons. Signification involves the mental activity of associating certain connotations or “meanings” with these categories. My argument is that, at bottom, “race” is all about “embodied social signification.”

Let me dispose of a red herring at the outset. Some critics (e.g., Paul Gilroy 2000) have suggested that social analysts should abandon the use of racial categories, since modern science has shown that there are no “races” as such. The attempt to classify human beings on the basis of natural variation in genetic endowments across what for much of human history had been geographically isolated sub-populations is controversial (Luigi Cavalli-Sforza 2000, Steve Olson 2002). I wish to stress, however, that my use of “race” as an instance of social-cognition is an altogether distinct enterprise from using “race” as an instrument of biological taxonomy. While there well may be no “races” in the biological sense, we can nevertheless adopt the linguistic convention that when saying, “person A belongs to race X,” what we mean is that, “person A possesses physical traits which (in a given society, at a fixed point in history, under the conventions of racial classification extant there and then) will cause him to be classified (by a preponderance of those he encounters in that society and/or by himself) as belonging to race X.”
To see this point more clearly, consider the following thought experiment. Let people believe that fluctuations of the stock market can be predicted by changes in sunspot activity. This may be because, as an objective meteorological matter, sunspots correlate with rainfall, which influences crop yields, thus affecting the economy. Or, solar radiation might somehow influence the human psyche so as to alter how people behave in securities markets. Each of these accounts proposes an objective causal links between sunspots and stock prices. They can be likened to grounding one’s cognizance of “race” on the validity of a race-based biological taxonomy. But, let us posit that no such objective links of this kind between sunspots and stock prices exist. Still, if enough people believe in the connection, monitor conditions on the sun’s surface, and act based on how they anticipate security prices will be affected, then a real link between these evidently disparate phenomena will have been forged out of the subjective perceptions of stock market participants. As a result of this process, a belief in the financial relevance of sunspot activity will have been rendered entirely rational.

Likewise, no objective racial taxonomy need be valid for the subjective use of racial classifications to become warranted. It is enough that influential social actors hold schemes of racial classification in their minds and act on those schemes. For, if a person knows that others in society will classify him on the basis of certain markers, with these acts of classification affecting his material or psychological well being, then it will be a rational cognitive stance on his part – not a belief in magic and certainly not a moral error – for him to think of himself as belonging to a “race.” In turn, that he thinks of himself in this way and that others in society classify him similarly provides a compelling reason for a newcomer to adopt this ongoing scheme of racial classification. Learning the extant “language” of embodied social signification is a first step toward assimilation of the foreigner, or the newborn, into any “raced” society. I
conclude that “races,” in the social-cognitive sense, may come to exist and to be reproduced over the generations in a society, even though there may exist no “races” in the biological-taxonomic sense.

<2> Biased Social Cognition

My “new paradigm” for discrimination theory builds on the observation that, due to the history and culture peculiar to a given society, powerful negative connotations may become associated with particular bodily marks carried by some persons in that society. I claim that this is decidedly the case with respect to the marks that connote “blackness” in U.S. society. (This claim is defended at length in Glenn C. Loury 2002, chp.3) My proposal is that analysts should place more emphasis on the ways in which observers interpret social data that bear on the status of disadvantaged racial groups, as distinct from (say) their “tastes” for discrimination against such people. With my core concept – biased social cognition – I attempt to move from the fact that people make use of racial classifications in the course of their interactions, to some understanding of how this alters the causal accounts they settle upon for what they observe in the social world. My signature question is: When does the “race” of those subject to a difficult social circumstance affect whether powerful observers see the disadvantages experienced by such people as constituting a societal problem?

Here is a non-racial example that may help to make this point. Much evidence supports the conclusion that there is disparity in social outcomes for males and females. Consider two distinct venues where this is the case – the schools and the jails. Compared to the girls, boys are over-represented among those doing well in math and science in the schools, while men are over-
represented among those doing poorly in society at large by ending-up in jail. Yet, only one of these disparities is widely perceived to be a societal problem – the first. Why? One possible answer is this: it offends basic intuitions about the propriety of underlying social processes that boys and girls attain different levels of achievement in the technical curriculum, while no disquiet is stirred by gender disparities in the jails. Because we do not easily envision a wholly legitimate causal chain of events that could produce the schools disparity, we set ourselves the task of solving a problem. In the face of this inequality we are inclined to interrogate our institutions – to search the record of our social practice and examine myriad possibilities in order to see where things might have gone wrong. Yet, nothing like this happens for male-female disparity in the jails because, tacitly if not explicitly, we are “gender essentialists.” In effect, our model of social causation posits that males and females differ – either in their biological nature or their deep-seated acculturation – and it is this essential difference that accounts for the observed disparity. As “gender essentialists,” our intuitions are not offended by the fact of vastly higher rates of imprisonment among males than females. We do not ask deeper questions about why this disparity has come about. And so, perceiving there to be no problem, no solution is sought.

Whether we are right or wrong to act as we do in these gender matters, my point is that the bare facts of disparity do not, in themselves, provide any motive for action. To act, we must marry what we observe to some model of social causation. This model need not be explicit; it can lurk beneath the surface of our conscious reflections. Still, it is the facts plus the model that lead us to perceive a given circumstance as indicative of some as yet undiagnosed failing in our social interactions, or not.
Now consider another example of how people's models of the world (what they take as exogenous) prevents them from seeing the social structures that may engender racial inequality. Suppose taxi drivers in a big city are reluctant to stop for young black men because they fear being robbed. That is, they calculate that the chance of robbery conditional on race (and, perhaps, other information like age and sex) exceeds a prudential threshold when the prospective fare is a young black man, but not otherwise. Imagine that, as a matter of the crime statistics, this surmise is objectively correct. Even so, a process of adverse selection could explain how such a racial disparity might arise.

If an agent knows taxis are unlikely to stop for him, and if he does not intend to rob the driver, then he may not want to rely on taxis for transportation because of the expected length of his anticipated wait. It is plausible to assume that waiting costs are less for someone who intends to rob the driver than for someone who does not. After all, to get in a night’s work the robber may only needs one cab to stop during the night. That drivers are slow to stop for a certain group may discourage all members of that group from using taxis, but those intent on robbing will be relatively less discouraged than those who have no such intention. Thus, should the drivers begin with an a priori belief that a certain group of people is more likely to harbor robbers, and so become slow to stop for them, the result may be to create incentives for self-selection within that group such that robbers become relatively more likely hail cabs.

This example shows that if people on one side of a transaction are inclined to make racial generalizations when forming their beliefs, if they act on those beliefs and if they start out believing differently about people who have different racial traits, then the actions they take can indirectly produce evidence that confirms them in their views. But, being completely oblivious
to such an endogenous source of racial disparity, they may mistakenly attribute the inequality to exogenous sources.

Thus, imagine that an observer (correctly) takes note of the fact that, on the average and all else equal, black residential neighborhoods are more likely to decline. This may lead that observer to move away from any neighborhood when more than a few blacks move into it. But, what if the racial composition of a neighborhood connotes decay in this manner only because, when a great number of observers act on their worst fears, the result (through some possibly complex chain of social causation) is to bring about the confirmation of their beliefs? Perhaps non-black residents panic at the arrival of a few blacks, selling too quickly and below the market value to lower-income (black) buyers, and it is this process that promotes a neighborhood’s decline. Under such circumstances observers might mistakenly attribute racially disparate behaviors to ingrained limitations of African-Americans – thinking, say, that blacks take poor care of their property because they are simply less responsible people on average, when in fact there need by no racial differences in such character traits.

A mistaken causal attribution of this kind could be of great political consequence since, if one attributes an endogenous difference (a difference produced within a system of interactions) to an exogenous cause (a cause located outside that system), then one is unlikely to see any need for systemic reform.

Notice what is happening here: The taxi drivers’ or homeowners behaviors are creating the facts on which their pessimistic expectations are grounded. Thus, were most drivers as willing to stop for young black men as for others, the set of blacks hailing cabs might be no more threatening than the overall population average. But then it would be reasonable for drivers to pay no heed to race when deciding whether or not to stop! Clearly, once a convention employing
the self-confirming racial stereotype has been established, the observing agents’ beliefs and actions can be defended on the basis of reason. But the deeper conclusion—that there is an intrinsic connection between race and crime, or race and neighborhood decline—is altogether unjustified. I think it is safe to assume that this subtle distinction will elude most cab drivers, homeowners, politicians, Op-Ed writers, and not a few social scientists!

It is this distinction between endogenous and exogenous social causation that is, I believe, the key to understanding the difference in our reformist intuitions about gender inequalities in the schools and in the jails: Because we think the disparity of school outcomes stems from endogenous sources, while the disparity of jail outcomes is tacitly attributed in most of our “causal models” to exogenous sources, we are not moved to the same extent to do something about the observed disparities. My argument is that a given instance of social disparity is less likely to be perceived as a social problem when people take the disparity to have been caused by the deficiencies of those who lag behind. My contention is that in American society, when the group in question is blacks, the risk of this kind of causal misattribution is especially great.

This kind of reflection on the deeper structure of our social-cognitive processes, as they bear on the issues of racial disparity, is what I had hoped to stimulate with my discussion of “biased social cognition.” And, the role of “race” in such processes is what I am alluding to when I talk about “racial stigma.”

I believe the disparate impact of the enforcement of anti-drug laws offers a telling illustration of the value in this way of thinking. There could be no drug market without sellers and buyers. (Just so, there would be no street prostitution without hookers and johns.) Typically, those on the selling side of such markets are more deeply involved in crime and disproportionately drawn from the bottom rungs of society. When we entertain alternative
responses to the social malady reflected in drug use (or in street prostitution), we must weight the costs likely to be imposed upon the people involved. Our tacit models of social causation will play a role in this process of evaluation. Have bad lawbreakers who sell drugs on our city streets imposed this problem on us? Or, has a bored, spoiled middle class with too much time on its hands engendered the problem in its hedonistic pursuit of a good time? How serious a given crime is seen to be by those who through their votes indirectly determine our policies, and how “deserved” the punishment for a given infraction, may depend on the racial identities of those involved, because the tacit causal accounts adopted by influential observers may depend on “race.”

In (Loury 2002) I use the theory of biased social cognition just sketched to argue that durable racial inequality can be understood as the outgrowth of a series of "vicious circles of cumulative causation" (Gunnar Myrdal 1944). I have in mind a model where popular support for egalitarian policy reforms benefiting a stigmatized racial group depends on the causal explanations ordinary people are inclined to give for observed racial disparities. The tacit association of “blackness” in the public's imagination with "unworthiness" distorts cognitive processes and promotes essentialist causal misattributions. In plain English, observers will have difficulty identifying with the plight of people whom they (mistakenly) see to be simply “reaping what they have sown.” In turn, this tendency to see racial disparities as communal rather than a societal problem encourages the reproduction of inequality through time because, absent some reformist interventions, the low social conditions of many blacks persist, the negative social meanings ascribed to blackness are then reinforced, and so the racially biased social-cognitive processes are reproduced, completing the circle.
Because it has its root in past unjust acts that were perpetrated on the basis of race, present-day racial inequality on the scale to be observed in U.S. society constitutes a gross historical injustice. Specifically, I claim is that past racial injustice establishes a general presumption against indifference to present racial inequality. However, I do not think that the public response to this situation can or should be conceived in terms of “correcting” or “balancing” for historical violation. I conclude by briefly elaborating on this point.

A central reality of our time is the fact that there has opened a wide racial gap in the acquisition of cognitive skills, the extent of law-abidingness, the stability of family relations, attachment to the workforce and the like. I place this racial disparity in human development at the center of my analysis, and put forward an account of it rooted in social and cultural factors, not in blacks’ inherent capacities. What I am saying in so many words is that, even if there were no overt racial discrimination against blacks, powerful social forces would still be at work to perpetuate into future generations the consequences of a universally acknowledged history of racism in America. A corollary of this position is that combating such racism as continues to exist will be insufficient to achieve racial justice.

In stating this, I do not suggest that conventional efforts to combat discrimination be suspended, or that racism is an empty concept or an historical relic. The evidence of continuing racial unfairness in day-to-day social intercourse in this country is quite impressive. But, so too is the evidence of a gap in acquired skills that at least partly explains racial disparities. I seek an argument for racial egalitarianism that requires neither a showing of contemporaneous discrimination nor an insistence upon some kind of trans-generational historical debt. I ground
that argument on biased processes of human development deriving from the extreme social isolation of many blacks.

Whereas reparations advocacy conceives the problem of our morally problematic history in compensatory terms, I propose to see the problem in interpretative terms. That is, I seek public recognition of the severity, and (crucially) the contemporary relevance, of what has transpired. I stress that this is not merely a question of historical fact; it is also a matter of how we choose to look at the facts. My goal is to encourage a common basis of historical memory – a common narrative – through which the past racial injury and its continuing significance can enter into current policy discourse. What is required for racial justice, as I conceive it, is a commitment on the part of the public, including the political elite and the opinion-shaping media, to take responsibility for the plight of the urban black poor, and to understand this troubling circumstance as having emerged in a general way out of an ethically indefensible past. Such a commitment should, in my view, be open-ended and not contingent on demonstrating any specific lines of causality.

Bibliography


