

Racial Identity and Racial Inequality: Forty Years of Thinking about the Persisting Subordinate Position of Blacks in the United States

Glenn Cartman Loury, Stoltz Professor of the Social Sciences, Brown University

Distinguished Lecture, Institute for Advanced Study in Toulouse, September 2018

[Show slide presentation with statistics on persisting racial gaps]

Prologue: To begin, I invite you to consider an imagined dialogue between two black American social scientists – a technically oriented economist, like myself; and an ethnographically oriented sociologist with radical political leanings:

Ec: (Chanting, but otherwise sitting still) “Relations before Transactions. Relations before Transactions. Relations before Transactions. Relations before Transactions”

Soc: (Enters with a start – alarmed) What’s wrong, my friend? Why are you saying that? You must be the culprit who pilfered my copy of Bourdieu last week!

Ec: No, I am not. Who’s Bourdieu, anyway – one of those airy French sociologists you always fawn over? It’s my mantra; I’m meditating. Very calming. You should try it sometime.

Soc: (Ignoring the dig.) I meditate all the time, man. I’m the one who belongs to a profession fraught with anxiety, remember? But what’s your excuse?

Ec: Well, I’ve been having a recurrent nightmare of late, and I want it to stop. My shrink thinks that meditation could help.

Soc: Who’s your shrink?

Ec: Oh, this brother was my roommate at Swarthmore. Brilliant dude; works a lot with gunshot victims; inner-city types involved in gangs, the drug trade and so on. He thinks they’re making passive suicide attempts; writes books on hopelessness, self-loathing, falling into an existential abyss; cites Freud, Nietzsche and de Sade. Strange guy, but brilliant. He gave me the mantra; promised it would help; said I should repeat it slowly while sitting very still and taking deep breaths.

Soc: Perhaps. But, remember what I told you about those pizzas – not a good idea after midnight. And, did you say, de Sade?? Anyway, tell me, what's the dream?

Ec: Oh, it's awful. I'm back in grad school. I'm sitting in my usual place right at the front of the class. The professor poses what he says is an important question. He's invited one of us to the board to work out an answer. I get there first, and proceed to fill the board with equations. Finally, I arrive at what must be the solution. My derivation is far too elegant not to be true. I turn to explain myself to the rest of the class. Just then, I realize that I've forgotten the original question! I rack my (very large) brain, but for the life of me, I can't recall it. The class begins to snicker. They're a ruthless bunch when they smell blood. The guffaws and catcalls grow louder. It's humiliating, just humiliating. (Economist begins to tremble uncontrollably.)

Soc: (Comforting his friend) Yeah, I can see that. It's got to be tough – being the smartest person in the room, but without a clue as to what's the point. You ought to stick with this shrink though. Dreams can be very revealing, you know. But, I'm not sure I get the mantra. And, what was the professor's question, anyway?

Ec: He had asked us to explain how durable racial inequality in the United States can be squared with the premises of modern economic theory, without making any assumption of innate racial inferiority, and without postulating any unexplained preferences for own-group associations.

Soc: That's a damned good question! It's a tough one, too. You're telling me you ran to the board to take that one on? Brave man. (Fools jump in where angels fear to tread, he thinks...)

Ec: Well, to be honest, in the dream I always start to the board before he finishes posing the question. Happens the same way every time. I can't stop myself... (The trembling returns...)

Soc: (In a bright tone, hoping to shift to a happier subject.) So, what was your elegant solution?

Ec: Oh, I'd love to tell you. But it's hopeless, because you'd never understand the mathematics!

(At this, the sociologist takes offense and storms off angrily. The economist yells after him...)

Ec: Besides, I'm not sure I believe it anymore, myself. Anyway, my shrink gave me this mantra and it seems to be helping. (He returns to his chanting: "Relations before transactions. Relations before transactions. Relations before transactions. Relations before transactions...")

Thus ends the dialogue.

Relations before Transactions: Thinking about "Race" and Racial Inequality

Over these last 40 years I have expended considerable effort trying to explain – to myself and to the world -- why the subordinate status of African Americans persists in the United States. Some of this thinking was summed-up in my monograph *The Anatomy of Racial Inequality*.¹ That book sketched a theory of "race" applicable to the social and historical circumstances of the United States. It speculated about why racial inequalities persist. And, it advanced a conceptual framework for thinking about social justice in matters of race. It was one-part social science, one-part social criticism and one-part social philosophy – deriving from a series of lectures I had given at Harvard's DuBois Institute. I wish to fix ideas for the argument to come by briefly reviewing some of those concepts, since I agree with the UCLA sociologist, Rogers Brubaker, whose book, *Ethnicity*

¹ Harvard University Press, 2002

*without Groups*², has much impressed me: that one ought never to invoke racial aggregates as subjects of social analysis unreflectively. So, please bear with me. The relevance of this introductory conceptual excursion will be clear soon enough.

A theoretical discussion of this kind properly starts with an account of the phenomenon of “race” itself. Why do people take note of and assign significance to the skin color, hair texture and bone structure of other human beings? How have the superficial markings on human bodies taken-on social significance, to the extent that people routinely partition the field of human subjects whom they encounter into groups, with this sorting convention based on these subjects possessing some observable bodily marks. This is a universal feature of human societies. But, why should this be so? I proposed (acknowledging in advance that there was no great originality in this) to conceive of “race” as being socially constructed – that is, as a conventional, not a natural, category. For me the term “race” refers to indelible and heritable marks on human bodies of no intrinsic significance in themselves which, nevertheless, have through time come to be invested with social expectations that are more or less reasonable, and social meanings that are more or less durable.

Note that – when talking about “race,” in America or anywhere else for that matter, we are actually dealing with two distinct processes: one is *categorization*;

² Harvard University Press, 2006.

and the other is *signification*. Categorization entails sorting people into a small number subsets on the basis of bodily marks and then differentiating one's dealings with such persons accordingly. It is a *cognitive* act; an effort to comprehend the social world around us. By contrast, signification is an *interpretative* act – one that associates certain connotations or “social meanings” with those categories. So both informational and symbolic issues are at play. Or, as I like to put it, when we speak about “race,” we are really talking about “embodied social signification.”³

It is instructive to contrast this social-cognitive conception of “race” with acts of biological taxonomy – the sorting of human beings based on presumed variations of genetic endowments across what had been geographically isolated subpopulations. Such isolation was the human condition until recently on an evolutionary time scale and it may be thought to have led to the emergence of distinct “races.” As we all know, use of the term “race” in this way is controversial – particularly so if one aims to explain social inequalities between groups. Thus, when scientists (like noted population geneticist Luigi Cavalli-Sforza⁴) or social

³ A self-conscious awareness that the marks on one's body may convey profound significations to the others one encounters in society may be an impediment to one's psychological health – particularly in a place like the United States where, because of the need to justify chattel slavery in a nation self-consciously defining itself as “the land of liberty,” the mark of “blackness” has, over the course of the last two centuries, come to be infused with long-enduring, derogatory significations.

⁴ See, e.g., *The History and Geography of Human Genes*, Luigi Cavalli-Sforza, Paolo Menozzi and Alberto Piazza, Princeton Univ. Press, 1996

critics (like noted philosopher, Anthony Appiah⁵) deny that the term “race” refers to anything real, what they have in mind is this biological-taxonomic notion; and what they deny is that meaningful distinctions among human subgroups pertinent to accounting for racial inequality can be derived in this way. I am not arguing this point – though it would appear to be imminently arguable. What I am emphasizing here is that using “race” as a category of social cognition is conceptually distinct from the more dubious use of the concept for purposes of biological taxonomy: to establish the scientific invalidity of “race” demonstrates neither the irrationality nor the immorality of invoking racial classification as acts of social cognition. So, it is in this social constructivist spirit that I shall employ the concept here, with an emphasis on the negative interpretative/symbolic connotations that are attached to “blackness” in the US.⁶

Two Kinds of “Discrimination”: Reward Bias versus Development Bias

Given this theoretical understanding of “race,” what, then, might one say about the causes of persistent racial inequality? Fundamental to my approach in

⁵ See, e.g., *In My Father’s House: Africa in the Philosophy of Culture*, Oxford Univ. Press 1992

⁶ Of particular interest to me is the possibility that powerful and derogatory social meanings may come to be associated with the bodily marks that define “race” in American society, and that such meanings may even be internalized by persons identifying with a stigmatized racial group – even people like me, who might hope to study such matters more or less scientifically. How, I ask, does one achieve the objective observer’s stance while enmeshed in the tangled web of identities, fealties and conflicting narratives which is the nature of racial discourse in America?

that book was the distinction between *racial discrimination* and *racial stigma*.

Discrimination is about how blacks are treated; while stigma is about how blacks are perceived. (This distinction between treatment and perception is an elemental one, in my view.) Furthermore, I argued that what I called *reward bias* is now a less significant barrier to the full participation of African-Americans in US society than is what I called *development bias*. Whereas *reward bias* is focused on the disadvantageous treatment of black people in formal transactions that limits their rewards for skills and talents presented to the market, *development bias* references impediments blocking access for black people to those resources that are necessary to develop and to refine their talents, but that are conveyed through informal social relations.

Thus, while *reward bias* is grounded in racially discriminatory transactions, *development bias* is ultimately rooted in racially stigmatized social relations, since many of the resources that foster human development can only become available to persons as the byproduct of informal, race-influenced social interactions. Another way of putting this expanded view of discrimination is to say that reward bias is a reflection of *discrimination in contract* whereas, by contrast, development bias is a reflection of *discrimination in contact*.

Now, and obviously, these two biases are not mutually exclusive: acquisition of skills can be blocked by overt acts of discriminatory treatment. And, a regime of

market discrimination that has come under pressure from the forces of economic competition may require for its maintenance employing informal instruments of social control.⁷ Still, while both kinds of bias promote racial inequality, I find this to be a useful distinction for, whereas the moral problem presented by *reward bias* is straightforward and calls for an uncontroversial remedy via laws against overt discrimination, *development bias* presents a subtler and more insidious ethical challenge – one that may be difficult to remedy via public policies in any manner that is likely to garner majoritarian support. It seems to me this difficulty has both a cognitive and an ethical dimension: In terms of cognition, when confronted with a racially stigmatized group’s poor social performance an observer may not be able to distinguish between blocked developmental opportunities on the one hand, and limited capacities or distorted values, on the other. In terms of ethics, citizens who find the “transactional discrimination” associated with reward bias to be noxious, may be less offended by the covert and subconscious “relational discrimination” underlying development bias.⁸

So now, perhaps one can see what my economist’s shrink was getting at in that opening dialogue, with his mantra: “Relations before Transactions.” He was

⁷ For example, norms against trading with stigmatized “others” may be established and enforced via threats of social ostracism for those violating the norm.

⁸ For example, they may object if a white police officer treats black youths unfairly, but say nothing at all when white families flee an integrating residential community because of their exaggerated fear of the threat they perceive from “black crime.”

pointing towards the idea that the persisting subordinate position of blacks in the economy should be seen as deriving from our stigmatized status in the society, and not the other way around; to focus on discriminatory economic transactions doesn't cut deeply enough; one must also consider the consequences of racially stigmatized social relations. Stigma – the distorted “social meanings” attaching to “blackness” – inhibits the access black people have to those networks of social affiliation where developmental resources are most readily appropriated. On this view, the problem of persisting inequality is not mainly a racially antagonistic marketplace or an administrative state that refuses to reward black talent or to accord blacks an equal citizenship – as had been the case in decades past. Rather, the implicit claim is that today's problem derives mainly from a race-tinged psychology of perception and valuation – a way of seeing black people that – at some level, withholds from them a presumption of an equal human worth. And so, a racial group's stigmatized status in the social imagination – *and, perhaps crucially, in its own self-understanding* – may come to be rationalized and socially reproduced as a result of its subordinate position in the economic order – creating a vicious circle. Here we have a world where the notions of "racial dignity," "racial subordination," "racial honor or pride or loyalty or shame" resonate powerfully. Such has been my world, which may explain why I can identify so closely with the fictional black economist whom I presented in that opening dialogue!

Social Capital and Racial Inequality: Two Fundamental Observations

A quarter-century before the publication of *The Anatomy...*, in my doctoral dissertation written at M.I.T. under the inspiring supervision of Prof. Robert M. Solow, I had the good fortune to coin the term "social capital."⁹ To my everlasting benefit, the great sociologist, James S. Coleman – in his treatise, *Foundations of Social Theory*¹⁰ – credited me (along with the writer Jane Jacobs¹¹) as having been an originator of this concept. What is more, distinguished political scientist Robert Putnam cited me to this same effect in his classic text, *Making Democracy Work*.¹² As it happens, I first used this concept in an analysis of persistent racial inequality in the U.S. By discussing how I came to coin the term “social capital” I can further illuminate this contrast I wish to draw between informal social relations and formal economic transactions – between reward and development bias – as mechanisms perpetuating the subordinate position of black people in the United States.

Thinking as an economist, I wanted to contrast my concept, “social capital,” with the more familiar idea of “human capital.” Human capital theory attempts to account for variation in the earnings capacities of persons in society, explaining such unequal labor market outcomes by analogy with the well-developed theories

⁹ “Essays in the Theory of the Distribution of Income,” Ph.D. Thesis, Department of Economics, Massachusetts Institute of Technology, 1976

¹⁰ Harvard Univ. Press, 1990

¹¹ See her book, *The Economy of Cities*, Vintage Books (Random House) 1970

¹² Princeton Univ. Press, 1993

of investment in economics – assuming competitive markets and rational choice by forward-looking individuals, analyzing “investment” decisions in light of agents’ time preferences, their anticipated rates of return, and the available alternatives for uses of their time. In a word, human capital theory imports to the study of human inequality an intellectual framework that had been well-developed in economics to explain investment decisions by firms – a framework that focuses on the analysis of formal economic transactions.

Put simply, my point in that 1976 dissertation was that associating business with human investments is merely an analogy, not an identity – particularly if one seeks to explain persistent racial disparities. I argued that important things were overlooked in the human capital approach, things having to do with informal social relations. I emphasized two central aspects of this incompleteness, and these have come to form the basis of my argument for placing “relations before transactions.”

(1) First, I stressed that *all human development is socially situated and mediated*. That is, I argued that the development of human beings occurs inside of social institutions. It takes place as between people, by way of human interactions. The family, the community, the school, the peer group – such institutions of human association are where human development occurs. As a consequence, many of the resources essential to human development – the attention that a parent gives to her child, e.g. – are not *alienable*. For the most part, developmental resources are not

“commodities.” Development is not up for sale. Instead, a structure of connections between individuals create the context within which developmental resources come to be allocated to individual persons. Opportunity travels along the synapses of such social networks. The resulting allocation of resources need not be responsive to prices; and, neither need it necessarily be economically efficient. Development of human beings is not the same as corporate investment. As a result, it may not always be a good metaphor, or a good analogy, to reason as though this were so.

The family is one such institution. This point is fundamental since processes of human development begin before birth. The decisions a mother makes – about how closely to attend to her health and nutrition during pregnancy, for instance – will alter the neurological development of her fetus. This, and a myriad of other things that I could name, all come together to shape the experience of this newly born infant, who will mature one day to become a human being and about whom it will be said that he or she has this or that much productivity, as reflected in their wages, or the scores they manifest on some cognitive examination. Well, I was saying in 1976 that these people are not machines, and their “productivities” – that is, their behavioral and cognitive capacities bearing on their social and economic functioning– are not merely the result of some mechanical infusion of material resources. Rather, these capacities are the byproducts of social processes that were mediated by networks of human affiliation and connectivity. I thought that this was

fundamentally important for understanding persistent racial disparities. That was the first point I wanted to make about the incompleteness of human capital theory.

(2) My second observation was that, as mentioned previously, *what we are calling “race,” is mainly a social, and only indirectly a biological, phenomenon.*

The persistence across generations of racial differentiation between large groups of people, in an open society where individuals live in close proximity to one another, provides irrefutable indirect evidence of a profound separation between the racially defined networks of social affiliation within that society. Put directly: *there would be no “races” in the steady state of any dynamic social system unless, on a daily basis and in regard to their most intimate affairs, people paid assiduous attention to the boundaries separating themselves from racially distinct others.* That is, over time "race" would cease to exist unless people chose to act in a manner so as biologically to reproduce the variety of phenotypic expression that constitutes the substance of racial distinction.

"Race" is not something given in nature. Rather, it is socially produced; it is an equilibrium outcome; it is something we are making; it is endogenous. Thus, if the goal is to understand durable racial inequality, we will need to attend in some detail to the processes that cause "race" to persist as fact of life in the society under study. For such processes almost certainly will not be unrelated to the allocation of human developmental resources in that society.

Here, then, is my second point, in a nutshell: The creation and reproduction of “race” as a feature of society rests upon a set of conceptions about identity held by the people in that society – beliefs people hold about who they are and about the legitimacy of conducting intimate relations with racially distinct others. (Here I do not only mean sexual relations, though I do mean that too!) My impulse to contrast *human* and *social* capital in 1976 was rooted in the conviction that beliefs of this kind will affect the access various persons enjoy to those informal resources that individuals require to develop their human potential. What I was calling “social capital” is, on this view, a critical prerequisite for the creation of what economists routinely referred to as “human capital.” Any theory of persistent racial inequality is incomplete if it fails to consider interactions between the social processes that ensure the reproduction of racial difference in that society, on the one hand, and those processes that facilitate human development, on the other hand. That is, we must talk about “social capital” as well as “human capital” if we are to understand the fact of persistent social and economic disparities between racial groups in the United States.

For example, let my child be musically talented. Having seen her at the keyboard, I know that she could be a great pianist one day. But she needs a teacher, and I have no money for a teacher. I go to a banker with the following narrative: "My daughter here is destined to be a great pianist one day. Invest in 15 years of

lessons and I will repay you with 10% of her royalties for the first 25 years of her performance career.” Such a contract is unlikely to be written because, for reasons which we economists understand all too well, it is not enforceable. As a result that talented kid never gets the lesson. The human capital loans market is incomplete. Even if we were to accept the idea that physical and human investment are a good analogy, a corporate entity might be able to borrow against future earnings in a way that an individual family would have a difficult time replicating.¹³

But, let us change this hypothetical slightly. Suppose my child has the talent and gets the lessons, but will not practice because others with whom she interacts in our community disdain practice of the piano, and the good opinion of her peers is important to her.¹⁴ Historically oppressed groups often evolve notions of identity that cut against the grain of their societies – what the anthropologist John Ogbu has called *oppositional identities*.¹⁵ Ogbu presents many examples of this phenomenon throughout the world. The embrace of an oppositional identity can inhibit a young person from doing things that are essential to develop his or her human potential.

¹³ I studied this market failure problem extensively in another essay from my dissertation. There I developed a theoretical model of transmission of status across generations. (“Intergenerational Transfers and the Distribution of Earnings,” *Econometrica*, 49, No. 4, July, 1981, pp. 843-867)

¹⁴ Some evidence (see, e.g., Roland Fryer and David Austen-Smith, “An Economic Analysis of ‘Acting White’, *Quarterly Journal of Economics* 2005) supports the view that, in the United States today, some part of the difference in intellectual preparedness of youngsters across racial lines turns on the fact that black peer groups discourage their members from the doing of what is necessary to fully develop their intellectual talents – seeing this as betraying their racial identities – thereby fostering a so-called “oppositional identity.”

¹⁵ See his edited volume *Minority Status, Oppositional Culture and Schooling*, Routledge, 2008

Such peer-group behavior is dysfunctional, if the goal is to maximize economic success. What – from a normative point of view, when we are critically assessing the causes of persistent group inequality – are we to make of this?

But Don't "They" Just Have the Wrong Preferences?

Given such a situation, I wish to ask: Do kids in a dysfunctional peer group simply have the wrong utility functions? Concerning this question, I wish here to defend the following claim: *It is a mistake to attribute the dysfunctional behavior of historically oppressed people to their simply having the wrong preferences, since historical experiences reflecting the larger society's oppressive structures are causally implicated in the formation of those "preferences."* When ethnic communities and their local cultures are not integrated across racial boundaries in a society, then racial inequalities are likely to persist in that society, even in the face of effective laws against racial discrimination in formal transactions. Persistent racial disparities derive from complex and morally ambiguous, difficult-to-regulate phenomena embodying and reflecting what people see as the *meanings* that give significance to their lives, and from the structure of the social networks to which those meanings give rise.

This is why I have always been dissatisfied with economic approaches to understanding racial discrimination in the United States within which the social significance of racial categories plays no operational role in the theory. Doing so is massively a-historical. Of course, as a theoretical exercise one can elaborate a price theory for markets where traders are averse to doing business with some group marked with an “X”, and where it won't matter what the "X" signifies – of the sort that the great Gary Becker did in his classic book from the 1950's.¹⁶ I'm not against that program. I am merely saying that to do so would leave the analysis incomplete.

What I am talking about here, in a word, is "racial stigma." Even in 1969 I had a vague sense that Becker's theory was missing something important: namely that the context for human development (i.e., for human capital investments) was racially tinged and unequal, because structures of social connectedness were (and still are) racially disparate. I could see that "race" ("blackness") was (and is) not some arbitrary marker. Rather, this symbol is laden with historically generated meanings particular to American society – meanings that, as history would have it, carry a stigmatizing, negative, degrading, and subordinating connotation. How else could the practice of chattel slavery have been rationalized in a society which quite self-consciously understood itself to be a “land of the free” where all persons

¹⁶ Gary S Becker, *The Economics of Discrimination*, Univ. Chicago Press, 1957

were “created equal and endowed by their creator with certain inalienable rights,” as Thomas Jefferson put it in 1776? Those Africans being held in bondage had to be seen as not quite fully human. As it happened, this stigmatized understanding of the “social meaning blackness” which evolved in the 18th and 19th centuries has had an enduring resonance in American social life.

A Digression: The “Culture vs. Structure” Debate

This point is fundamental for me. Because without this insight one may do something that, though not illogical, is nevertheless a mistake: One may say, as many more or less conservative commentators have in effect said: "Look at recent immigrants from Asia and even from Latin America. They, too, have been victims in various ways. And yet, they have advanced in our society even as the blacks of inner city Detroit, Chicago, Philadelphia, Baltimore, New Orleans, Los Angeles, Oakland... continue to lag. Whatever is wrong with those people?" Without appreciating that some bodily marks signify things – negative things, 'Otherness' things – that influence the chance for people bearing those marks to develop their human capacities – without seeing this, one may attribute the backwardness of these people who have been stigmatized to their "essence." One will say, in effect: "It must be something about 'those people,' not about us, that causes them to be so backward." One will eschew social and political and moral responsibility for their

plight. One will conclude that their failure to develop their human potential either reflects the absence of such potential in the first place (and, we have books on the shelf making that argument), or one will decide upon this narrative: “Their failure is due to their backward culture which, sadly but inevitably – What more can we do? – causes them to lag behind.”

By contrast, putting “relations before transactions” when trying to account for persistent racial inequality in the United States leads to this counter-narrative: “Of course there may be somethings that are ‘backward’ about ‘their’ culture. (The jails are full of blacks in the United States and they are not all political prisoners; two of every three black newborns in America has a mother with no husband, and that can’t possibly be inconsequential for social outcomes affecting those children, and so forth.) So, I will concede, there is some stuff on the supply side. There is something – if you must – that is “in their utility function.” But, I would ask: How did it get there? Is declaring that they possess certain values, attitudes and beliefs really just a statement about THEM? Or, when we understand that the way people come to value things is created via interactions in society, might it not also be a statement about US?”

My concern here is to warn against a mistake one can make – a cognitive mistake; a mistake in the analysis of society – about the extent to which racial inequality is a reflection of cultural differences between insular groups of people,

instead of it being the product of a system of social interactions knitting us together in a seamless web. Putting this directly and succinctly: *Imputing a causal role to what one takes to be intrinsic cultural traits of a subordinate racial group, while failing to see the system-wide context out of which dysfunctional cultural patterns have emerged, is a significant error of social cognition.*

But, What about “The Enemy within?”

But saying all of this does not exhaust a black intellectual’s responsibilities. Thus, I see urban violence on a great scale – involving blacks as both perpetrators and victims of homicide at rates that are an order of magnitude greater than in the society as a whole – as posing a dilemma for black leaders and intellectuals. On the one hand, as Harvard legal scholar Randall Kennedy has observed, we black elites must represent the decent, law-abiding majority of African Americans, some of whom must cower fearfully inside their homes while drug-peddling teenagers rule the inner-city streets. We need to do this not primarily to enhance the reputation of our group before a wider public, but mainly as a precondition for our own dignity and self-respect. On the other hand, we elites must counter the demonization of these young black men in which the majority culture has, for some time now, been feverishly engaged. We can’t but view with sympathy – even as we condemn their degradation of their communities – the many poor black youngsters who may not

be incorrigible but who have nevertheless committed crimes. We elites must wrestle with the complex historical and contemporary causes internal and external to the black experience that account for this pathology. At the same time we must insist that, despite these causal factors, each black youngster has the freedom to choose a moral way of life. This, too, is necessary for the black community's dignity and self-respect.

It seems to me that individual, communal and social responsibilities are all involved here. Individuals must be held accountable by the state for wrongful acts. That their behavior is conditioned by a myriad of influences that are beyond their control condition cannot and does not cancel this accountability. As well, families and communities are, to some considerable degree, responsible for the behavior of their children. For the task of socializing a child is inescapably a familial and communal one. It can be aided by government action, of course, but only in the crudest way. And yet, in the end, there is no escaping a need for social action mediated by government and politics – for policies by means of which resources are mobilized in the public sphere to help meet the needs of the indigent. We can argue about how this is to be done, and about the proper extent of such social provision, but a decent society must not tolerate with indifference the deprivation that can be observed on a daily basis in the lower reaches of the American social order. The question before us now – when pondering the implications of persistent

racial inequality such as I have described here – is whether the United States of America can, even at this late date, rise to this challenge and show itself to be the decent society, that “city on a hill”, which its boosters – celebrants of “American Exceptionalism” – imagine it to be.

I can put this even more pointedly: The self-limiting patterns of behavior among poor blacks in the central cities of my country are not a product of some alien cultural imposition on an otherwise pristine Euro-American canvas. Rather, this “pathological” behavior of these most marginal of Americans is deeply rooted in American history. It has evolved in tandem with American political and economic institutions, and with the cultural practices that support and legitimate those institutions – practices that were often deeply biased against blacks. So, while we should not ignore the behavioral problems of a so-called underclass, we should discuss and react to them as if we were talking about our own children, neighbors, and friends. This is an American tragedy. *It is a national, not merely a communal disgrace.*

A Coda: Confessions of a Black American Economist

Finally, allow me to conclude on a personal note: I believe it is very important to bear in mind something I know from first-hand experience – that

disadvantaged African American families are not passive in their alienation. Rather, they construct meaningful worlds for themselves amidst the storm. Consider, for instance, those who are connected via bonds of social and psychic affiliation to the vast numbers of incarcerated black men and women in this country. Those people truck up to prisons to visit a kid, or a parent, or a partner going through a rite of passage that is all too familiar. They bail someone out of the clink, knowing the money could be lost. To save their own hides, they may have to turn loved ones in to the cops. They live with relatives who steal from them. They are – one and the same persons and at the same time – “victims” as well as “perps.” They know that this phony political dichotomy of “us” vs “them” is morally fraught – given that anyone of “us” falls, depending on the day, or the hour of the day, to one side or another of that divide. A biographic life may be lived on both sides of the line. But, having staggered back and forth across the line many times over its course, one’s imagined life can still be seen, in retrospect, as unified in its righteousness, and justified in its condemnations.

In this regard, I know whereof I speak. As it happens, I have passed through the courtroom, and the jailhouse, on my way to this distinguished podium. I have sat in the visitor’s room at a state prison; I have known – personally and intimately – men and women who lived their entire lives with a foot to either side of the law.

My journey to these issues, and to this podium, has taken unlikely twists and turns. It has involved not just the courthouse and the jailhouse, but my many years as a conservative social critic. It has included a religious rebirth followed by a repudiation of that religion, and then, as if to prove that God has a sense of humor, a re-embrace of it again. And it has brought me further to the left of the political spectrum than I would ever have imagined possible –though, I am sure, this will not have been far enough in the view of my many liberal critics!

Allow me, therefore, to close by remembering from whence I have come. What follows is NOT economic science. It is, however, relevant to my key theme: “Relations before Transactions.” Somehow I don’t think my teachers or students would mind!

[Display here the photograph of my parents’ 1948 wedding]

I’m the eldest of two children, raised after an early divorce by a single mom. I grew up on Chicago's South Side in the 1950s and 60s. Though the neighborhood was rough, my family was comfortable enough. When they ultimately retired, my father was a high-level administrator with the Internal Revenue Service, and my mother was a secretary with the Veterans Administration. Cousins of mine became doctors and lawyers. I also had relatives who died of drug overdoses, or who spent years in prison. In his book, *Code of the Streets*, the ethnographer Elijah Anderson

describes two broad categories of social orientation in inner cities: "decent families," who tend to be working poor (rather than unemployed) and who value self-reliance, hard work, education, and church; and "street families," who turn to lawlessness to make ends meet and violence to settle conflicts. My family had a little of both, sometimes in a single person.

I am thinking, for instance, about my uncle Moonie. He was a legitimate small businessman – a barber and dry cleaner – but he sold marijuana out the back of his barbershop, routinely. I am thinking of my great Aunts Cammie and Rosetta, who resold stolen goods as a regular course of events. They had young women who were shoplifting clothing and foodstuffs from retailers, and would get twenty cents or thirty cents on the dollar from my aunts, who then had big freezers in their basements, so that whenever you wanted to have a family party, you knew that you didn't go and buy your ham and your turkey from the market. Rather, you went to Aunt Cammie or Aunt Rosetta. These are church ladies who wore the big hats! They were the salt of the earth, these people! But that is what they did.

The memoir I have been working on paints a vivid picture of my upbringing in Chicago in the 1950s and 60s, with characters like my mother, Gloria, who was given the nickname, Go-Go (I'd attended five different elementary schools before completing the 5th grade); her sister, my Aunt Eloise, who rescued my sister and I from our itinerate life by bringing all of us into her own household; their brothers,

my Uncles Alfred and Adlert; Eloise's husband, my Uncle "call-me-when-they-start-integrating-the-money" Moonie; and many great aunts and uncles – all of whom had migrated North from Mississippi after the first World War. I can recall the hustling; the rent parties; the strangers to whom rooms in our home were sometimes let; jazz music and the blues everywhere; likewise, premature death and rampant adultery; hipsters and gangsters with style; and enormous social vitality.

The bear facts of my upbringing are not without interest. There will be no need to embellish. I was born to working class African American parents early in the post-war baby boom. I was educated in public schools, graduating high school at age 16; attended the Illinois Institute of Technology (where I failed to study mathematics); enrolled at a community college which met in a wing of a large vocational high school, but then transferred to elite Northwestern University on the shores of Lake Michigan just north of the city, where I studied mathematics and philosophy mainly, but minored in economics and became acquainted with the German language. I became a father at ages 18, 19 and 21. I finished my formal education at the Massachusetts Institute of Technology where I earned the economics PhD at age 27, from what was the best department in the world at that time. It was a remarkable transformation: Fatherhood forced me to become a college dropout at age 18. I worked full time as a clerk in a printing plant, for five years before graduate school, and was a full time student as well for the last three

of those years. This time I was serious about it. I completed my graduate studies brilliantly, and by age 33 I had become a tenured professor of economics at Harvard – indeed, the first black person to hold that position. I remarried at 34, became an inpatient at!] McClean Psychiatric Hospital at age 39 and was baptized a born-again Christian at age 40! [If you want to know more, you’ll have to read the book.]

The Chicago of my youth – the city that was to become former President Barack Obama’s adopted home – exuded beauty and brilliance, amid compromised standards and awful pain: My Uncle Adlert drank himself to death. While our close family friend, Boo-Boo was a brilliant student, he saw his father fatally shot himself in the head while sitting on my mother’s living room couch. A kid nicknamed “Pig,” a grade school nemesis, ended-up with a life sentence for killing a cop. The quiet boy down the block, Paul Shumpert – a brilliant Little League Baseball shortstop – died of a heroin overdose at age 18. My cousin Ronnie was also strung out. He’d stop by our house from time to time to get something to eat, and steal from my mother’s purse – which she knowingly permitted. The kid, Stevie, whom I’d known since I was 12 years old, died in his mother’s basement after receiving an accidental gunshot wound to the gut. A gay man with whom I once worked named Chuck, was found bludgeoned to death in his apartment – a place where I’d spent time shooting the breeze with him on Saturday mornings

after we'd finished a grueling 3rd shift. Uncle Alfred lived a polygamous life, with overlapping families, fathering 22 children altogether. The brilliant Uncle Adlert, who'd graduated at the top of his class from Northwestern University Law School in the early 1950s, was disbarred from the practice of law, having gotten caught-up in some shady family business.

Still, I can even now vividly recall my Uncle Adlert's stunning eloquence; my Uncle Alfred's charm, physical beauty, and absolute devotion to his children; my mother's sweetly melodic singing voice and giving heart; my Uncle Moonie's grit, enterprise and fierce independence; my Aunt Eloise's steadfast and sacrificial love of family, her elegance and her ambition; the impressive style of the great aunts Rosetta and Cammie – their silverware; lace table cloths; the ivory and mahogany; the crystal; Persian rugs, lace curtains; their furniture, their cars, their mink and fox and chinchilla fur stoles; their stylish shoes, hats, and precious jewels. I can recall watching my mother, "Go-Go," dress for Saturday night – the stockings, girdles, braziers, garters, powder, painted nails, hairdos in several colors; the forest of bottled perfumes, colognes, creams, lotions and oils that covered the top of her dresser. I can recall men's conked hairdos; Sunday socials; fashion shows; teas; bid whist card games; cookouts, feasts and parties every holiday -- or no holiday at all. It was a world of close knit kinship; mutual aid; gossip; envy; betrayals; domestic violence; incest; hustling – a world where

characters like the fictional pimp, Iceberg Slim, competed for my attention with the very real cadres of black Muslims devotees who hawked their newspapers to passersby at crowded intersections. This is the world from which I have come.

Racial identity was of primary importance in the Chicago of my youth. White flight had turned many of the city's neighborhoods into African American enclaves, and the civil rights and black power movements had fired up black young people – myself included.

Perhaps then you can understand why it is that I have spoken to you in such a manner tonight – here in southwestern France, so many miles from home. Even as my political approach to "the race problem" has veered sharply from left to right to center and back toward the left again, as I embark upon my eighth decade of life my foundational belief remains the same: I am a black American intellectual, and I must stand with my people.

Thank you.