

EC 137, Prof. Glenn C. Loury
Lecture Outline: *The Anatomy of Racial Inequality: I*

- A. My book, *The Anatomy of Racial Inequality* covers:
1. Racial Stereotypes: Information, Incentives and Group Reputation
 2. Racial Stigma: Virtual vs. Actual Social Identities
 3. Racial Justice: Superficial Morality of “Color-Blindness”
- B. “Stereotype” here used in narrow, information-theoretic sense -- a personal trait, observed at low cost with high reliability, correlated with other traits of interest that are difficult, costly to observe, making it “rational” to condition an agent’s action on racial information.
1. creates a “reputational externality” (public goods problem) for group members
 2. economists’ notion of “equilibrium” nicely captures feedback/self-fulfilling aspects here
 3. two mechanisms: “adverse selection” (eg., taxis) and “moral hazard” (eg., low wage jobs) . (Used car example and college admissions example combine elements of both.)
 4. this notion of “stereotype” with associated incentives relevant in understanding costs of AA: reputational degradation real risk (conditional mean on both sides rises with cutoff)
 5. interesting dilemma: to encourage non-race based choice by imperfectly informed observers is necessarily to encourage differentiating behavior (contra-solidaristic?) by group members – code switching; passing; even “self-hatred” (ala Sander Gilman on internalizing stereotype)
- C. Two large speculative claims in this argument:
- (i) Social-psychological speculative claim: specification is a ‘pattern recognition’ rather than a ‘deductive’ type of cognition. Inference always nested within “models of world” which strike us as plausible, natural, ‘nice,’ which articulate well with our taken-for-granted assumptions. If our models produce seeming anomalies, we interrogate them, experiment. Otherwise, not. Racial Stereotypes: Information, Incentives and Group Reputation.
 - (ii) Social-philosophic speculative claim: the deepest ethical issue here is not the fact of racial “inference” (reasonable, hard to stop) but rather “biased model specifications” (insufficient experimentation to refine information)
- D. In regard to race, this brings issue of “stigma” to the fore: when disproportionate negative results for blacks NOT “anomalous,” but “natural,” don’t question model generating results. Egs.: IQs (infrangibility vs. ‘race-norming’); prisons (how to run drug war); mortality/morbidity disparities
- E. More generally, I posit link between plausible models of historical causation engendering racial disparity, on one hand, and political viability of efforts (color-blind or otherwise) to reduce it, on other. (Mischievous of “immigrant comparison” – problematic social science and historical narrative)
- F. My main point: not “anti-discrimination” but “anti-stigma” as conceptual root of race-egalitarianism
- a. I’m interested in whether racial disparities trigger deeper inquiry about fairness of structures
 - b. To extent that disparity attributable to “what manner of people are *they*” rather than “what manner of people are *we*,” then there is a “problem of stigma” (to be discussed next lecture)
1. Racial stigma leaves blacks “damaged goods,” questionable bearers of honor/dignity, unworthy
 - a. Inter-marriage/adoption/segregated networks/race-coded politics of welfare-crime all show this
 - b. Patterson’s “dishonor” and what I think of as “essential incompleteness of emancipation”
 - c. Skrentny: legitimacy of breach in meritocracy depends on “social meaning of race” illustrates
 - d. So too Waldinger: critique of queuing/ethnic succession theories of low-wage LM
 - e. Charles Tilly’s *Durable Inequality* via stigma-influenced emulation/adaptation/opportunity
 2. Core idea, then, is that stigma-influenced dynamics in spheres of social interaction and self-image production produce “objective” racial inequality de-coupled from discriminatory acts of individuals, carrying over across generations, shaping political/social-cognitive sensibilities of citizenry, making racial disparity appear “natural,” reinforcing stigma, while stymieing reform
- G. Last 2 chapters of book explore implications of this view for idea of “color-blindness”