

EC 137, Prof. Glenn C. Loury, February 13, 2007

Lecture Outline: *The Anatomy of Racial Inequality: II (Racial Stigma)*

- A. Classic Sociological Analysis of racism covers (see work of Thomas Pettigrew):
1. *Prejudice* – irrational or unjustified belief about a group of people
 2. *Stereotypes/over-generalizing* belief extrapolates from some to all group members
 3. *Discrimination* – exclusionary behavior directed against a group of people
 4. The first two are beliefs; the third is action. Institutional racism arises where some or all of these factors are imbedded in the practices of organizations, bureaucracies, etc.
- B. Classic Economic Analysis of Racism covers (see work of Gary Becker):
1. “Taste for Discrimination” – a preference/dislike for associating with people in some group; this neither rational nor irrational in economist’s view, just like taste for apples over oranges. “*De gustibus non disputandum est*” Becker’s key finding: **PREJUDICE DOES NOT NECESSARILY IMPLY DISCRIMINATION**
 2. “Statistical Discrimination” – like taxicab e.g.; use group membership as signal of unobserved trait. May be self-fulfilling; sometimes based on objective difference
 3. Can work through employers, co-workers, or customers to limit job opportunities of those discriminated-against. The logic of self-confirming feedback loops:
 - a. Negative belief by observer leads to
 - b. Action by observer adversely affecting subject observed, which leads to
 - c. Re-action by subject that confirms original belief of observer.
 4. Note the emphasis here is on rationality in the formation of beliefs.
- C. Loury’s Analysis Combines elements of both:
1. Emphasizes “self-confirming stereotypes”; race = “embodied social signification”
 2. Distinguishes “discrimination in contract” versus “discrimination in contact”
 - a. Neoclassical economic arguments focus on “contract” discrimination
 - b. Economists look to market, tend not to recognize “contact” discrimination.
 - c. Contrast “human capital”/“social capital” explanations of racial inequality
 3. “Stigma” is like sociological notion of “prejudice” interacted with the formation of belief. It’s implicit bias (Banaji):
 - a. Allows for what we might call “racial neglect” – why racial disparities do not trigger deeper inquiry into underlying social processes (gender e.g.)
 - b. Why Americans care more about some race-laden issues (affirmative action) than about others (prisons). This is not same thing as “prejudice.”
 - c. Also, racial stigma can apply to non-racial institutions or practices. Eg., Americans’ views about welfare/poverty influenced by perceived connections between poverty and race – poor not deserving because poor (too often) black, etc. (show welfare graph)
 4. Note well the distinction between racial attitudes and racial meanings (Paul Sniderman’s “mere mention experiments”)