

Race—What's in a Word?

Thoughts on eliminating the socially and economically damaging anachronism of discrimination based on skin color and ethnicity

Mike Durrie and Arushi Gupta

March 6, 2022



Recent reports on Russia's invasion of Ukraine and the resulting flood of refugees in Europe have included some worrying references to skin color. Comments like those in a BBC broadcast that mentioned "European people with blue eyes and blond hair" offer shocking evidence of the fact that people of different colors are not treated equally in Europe, or anywhere. And this is just one case, as the [Washington Post](#) reports.

In recent years, the Black Lives Matter movement has drawn greater attention than ever to the unfair treatment of people of color. A viral video of George Floyd's murder made police brutality directed at Black people painfully clear to the world. Yet the problem of discrimination has a long and ugly history. Here, we examine the issue, its human and

economic costs and what policy changes can support fair opportunity and treatment of people of all colors.

Introduction

Recent events may have cast a spotlight on discrimination and injustice against people of color, but the phenomenon is nothing new—and remains deeply ingrained in many societies. This paper looks at the ugly history of racism, from the Spanish Inquisition to Nazi ideology and on to today's issues. Although the USA, as the world's largest economy and traditional champion of democracy, is central to the discussion, it is certainly not alone in its legacy of discrimination and injustice.

Here, we seek to unpack some of the main elements shaping inequality and inequity. We examine the pseudoscience behind racist thinking, as well as legal aspects and the injustices people of different colors and ethnicities face. In addition, we seek to cast some light on the overall economic burden of inequality and offer a glimpse of some measures that show promising results in addressing and rectifying the wrongs of the past and creating an equitable world.

A forethought

As a preamble to this paper, the authors wish to state a simple fact: there are no different “races” in the human species. The term “race” in its various incarnations in European languages (race, razza, Rasse, etc.) was not used in reference to human beings until the Spanish Inquisition, which began in the late 15th century. It referred to non-Christians, predominantly Jews, as discrete and inferior subspecies. From this time onward, “race” has been used to single out and persecute different groups of people based on their appearance.

The pseudoscience of racism

Biological anthropologist Robert Wald Sussman in his book *The Myth of Race* (2014) delves into the history of race as a social construct, from biblical rationales to contemporary pseudoscientific studies. Sussman deconstructs the history of racism by tracing the evolution of the racial idea, demonstrating how 16th-century beliefs of racial degeneration became a critical component in justifying Western colonialism and enslavement of other peoples. These views combined with Darwinism in the 19th

century to form the immensely prominent eugenics movement, which was closely linked to practices in animal husbandry.

Eugenicists constructed hierarchies that categorized certain races, particularly fair-skinned “Aryans,” as superior to others. These ideologues advocated intelligence testing, selective breeding and sterilization of humans—thinking that directly contributed to the Nazi concept of a “master race.” The Nazis believed that Aryans were fully justified in their brutal policies of subjugation and mass murder. In fact, Adolf Hitler referred to *The Passing of the Great Race* (Grant 1916), an influential work on eugenics that became central to the development of the highly racist American School of Anthropology, as his “bible.”

To sum up: the concept of human “races” is not only biological and anthropological nonsense, but also—as history and recent events demonstrate—extremely dangerous. The words we use shape our thinking. For this reason, the authors advocate avoidance of the term “race” whenever possible.

The Legal Perspective

Before examining the far-reaching implications of discrimination in detail, let’s first look at what discrimination is in legal terms. “Discrimination is, at its core, treating similarly situated people differently, because of something outside their control,” explains US-based employment attorney Lance Williams. “Discrimination that’s prohibited by law tends to focus on immutable traits or characteristics.” These characteristics include race, skin color, sex, gender and age, among many others (the US state of California, where Williams practices law, defines 17 such traits, a number that he expects will increase in coming years). When a wrongful act occurs based on one or more such traits, it is ground for legal action. However, finding proof that unfair treatment is motivated by an individual’s immutable traits is a significant legal challenge. “The causal connection is always where the fight is,” says Williams.

While individual cases of discrimination are, and will remain, difficult to positively identify and litigate, patterns that emerge over time are more easily recognizable. These include underrepresentation of people of color and women in senior leadership positions across all organizations worldwide as well as the vast overrepresentation of people of color in the US prison system.

As Sussman states in his book, today's forward-looking anthropologists favor the term "category" to describe groups or ethnicities with different physiognomies and/or skin colors. "Category" is, however, unlikely to replace "race" in legal texts anytime soon. "The idea of different races is being mainly perpetuated by government and educational institutions," Williams explains. "Not because they're trying to do harm—they're probably trying to do good."

So are we stuck with the term "race" in the legal context? Yes and no. Williams: "Just abandoning the word 'race' in a legal context doesn't make sense unless we can replace it with something. The laws are not so much concerned with whether there is a scientific basis for the concept of race. It's just a label, which seeks to protect groups of people who should be protected. I like retiring the term 'race' in the social context—because it's hogwash—but it's hard to take that word away. Laws use the term 'race' as a protected characteristic with the intent of protecting people. And it's generally construed pretty broadly. So, if we try to retire the term, it could actually have a negative effect. In social settings, by all means, let's get rid of it!"

Given these legal conundrums, we propose usage of addenda in legal texts or wherever alternative terms could cause confusion. A scholarly paper titled [Is There A Place for Race As a Legal Concept](#) (Hoffman, 2004) proposes terms such as "color, continent of origin, national origin, and descent from ancestors of a particular color, national origin, or religion" in lieu of "race." These words, as well as the term "category," could at least be introduced into legal texts as addenda, with the aim of eventually removing the term "race" at some later date. In fact, legal language is already moving in this direction, with both California law and US federal law currently including "national origin" and "color" as protected characteristics. California also includes "ancestry" as a protected characteristic. As suggested above, in general (non-legal) publications, the term "race" can be fully avoided.

The current state of discrimination

In the US, one in every ten black males in their 30s is in jail, although black people make up only 13 percent of the country's entire population ([Sentencing Project, 2019](#)). Black people also accounted for 28 percent of those killed by police in 2020 ([Mapping Police Violence, 2020](#)), with youths of color making up 66 percent of those detained. There is also evidence of housing and banking discrimination: Black and Hispanic people encounter extra challenges in obtaining home loans—27.4 percent of Black applicants and 19.2 percent of Hispanic applicants were denied mortgages in 2015

under the federal Home Mortgage Disclosure Act, as compared to 11 percent of white applicants ([Pew Research Center, 2017](#)).



Workplace discrimination is also pervasive: Black graduates are more likely to be unemployed and overrepresented in low-wage jobs. Between January 2017 and February 2019, Payscale surveyed 1.8 million employees and discovered that Black men earned on average 87 cents for every dollar earned by white men ([Payscale, 2019](#)), while just 1 percent of all venture capital financing goes to Black entrepreneurs ([Romburgh and Teare, Crunchbase, 2021](#)). According to an [Economic Policy Institute report](#), further prejudice exists in the education sector, with more than 72 percent of Black students attending a high-poverty school in the US in 2017, compared to around 31 percent of white students (Economic Policy Institute 2020).

The issue is, of course, not confined to the US. According to a [Runnymede Trust study](#), racism remains “structural” in England, and legislation, institutional policies and customs continue to negatively impact ethnic minority populations (Begum and Treloar, 2021). People of different ethnic backgrounds continue to experience inequalities in health, the criminal justice system, education, employment, immigration and politics. The study also asserts that the government’s new approach to equality “may, in reality, worsen” outcomes for minority populations, citing the recent [Sewell report](#) on racism in the United Kingdom issued by the UK Commission on Race and Ethnic Disparities.

COVID-19 and discrimination

The coronavirus pandemic has exacerbated prejudice against non-citizens and people of color around the world. According to UN Secretary-General António Guterres, “the epidemic continues to unleash a tsunami of hatred and prejudice, scapegoating, and scaremongering.” He encourages states to “... take strong actions to enhance our societies’ resistance to the virus of hatred.”

Political parties and organizations in the US, UK, Italy, Spain, Greece, France and Germany have used the pandemic crisis to foster anti-immigrant, white nationalist, xenophobic anti-Asian attitudes among the public. There have been reports of people in the UK refusing to be treated by ethnic Asian doctors or nurses. Significant expressions of hatred have been aimed at the Asian-American population of the US.

Again, this is a universal and age-old phenomenon—other countries and ethnicities have often been blamed for disease outbreaks. During the current pandemic, many Black persons in Chinese cities have faced acute discrimination and bigotry. In Guangzhou, China, there have been reports of bias against people of color. Despite the absence of symptoms, most Africans living there were tested and, even after negative results, forced to self-quarantine ([Human Rights Watch 2020](#)).

Various organizations in countries including Australia, France, Italy and Russia have reported pandemic-related violence and harassment of Asian people. Across Africa, including countries like Kenya, Ethiopia and South Africa, there have been claims of hostility and violence against Asians and immigrants in general accused of carrying the coronavirus. According to media reports, people of Asian descent were harassed and refused entrance in Brazil.

Reports also suggest that the pandemic has harmed more Black Americans than their white counterparts, leading to mental health concerns in marginalized populations. The US Centers for Disease Control and Prevention have estimated that COVID-19 cases and hospitalization rates are up to 4.5 times higher in Black, Hispanic and indigenous American populations than in the white population ([JAMA Network Open 2020](#)).



The economic cost of discrimination

In the vast majority of nations, equality and non-discrimination have been established as essential and legally binding human rights. The reality on the ground, however, often tells a different story. Discrimination remains highly prevalent, with detrimental effects for all parties—not just those targeted by unfair treatment.

A 2020 study by McKinsey & Co. titled [Diversity wins: How inclusion matters](#) (Sundiatu Dixon-Fyle et al. 2020), the third in a series on diversity, equity and inclusion (DE&I), found that positive DE&I scores in terms of gender and ethnicity significantly increased the average performance of companies. The report on the study's findings states, "In the case of ethnic and cultural diversity, our business-case findings are equally compelling: in 2019, top-quartile companies outperformed those in the fourth one by 36 percent in profitability, slightly up from 33 percent in 2017 and 35 percent in 2014." In addition, the study's findings indicate that discrimination in the workplace can have a negative effect on the health and productivity of employees. According to the analysis, organizations that scored low on diversity were 27 percent more likely to struggle with profitability.

An analysis by Citigroup, cited by US broadcaster NPR, suggests that as a result of discrimination against African Americans in several areas including education and access to business finance, the US economy has lost US\$ 16 trillion since 2000. To put

this in perspective, in 2019, the country's GDP amounted to US\$ 19.5 billion. Citigroup further estimates potential economic growth of US\$ 5 trillion in the next five years if the US could solve important issues of discrimination against communities of color.

In recent surveys, consumers say they have boycotted a brand because of its stance on a social or political issue. According to a [survey](#) conducted by Edelman (2020) after the killing of George Floyd, Americans want brands to play a critical role in combating systemic racism. About 70 percent of Americans in the 18–34 age group said their buying behavior is influenced by how the brand responded to Floyd demonstrations.

The case for the fundamental human right of equal treatment and opportunity regardless of skin color and ethnicity, or any other differences for that matter, needs no economic justification. Yet these numbers cast a spotlight on the unsustainable nature of the current situation. This is particularly true in light of the fact that in many geographies, including North America and Europe, people of color represent a fast-growing share of the workforces and consumer bases that form the backbone of the economy. Without fair treatment and access to a living wage and fair housing, these groups will consistently fail to realize their potential—for themselves, their families and the corporations that rely on them.

Professor John Bracey, a leading figure in the fields of African-American studies and US history, says, “What African-Americans have contributed to making this country halfway civilized and the cost to white people is they haven't read *The Gift of Black Folk* (W.E.B. Du Bois 2009). They [the white people] don't know what they could get by looking at black people because one of the costs of white racism is you don't see the contributions that black people have in helping you understand the world. [...] Scare white women to death with black men. Keep black men as slaves; keep white women powerless. It's the cost of racism to white people. [...] The cost of racism is you don't see that. You think that America started when white people showed up and you can't see that other people see the world and that what you think is a fixed entity—the United States of America—is new. Wasn't here three hundred years ago. It might not be here three hundred years from now. Nothing's guaranteed. We don't see that. And it's the cost of not seeing these things that give us the way we look at the world and give us problems that we cannot possibly solve.”

Equality, equity, education

Since its inception in the 1970s, critical race theory (CRT) has sought to establish a better understanding of how discrimination and inequity are perpetuated in the law. The concept, which was put forward by Harvard professor Derrick Bell (the university's first tenured Black law professor) and began to gain prominence in the 1990s and early 2000s, is currently the topic of heated debate, with several US states banning its teaching in schools. However, much of the controversy surrounding CRT is based on loose or even erroneous definitions of the theory. These include the assertion that a critical examination of past human-rights abuses such as slavery and legally mandated segregation will foster a negative attitude toward America. Nate Hochman, a Publius fellow at the conservative Claremont Institute in California, has stated, "We're teaching young people to hate the country they're going to inherit." We contend that the opposite is the case: the United States of America was founded on high ideals. Like many—perhaps all—nation-states, it was born far from perfect and has gone through many stages of self-reckoning and correction. By encouraging young people to confront the demons of racism and work toward true equality, the country can pay homage to its high ideals and capacity for self-renewal. And these are qualities that should inspire love, not hate.

In essence, CRT regards discrimination and injustice as systemic, rather than solely the result of individual racist persons or institutions. It clearly defines "race" as a social construct. Given the statistics cited above, it is hard to deny that inequities based on the legacy of discrimination continue to shape outcomes in society, the economy, culture and politics.

A further aspect of CRT is that it differentiates between equality and equity. It argues that equal opportunity is not truly equal unless it is provided on the basis of different stakeholders' capabilities, and takes systemic disadvantages into account. A possible analogy might be a stairway leading to a public building: it offers equal access to all, in theory, yet is impossible to negotiate for those requiring a wheelchair. For this reason, most countries provide wheelchair-friendly ramps. Few would argue against the legitimacy of wheelchair users' right to barrier-free access. This example refers, of course, to a physical disadvantage and is by no means intended to equate different ethnicities and skin colors with physical disabilities. Similarly, however, careful consideration is required to design policies that deliver equity by counteracting the systemic disadvantages faced by people whose skin color, ethnic background and other traits make them identifiable as part of an externally defined group. Only then will we achieve true equity.

This last point is not trivial: people who share a certain skin color and/or ethnic background are not necessarily part of a distinct group within society. All human beings have the right to associate with others based on free choice, not externally imposed groupings. People who have been disenfranchised in terms of education, employment opportunities, housing, etc. for generations, and continue to be disenfranchised today, share—above all—one characteristic: they have been disenfranchised for generations and continue to be disenfranchised today. If such a cohort chooses to call itself a “race”—in full awareness of the term’s history—this should of course be respected. However, the decision must be one of self-determination rather than outward imposition.

In this regard, critical race theory is a useful concept, but it can potentially have the negative side effect of supporting—or being instrumentalized to support—the illusion of discrete “racial” groups and “us against them” thinking.

Addressing these issues demands a comprehensive approach that begins early in human development, before the conditioning that creates arbitrary biases sets in. For example, [Think Equal](#), an organization dedicated to equality across genders, ethnicities, disabilities and other differences, founded by former filmmaker Leslee Udwin (India’s Daughter, 2015), identifies the window of opportunity at preschool age. It equips schools and preschool facilities with a complete program of various tools including illustrated storybooks that teach nondiscriminatory, nonviolent attitudes and ways of dealing with day-to-day life. In randomized controlled trials, the methodology has proven its effectiveness in countries all over the world.



Source: [Wise](#)

Policy recommendations

Racism is deeply embedded in most societies, including those members of society that consider themselves open and liberal. Clear statements from policymakers and corporate decision-makers are called for. Our policy recommendations include:

1. Let's retire the term "race": Getting rid of race in reference to human beings is more than a semantic nicety. Words make a difference. By divorcing ourselves from this ideologically-loaded term in all communications, and using addenda to qualify it where its usage is necessary for the time being (e.g. in legal texts), we can begin to move away from centuries of xenophobia and ostracism.
2. Equality as part of our basic human understanding of how the world works: The preconceptions of differences between ethnicities, skin colors and other characteristics are formed early, in the family and (pre)school. Much work is already being done in this area, but it needs to scale up and become a required element of curricula to have the needed global impact. Societies need such programs, potentially along the lines of Leslee Udwin's Think Equal model (see above), to break down these cycles of hate and discrimination.
3. Make it simple (even in small steps): Policies aimed at offsetting the disadvantages faced by minorities, such as Affirmative Action in the USA, have upsides and downsides, as reflected in the ample literature on the issue. However, governments and corporations can also take a more straightforward approach and simply favor companies that practice diversity and inclusion when awarding contracts.
4. Equity and fair treatment positively impact the bottom line: Institutional investors can influence diversity and inclusion positively by allocating their capital to organizations that actively practice equality, diversity and inclusion. This not only supports equity and fair treatment of the working population regardless of skin color, but is also sound financial policy. As indicated by studies cited above, such

organizations consistently outperform their less equitable counterparts on average.

These policy recommendations are intended as an inspiration for, and an invitation to, further discussions. Achieving true equality between people of all colors and ethnicities is a huge task with no one-size-fits-all solution. Similarly, doing away with the term “race” cannot be achieved overnight. On the other hand, these challenges are not insurmountable. Under pressure from sponsors and the public, multiple professional sports teams have recently abandoned discriminatory names. These include the US football team Washington Redskins (now Washington Commanders) and the Canadian football team Edmonton Eskimos (now Edmonton Elks). It also bears mentioning that most serious publications now use the term “Black” (with a capital B) for dark-skinned people of African descent rather than terms like Afro-American.

Again, words matter. But the good news is that language is malleable. While the authors do not wish to recommend a single alternative word for “race,” we cite the preferred term of anthropologists (category) as well as the direction in which legal language is going (color, continent of origin, national origin, descent from ancestors of a particular color, national origin, religion, ancestry). With this toolbox of more precise terms, we should be able to talk about people in their different colors, shapes and sizes without using the language of oppression. Let’s work together to change our language and thoughts about such a pivotal issue as equity across skin colors and ethnicities.

And above all: when we put our money where our mouths are, money talks—and drives change.

About The Digital Economist *Advisory Practice*

[The Digital Economist](#) is a global impact ecosystem dedicated to cultivating insights, products, services and programs toward human and planetary outcomes. To leverage the formidable expertise and experience of our ecosystem to the benefit of diverse stakeholders, The Digital Economist undertakes formal client engagements focused on three core practice areas: Digital Assets, Sustainability and Purpose-Driven Change.

For more information about our advisory services or if you would like to establish a strategic partnership with The Digital Economist, please reach out to us at info@thedigitaleconomist.com.

Media inquiries can be directed to press@thedigitaleconomist.com.