

Discussion on A Tour de Force in Understanding Intergroup Inequality: An Introduction to Stratification Economics

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What is Stratification Economics?

- Subfield of economics seeking to address analysis of intergroup disparities
- Falls not only within the scope of labor economics, but also extends to wealth, health, environment, development and other fields
- Integration of economics (self-interested behavior and rationality), sociology (group identification and identity formation), and social psychology (impacts of social beliefs about groups via implicit bias, stereotypes, etc.)
- Game theory style interplay, competitive and collaborative, between members of social groups to attain and maintain relative position in a social hierarchy

Stratification Economics & Discrimination

- Discrimination is a mechanism to preserve a “majority’s” relative status in a social hierarchy
- Along with intergenerational transfers of resources (i.e., inheritances), exclusionary practices like discrimination are essential in maintaining the established social hierarchy
- Discrimination is persistent and systematic (e.g., defining desired qualifications for jobs with “in-group” in mind)
- Assumes discrimination matters and may endure given the rationality and self-interests of the majority
- Seeks to identify and understand the effects of discrimination, as instruments to preserve relative group status, in order to propose policy interventions which aim to reduce the resulting inequality

In Contrast to Economic Theories of Discrimination

- Stands in most direct contrast to Becker's taste-for-discrimination model
- Rather than discrimination being an irrational choice that will be eliminated under market competition, discrimination is a rational choice that can persist, even under market competition, without consequential policy intervention
- Also differs from statistical discrimination in that differences in average productivity between groups are not driven by individual differences in these characteristics, but rather structural factors intended to preserve differences between groups (e.g., “stand out” job qualifications related to “culture of whiteness”)
- While more information can reduce statistical discrimination, this is not a sufficient solution for discriminatory practices in the stratification economics framework

Literature

- The literature summarized in this introductory article can be accessed via UMN library: [The Review of Black Political Economy 42\(1-2\)](#)
- Literature includes U.S. and international questions in stratification economics
- Looks at different group classifications (class, race, ethnicity, tribe, gender, and phenotype)
- Covers stratification economics in labor market, but also in health, finance and other issues related to social stratification

Questions

