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This volume is dedicated to the memory of Sadie Tanner Mosell Alexander, who died 1 November 1989 at the age of 91 while we were pulling this volume together. Dr. Alexander's successes and struggles epitomize the processes producing, as well as those resisting, inequality in our markets, first making Dr. Alexander's human capital unmarketable and then yielding to her persistent, thoughtful use of legal and collective instruments. We therefore dedicate our work to her.

Sadie Alexander was born 2 January 1898 to a prominent family in Philadelphia and attended secondary school in Washington, D.C. She studied at the University of Pennsylvania, receiving a bachelor of science degree with highest honors in 1918, a masters in economics in 1919, and a Ph.D. in economics in 1921. She was the first African American woman to receive a Ph.D. in economics (and, by just one day, only the second Black woman to receive a Ph.D. in this country in any field). Unable to get any work despite receiving help from all her professors at Penn, she went to Durham, North Carolina, to work as an assistant actuary for two years for a Black-owned insurance firm. Being unfamiliar with and uncomfortable in the South, Dr. Alexander returned to Philadelphia. She married Raymond Pace Alexander, whom she had met when they were both undergraduates at Penn. Raymond Alexander had just completed Harvard Law School and passed the bar. Sadie Alexander decided to attend the Law School at the University of Pennsylvania, thinking "that at least I could work for him [her husband] when I graduate" [Jablow 1980]. Sadie Alexander was the first Black woman to graduate from the University of Pennsylvania Law School. In this she followed her father, Aaron Mosell, who had been the first African American to graduate from this law
school. She then became the first Black woman to be admitted to the Pennsylvania bar and was the second woman of any race to hold the position of assistant city solicitor in Philadelphia. Dr. Alexander was the first African American woman to serve on a presidential commission when Harry Truman appointed her to his Committee on Civil Rights in 1946-48. She also served on John F. Kennedy’s Lawyers’ Committee for Civil Rights Under Law in 1963 and in 1981 served as chair of Jimmy Carter’s White House Conference on Aging.

Sadie Alexander achieved much for women especially for African American women. She served as national secretary of the Urban League for twenty-five years and as head or member of Philadelphia’s Commission on Human Rights for seventeen years. She and her husband worked throughout the 1930s initiating legal fights to open restaurants, hotels, and movie theaters to African Americans. “In the 1940’s, Dr. Alexander [pressed] for the hiring of Blacks on the Penn faculty and the integration of the armed services. As a member of Truman’s civil rights commission, she played a major role in that committee’s findings . . . [which were] a foundation of the later civil rights movement” [St. George 1989].

This is a record of impressive achievements in the face of stubborn resistance. Can a person who is not a male European American realistically aspire to such achievements, or are these only the stuff of superheroines? This volume seeks to explore both the causes and the consequences of barriers to equality by race and gender in our society. Although a distinction between cause and consequence of social inequality cannot be rigorously sustained, it serves well to give an initial orientation to the different emphases of the chapters here. The first three parts start with the fact of inequality and detail how this affects the ways markets operate. The fourth part reverses this view by looking at how markets sometimes appear to sustain or even amplify social inequality and also looking at roles for public policy in mitigating these possible effects of markets.

To address these questions about social diversity, we offer methodological and ideological diversity, bringing together work by sociologists and economists, Marxists and neoclassicals, econometricians and verbal artists. We achieve not harmonious agreement but vital discussion of the impediments to equality. Our views range from new Classical Marxist ideas on rivalry among entrepreneurs and among ethnic groups to neoclassical supply-side, human-capital factors (education, intermittency, and culture as capital) as well as to demand-side factors including the costs of eliciting effort from workers, so-called “efficiency” wage theories, organizational inertia, and the costs of changing social relations in workplaces. Data are
examined for evidence of segmentation of workplaces by gender as well as other criteria and for segmentation of business start-ups by geography and race. Each of the four parts of this volume has a brief introduction to place its chapters in the context both of this volume and of recent debates about inequality. We invite readers to skim these four introductions to survey what ideas are offered here.

This volume is the tangible fruit, after thoughtful revision in several cases, of the Eleventh Annual Middlebury Conference on Economic Issues held 6-8 April, 1989. This conference brought twenty-three scholars from around the nation together with an equal number of people from Middlebury College to discuss seventeen papers. This series of conferences is made possible each year through the generous support of Robert A. Jones, who has helped us host constructive debates on a wide range of topics in political economy. We especially want to acknowledge the essential institutional expertise provided by Sheila Cassin in overseeing all the nitty-gritty arrangements without which these dreams and schemes of “experts” would never see the light of barcode or human eye. We have been helped enormously by the numerous people here at Middlebury College who have been generous in many ways and especially Steven K. Metzler, who prepared the final copy of every word and digit in this volume with amazingly good humor and skill. We gratefully acknowledge the timely and careful indexing done by Helen Reiff as well as the significant financial support we received to prepare this book for publication from the Christian A. Johnson Distinguished Professorship in Economics. We also thank James and Tom Blake at the Computer Center at the State University of New York at Binghamton for help translating several disks from one format to another. We thank Jonathan F. Mowry, Sohail A. Shaikh, and Erica Nourjian, who gave us invaluable assistance when the details of organizing the tables, notes and bibliography required focused, careful labor. Finally, we very much want to make clear the support, patience, and encouragement of those who have been closest to our excitements and frustrations as we worked on this conference and book, especially Vijaya Wunnava, Kate Cornwall, and Rob Zeuner.
About the Editors and Contributors

James N. Baron is a professor of organizational behavior and sociology at the Graduate School of Business and a professor of sociology at Stanford University in Stanford, California 94305-5015. He has degrees from Reed College, the University of Wisconsin at Madison, and the University of California at Santa Barbara. His current research interests include economic sociology, complex organizations, labor markets, and socioeconomic inequality.

Timothy Bates is Director of the Urban Policy Analysis Program at the New School for Social Research in New York, New York 10011. He was at the University of Vermont from 1974 to 1990. He also held appointments as a visiting scholar at the Joint Center for Political Studies and as a research fellow of the American Statistical Association. He received a B.S. from the University of Illinois, and a M.S. and Ph.D. from the University of Wisconsin. His current research is on the economics of urban poor and ethnic groups.

William T. Bielby was educated first in electrical engineering at the University of Illinois at Urbana and then received a Ph.D. in sociology from the University of Wisconsin. He is a professor in the Department of Sociology at the University of California at Santa Barbara, California 93106. His statistical work on social differences by gender have spread well outside the discipline of sociology and make econometricians take notice of sociological insights.

Richard R. Cornwall is chairperson of the Department of Economics at Middlebury College in Middlebury, Vermont 05753. He was educated at Princeton University and at the University of California at Berkeley and then taught at Princeton and the University of California at Davis. His interests include microeconomic and general equilibrium theory as well as the interaction between social inequality and economic markets.
William A. Darity, Jr., is the Cary C. Boshamer professor of economics at the University of North Carolina at Chapel Hill, North Carolina 27599-3305. From 1978 to 1983 he was at the University of Texas at Austin. Darity received a B.A. from Brown University and a Ph.D. from MIT. His major research interests include equality, distribution and growth, post-Keynesian economics, and the economics of the family.

Harriet Orcutt Duleep is a senior economist at the U.S. Commission on Civil Rights in Washington, D.C. 20425. She was with the Social Security Administration from 1979 to 1985. Duleep received a B.A. from the University of Michigan and a Ph.D. from MIT. Her current research focuses on discrimination, immigration, and the determinants of income differentials.

David Fairris teaches economics at the University of California at Riverside, California 92521. He received a B.A. from Washington University in St. Louis and a Ph.D. from Duke University. Most of his published research involves a political-economic analysis of work and the work place.

James J. Heckman is the Henry Schultz professor of economics at the University of Chicago. Earlier, he taught at Yale University and Columbia University. He received his graduate training at Princeton University. Heckman has received numerous awards including the prestigious John Bates Clark Award in 1983. Heckman’s research has changed the face of labor economics, econometrics, and demography. His work on panel data and selection problems has set the standard for analysis of microeconomic cross-section, time-series data. The technique he originally proposed in 1976 for handling sample selectivity bias has become so universal that students of econometrics are routinely taught how to “heckit” regression equations. He serves on the editorial boards of numerous scholarly journals, such as the Journal of Labor Economics, Journal of Economic Perspectives, and Econometrica. His areas of research include microdynamics, fertility, earnings, selectivity bias, and the evaluation of social programs.

Chang Kao is an associate research fellow and deputy director of the First Institute at the Chung-Hua Institution, Center for Economic Research in Taipei, Taiwan (ROC). He received B.A. and M.A. degrees from the National Chung-chi University in Taiwan and received a Ph.D. from the State University of New York at Binghamton. His topics for research include economics of education, mainland China’s economy, and development of economic relations between Taiwan and mainland China.

Lori G. Kletzer is an assistant professor of economics at Williams College in Williamstown, Massachusetts 01267. She received a B.A. from Vassar College and a Ph.D. from the University of California at Berkeley. Her research interests include the effects in labor markets of job displacement, college choice and returns to college, and long-term unemployment.
Elaine McCrate is an assistant professor of economics at the University of Vermont in Burlington, Vermont 05405. She has recently been a postdoctoral fellow at the Center for Afro-American Studies at the University of California at Los Angeles and a fellow at the Mary Ingraham Bunting Institute of Radcliffe College. She was educated at the University of Massachusetts at Amherst. Her interests include teenage childbearing and feminist responses to rational choice models of family decision-making.

Solomon W. Polachek is a professor of economics at the State University of New York at Binghamton, New York 13902-6000. Polachek was at the University of North Carolina at Chapel Hill prior to his move to SUNY and before that was a postdoctoral fellow at the University of Chicago. During 1979-80 he served as a national fellow at the Hoover Institute at Stanford University. Polachek received a B.A. from George Washington University and a Ph.D. from Columbia University. He has done pioneering work developing earnings functions for women. In addition to his work on discrimination, Polachek has made significant contributions applying the life-cycle human-capital model to understand geographic and job mobility and union-earnings profiles as well as developing an innovative way to measure buyer and seller information in markets. He has also applied economic methodology to understand international political conflict. He serves on the editorial boards of Conflict Management and Peace Science and the International Studies Quarterly.

Michael D. Robinson is an assistant professor of economics at Mount Holyoke College in South Hadley, Massachusetts 01075-1461. He taught at Middlebury College during 1987-88. He received a B.A. from Washington University in St. Louis and a Ph.D. from the University of Texas at Austin. His areas of research include labor economics and econometrics.

Steven Shulman is an associate professor of economics at Colorado State University, Fort Collins, Colorado 80523. He received his Ph.D. from the University of Massachusetts at Amherst. He works in the fields of labor economics, poverty and discrimination. He is the co-editor (with William Darity, Jr.) of The Question of Discrimination: Racial Inequality in the U.S. Labor Market (Wesleyan University Press, 1989).

Rhonda M. Williams is at the Afro-American Studies Program and the Economics Department at the University of Maryland in College Park, Maryland 20742. She received a B.A. from Harvard and a Ph.D. from MIT and then taught at the University of Texas at Austin and at the New School for Social Research. Her interests include capitalist development and the evolution of gender and ethnic divisions of labor.

Stephen A. Woodbury is currently an associate professor of economics at Michigan State University in East Lansing, Michigan 48824-1038 and also holds a research appointment at the W. E. Upjohn Institute for Employment Research in
Kalamazoo, Michigan. He received a B.A. from Middlebury College in Vermont and a Ph.D. from the University of Wisconsin at Madison. His interests focus on labor markets - particularly on wage and non-wage compensation, social insurance, and unemployment.

Phanindra V. Wunnava is an associate professor of economics at Middlebury College in Middlebury, Vermont 05753 and is also a research associate in economics at the State University of New York at Binghamton. He received Bachelor of Commerce and Master of Commerce degrees from Andhra University in India, a Doctor of Arts degree from the University of Miami, and a Ph.D. from the State University of New York at Binghamton. His main areas of interest are life-cycle union wage/benefit effects, firm size effects, gender discrimination, efficiency wage models, charitable contributions towards higher education, frontier estimation, and pooled cross-section time-series analysis.

Nadja Zalokar is an economist at the U.S. Commission on Civil Rights in Washington, D.C. 20425. She was educated at Wesleyan University and then at Princeton and earlier taught at the University of Florida and at Haverford College. Her interests center on gender differences, the economic status of minority women, and education.