

The threads that bind: Race and gender stratification and the  
macroeconomics of inequality

Stephanie Seguino  
Department of Economics  
University of Vermont  
Burlington, VT 05405

[Stephanie.Seguino@uvm.edu](mailto:Stephanie.Seguino@uvm.edu)

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## I. Introduction

William Darity, Jr. (2005) challenges economists to develop a theoretical framework capable of understanding the persistence of ethnic/racial inequalities of well-being, income, and wealth. Why, we must seek to answer, does racial/ethnicity equality persist in industrial and developing economies? What are the channels that ensure an unequal distribution of resources such that those who lag in life chances and quality of life are so often people of color; what explains the persistent whiteness of those in the far right of the income, wealth, and well-being distribution? Understanding that, the task is then to develop the mechanisms to replace the current structures of constraint with equality-enhancing institutions and structures.

Darity's work, more broadly, advises us to shift our focus from the micro-level "deficiencies" debate to an examination of the systemic features of our societies that reproduce inequality. I believe that this challenge is worth undertaking and has the potential to yield a very different set of policy solutions than have been considered thus far. I also believe this inquiry can be strengthened by adopting an approach that seeks to develop a unified theory of race and gender inequality that emphasizes the role of the macroeconomy as a primary structure of constraint inhibiting a movement towards equality.

## II. The threads that bind: A unified theory of race and gender inequality

The dynamics of inequality are best understood as a struggle over the distribution of income, wealth, and ultimately, well-being. Darity (2001) has noted that dominant ethnic groups work to structure and control access to the credentials required for higher wage jobs to insure admission of their own and to exclude others (2001). This struggle for dominance extends beyond labor markets to political institutions that influence the distribution of income and resources, e.g., the state. This observation applies also to process of gender stratification with the result that both racial/ethnic and gender systems give rise to hierarchically structured opportunities that limit the ability of some groups to live the lives we believe they would have reason to value.

Feminists and ethnic studies scholars have argued that gender and racial/ethnic categories are cultivated, perpetuated, and essentialized. The resulting norms and stereotypes support and reinforce institutional structures, influencing the distribution of income, wealth, and resources in capitalist economies towards whites and in particular, white men. Thus racial/ethnic and gender social definitions—that is, ideology, norms, and stereotypes—are a critical link in a stratified system. Norms and stereotypes legitimize white—often male—control, undervaluing men and women of subaltern groups, and white women.<sup>1</sup>

While norms and stereotypes are both a lubricant and cohering agent in systems predicated on inequality, the dominant group's drive to ensure a sufficiently large piece of the material pie is the central dynamic of the system. The resulting material inequality maintains the dominant group's power and

control of the system which is used to provide them a cushion from the vagaries and economic volatility of market economies.

Thus, racial and gender hierarchical systems are first and foremost a mechanism to influence the distribution of material resources and opportunities of market economies. Dominant groups are motivated to maintain privilege due to the tangible material benefits which redound to them, based on their dominance in the system.

Inequality, however, influences not only the distribution of the economic pie; it also plays a role in determining the size of that pie. An understanding of the dynamic between inequality and the “size of the pie” requires an analysis for the role of inequality in determining macroeconomic outcomes in the short and long run.

## II. The role of hierarchy: Distributional effects on macroeconomic outcomes

Ethnic and gender hierarchies, beyond the micro-level dynamics that give rise to such hierarchies, influence output and growth. Inequality can stimulate or slow economic growth. The role that inequality plays depends on three factors: the characteristics of job distribution (with jobs often segregated) by ethnicity and gender; the structure of the economy; and the macroeconomic policy environment. The latter includes not only monetary and fiscal policies, but also the degree of regulation of financial, labor, product markets as well as trade and FDI.

As Rhonda Williams (1987) notes, capitalism creates bad jobs, good jobs, and no jobs. Ethnic and gender hierarchies influence the distribution of those jobs with women and ethnic/racial subaltern groups most often slotted for the

lowest paid jobs, often in labor intensive industries. These are also the jobs with the shortest job ladder, fewest benefits, and greatest insecurity. Some examples of this includes the segregation of: 1) blacks in jobs in the secondary labor market in the US, such as in dead-end service sector jobs; 2) Malaysians into labor-intensive low-wage jobs in Singapore; 3) Chileans of Indian descent into jobs as agricultural wage workers, 4) women in many countries in low-wage labor-intensive export industries. Job segregation whereby subaltern groups are allocated the “bad” jobs (low wage, dead end, dangerous jobs with little authority) can reinforce social cohesion amongst workers and employers of the dominant ethnic or gender group.

Gender and ethnic hierarchies also provide a consistent logic that outlines which groups get the “bad news of capitalism” that arrives in the form of economic downturns and joblessness. In the US, for example, people of color bear a disproportionate share of the burden of joblessness: blacks are first fired and last hired, with unemployment rates double those of whites. Women, too, bear the burden of joblessness, but via a different pathway. Because women are socially saddled with the responsibility for performing unpaid or caring labor, they have limited time to spend in paid labor. Their unequal access to outside income limits their bargaining power within the household to negotiate for a more fair distribution of the unpaid labor burden. This gender division of labor calcifies gender norms and stereotypes, rendering an appearance that the resulting job segregation is “natural” and the result of choice.

Job segregation, as Bergmann (1974) long ago noted, results in downward pressure on the wages of the crowded group. Further, high unemployment rates, visible or concealed as in the case of women, with subaltern ethnic groups and women serving as a buffer labor stock, also serves to hold down the wages of members of the disadvantaged group who are employed. The net effect is lower

wages and income for the non-dominant groups. What effect does this inequality produce on macroeconomic outcomes, and more generally, how do racial and gender inequality in job access and wages affect macroeconomic output, incomes and employment?

### III. Macroeconomic effects of race and gender inequality

Bringing the implications of unequal distribution of income and wealth by race and gender from the microeconomic shadows into the macroeconomic spotlight requires that we consider both the short- and long-run growth effects of inequality, and that we in turn consider how macroeconomic growth and stabilization reproduces inequality. In this brief analysis that follows, I consider the implications of redistribution to the subaltern group. I take as an example the case of South African blacks, recognizing that analyses can and should be tailored to the particular structural conditions of an economy and the nature of segregation that structures differential job access.

In this scenario, I discuss the macroeconomic implications of a redistribution, effected by an increase in the average black wage (the initial wage gap is assumed to be due to a large extent to discrimination). Such an increase may come about in through a variety of mechanisms: decreased crowding due to more emphasis on affirmative action at all levels; a higher minimum wage; greater enforcement of wage discrimination legislation and responsiveness to claims. An increase in the average black wage increases the share of income going to blacks, representing both an intraclass redistribution from whites to blacks and an interclass redistribution from white employers to black workers.

### A. Short-run growth

It is useful to organize an analysis of short-run macroeconomic effects of a higher black wage around the condition for macroeconomic equilibrium in an open economy or:

$$I + P_x X = S + eP_z^* Z \quad (1)$$

where  $I$  is investment (in domestic currency terms),  $P_x$  is the price of export goods,  $X$  is the volume of exports,  $S$  is aggregate saving,  $e$  is the nominal exchange rate,  $P_z^*$  is the foreign price of imports, and  $Z$  is the volume of imports.<sup>2</sup> For simplicity, we assume a balanced budget.

Equity-led growth requires that a redistribution results in a short-run demand- side stimulus. A redistribution will produce a demand stimulus to output, growth, and employment so long as the result of the redistribution is such that  $I + X > S + Z$ . Any negative effects of equality on macroeconomic variables in the equilibrium condition then must be outweighed by positive effects on other variables in the system. A redistribution to blacks that stimulates demand can be called wage-led growth. Conversely, should a redistribution lead to a decline in output and employment, the system would be labeled as profit-led growth and would be considered racially “conflictive.”

Black workers in South Africa tend to be segregated in export industries, both of primary commodities as well as labor-intensive goods. Higher black wages in mining would probably not have a negative effect on investment or exports, given the immobility of mining firms and the fact that products from such industries are price inelastic. Higher wages in labor-intensive industries, however, could have negative effects on both exports (where goods tend to be price elastic), and investment (firms are “mobile”). With regard to the right-hand side of the equilibrium condition, higher black wages may lead to an increase in

the economy wide marginal propensity to consume (thus reducing saving). The effect on imports would depend on whether whites' marginal propensity to import exceeds that of blacks. Assume for the moment that blacks consume a larger share of domestically produced goods. A redistribution in that case would cause  $Z$  would decline.

Whether higher black wages then had a beneficial effect on output and employment would depend on whether the demand stimulus of lower saving and imports outweighed the loss to demand of exports and investment. In export economies heavily dependent on labor-intensive exports, it is likely that the effect would be negative. Efforts to redistribute income impose costs on output and employment, and are thus likely to be resisted by whites.

Three additional examples are instructive. Singapore's growth in the 1960s through the 1980s was considered export-led, heavily dependent on foreign sales of cheap manufactures that relaxed the balance-of-payments constraint and stimulated demand. Much of manufacturing output was produced by multinational firms, reliant largely on ethnic Malay workers, most of them women. Chinese women and men dominate in professional and managerial positions. The low wages paid to ethnic Malay workers (many of whom were imported as foreign workers from nearby Malaysia) were a stimulus to exports and investment. A number of state-level policies were enacted that limited the bargaining power of these workers to raise their wages; the benefits of their powerless accrued to ethnic elites in the form of rapidly rising incomes.<sup>3</sup>

A similar story can be told of Haiti in which poor black Haitians produce wealth that is appropriated by Haitian elites. In rural sectors, this occurs as poor farmers, with little bargaining power, sell their coffee at very low prices to the elite, via coffee *speculateurs*, with the elite able to capture rents on sales of coffee to foreign buyers. One factor that allows elites to capture rents is their role in

interlinked markets, coupled with their political power in an undemocratic and oppressive system. Farmers often find themselves constrained to sell at low prices in order to obtain political protection or access to badly-needed credit that is generally controlled by elites. Low farm-gate prices are also facilitated by collusion amongst the Haitian exporters, whose social and political enmeshment facilitates organized efforts to hold down prices to peasant farmers in an effort to maintain their political, economic, and social status. The low prices to peasants results is a modest stimulus to export demand, since Haiti is a small supplier to the global market.<sup>4</sup>

In contrast, Haitian urban women, sequestered in assembly sector jobs, produce cheap manufactured goods at low cost for Haitian mulatto and white factory owners as well as foreign exporters, stimulating price-elastic exports and investment, and producing a demand stimulus that propels growth, and reinforces the desire of the elite to ensure unequal bargaining power on the part of workers and peasants.<sup>5</sup>

A third example concerns the recent waves of immigration into Europe, which have fuelled both racism and stimulated profits (as well as the consumption of dominant ethnic groups). Taking the case of emigration to Greece from Eastern Europe, and especially Albania, this influx has been accompanied by a rise in Greek xenophobia directed at both legal and especially illegal immigrants, competing as they do for low-wage jobs with low-income Greek nationals (estimated at roughly 37 percent of the population). Nevertheless, lower wages have led to lower inflation rates, facilitating Greece's entry into the European Union. Immigration has also been a stimulus to agriculture, tourism and construction—sectors that may have stagnated without cheap immigrant labor. Middle-class Greeks, too, benefit from cheap domestic labor, house maintenance, and repair. The unpaid labor burden of middle class

Greek women has been reduced, given the new source of domestic labor at very low cost. This has allowed more women to enter paid labor activities as the cost of replacing their unpaid labor has fallen dramatically.

The impact of racial and gender inequality on wages and thus inflation suggest that rentiers also beneficiaries of a hierarchical system. Inequality, then, is a stimulus to firm profits, and thus investment, as well as exports—and potentially short-run growth. It also serves to attract foreign financial capital by helping to keep inflation low, and rentier profits high, thus relaxing the balance of payments constraint. Racial and gender ideologies legitimize the unequal system as natural, obscuring the important role of inequality in reproducing the wealth of the dominant groups. This domain of analysis has largely been occupied by Keynesian and Kaleckian economists, for whom the short-run still matters, albeit the emphasis there has been on class inequality.

A caveat to this is, however, in cases where racial norms and stereotypes do not sufficiently disarm or render powerless subaltern groups, who instead protest their unequal status. A growing literature acknowledges the potentially negative effect of inequality on economic growth if this leads to social discontent and political conflict. The effect on growth is transmitted via the downward pressure on investment, due to heightened risk and uncertainty (Alesina and Rodrik 1994; Larraín and Vergara 1998).

We do not need to go far to find examples of such conflict. The recent challenges to the status quo in Chiapas and now Oaxaca have their origin in ethnic inequality with Indian and mestizo groups challenging a system that has disenfranchised them while enriching others. Such conflict is plausibly linked to negative effects on investment in a number of other cases where communal violence has emerged (e.g., Sri Lanka, Rwanda, Gujarat, India, Guyana). This

argument implies that ethnic heterogeneity, linked with ethnic income inequality, can potentially be a source of downward pressure on growth rates.<sup>6</sup>

Of course, inequality is not always overtly challenged. A group identity in which members have a clear notion of acceptable parameters of inequality, coupled with the power to challenge the system, are both required to translate group dissatisfaction into collective action. Not all groups are equally powerful, even if dissatisfied. Subaltern ethnic groups and women, for example, may not be able to translate inequality into social conflict. Further, so long as gender and racial systems that are structured hierarchically can convincingly disseminate norms and stereotypes that are widely accepted, inequality that holds down wages and distributes the bad news of capitalism in the form of jobs can be a stimulus to profits and growth.

#### *B. Long run growth*

Neoclassical economists have in recent years taken another look at the long-run relationship between inequality and growth. The new wave of mainstream models elide any potential short-run demand problems with an assumption of full employment due to flexible prices, instead emphasizing only the effect of inequality on the supply-side. That approach, often encapsulated in Solow-type growth models, links growth to changes in the capital stock, labor productivity, as well as technological change.

Employing this admittedly oversimplified framework, what are the pathways by which race and gender hierarchies might produce supply-side effects? Ethnic inequality can lead to underinvestment in human capital of the subaltern group, lowering economy-wide productivity levels and growth. There is a good deal of evidence that low wages of some groups contribute to parents' reluctance to invest in their children's education. This is particular true for girl children, but evidence is also found by class. Feedback effects are plausible

whereby slower growth results in greater resource scarcity. Ethnic-based job exclusion serves as a means for the dominant group to maintain control over resources, leading to further underinvestment in human capital amongst disadvantaged ethnic groups. Ramirez (2004) has estimated that the productivity effects of racial equality alone mount to over \$1 trillion per annum in the US economy.

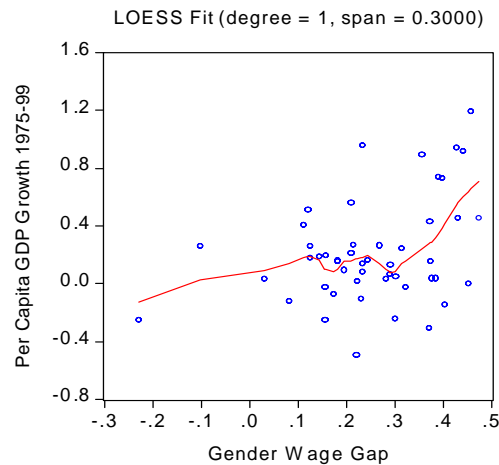
The effect of inequality on capital accumulation, however, is ambiguous and depends on a variety of factors including some alluded to in the previous section, such as the type of job segregation and the potential for political conflict, which can slow investment. Indeed, extreme inequality can require the state to collect and spend a large share of the surplus on control of the political discontents—whether that is in the form of prison, police, or security measures to protect property. Inequality could also slow investment if a complementary skilled labor supply is required to support technological advance.

Thus, assuming no demand side constraints, inequality can be a stimulus to growth if it fuels investment, but will be hampered by its negative effects on human capital improvements, thereby limiting productivity growth. Inequality produces contradictory effects on long run growth, but may be sustainable. In economies that technologically upgrade, with concomitant reductions in labor demand, the expanding skilled jobs go to the ethnically dominant group or men (such as in the case of Taiwan and South Korea). But if negative human capital effects dominate, economic decline results, albeit over a very, very long run. The case of Haiti is instructive in this regard.

Figure 1 provides results from Seguino (2005), who uses a Solow-type growth model where GDP growth is regressed on a number of standard variables and the gender wage gap. The panel data set spans 1975-99 and includes 37 middle-income countries. The figure is a partial correlation of the

effect of gender inequality on growth, controlling for investment share of GDP, initial educational attainment, and the log of initial per capita GDP. The graph uses a LOESS process of nearest neighborhood fit. In the period 1975-99, it is notable that the curve becomes steeper as the gender wage gap rises. Cross-country times-series data by ethnicity are unfortunately not available, making it difficult to explore empirically the relationship between ethnic inequality and long-run growth.

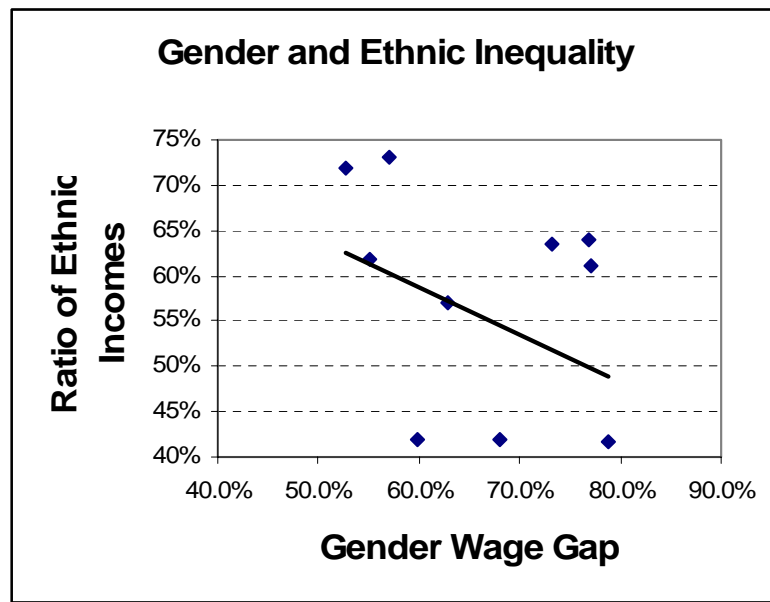
Figure 1. The impact of gender wage inequality on growth: 1975-99



An interesting question is whether ethnic marginalization substitutes for gender inequality in ethnically heterogeneous societies that are also profit-led, that is where inequality is a stimulus to growth. If this is the case we might tend to see wider ethnic gaps in those countries and smaller gender gaps, and conversely, in homogenous societies, we might see wider gender wage gaps. Figure 2 from work in progress (Seguino 2005) plots these data for a very small sample. Interestingly, the gender wage gap and ethnic wage gap show a pronounced negative correlation.<sup>7</sup> This may reflect a pattern whereby in ethnically diverse societies, ethnically-based exploitation and marginalization substitute for gendered discrimination with subaltern groups providing least-cost labor that stimulates investment and exports. In ethnically homogenous

societies, gender power imbalances can result in women being allocated to the low rung of the economic ladder (Darity 2002, 2005; Seguino 2000a). While the data are minimal and not of high quality, there is some indication that gender and ethnicity play similar roles in the macroeconomy, depending on the ethnic make-up of the society. A more complete data set would be needed to fully investigate this premise.

Figure 2. Gender and Ethnic Inequality



Source: ILO, Yearbook of Labour Statistics (2000) for gender wage data; Darity and Nembhard (2000); Saavedra, et al (2004, Patrinos (2005).

Perhaps not surprisingly, Darity and Deshpande (2000) find that few unqualified claims can be made about the relationship between ethnic inequality and growth. Numerous high-income countries, for example, have wide ethnic gaps in income and capabilities, such as the United States, Canada, Japan, and New Zealand. In those cases, the benefits accruing to dominant groups of ethnically based economic inequality have outweighed the costs for growth via social and political conflict.

Why is this so? One possibility is that the minorities are so small in numbers as to not constitute a threat to social stability. The second, and this may be related, is that ethnic oppression has contributed to internalized racism, whereby oppressed ethnic groups accept blame for their low socioeconomic status, thus failing to protest inequality. These examples lead to a key question: How does ethnic diversity interact with the productive economy, distribution of assets and income, and social exclusion, coupled with ethnic/racial ideologies to affect growth? This question suggests the usefulness of a case study methodology for tracing effects of ethnic diversity to growth.

This analysis suggests that inequality is not an unambiguously losing or winning proposition in terms of its effects on growth. The potential costs of social and political conflict, underinvestment in children, and more generally, human capital must be weighed against the benefits of exploitation (underpayment of workers due to lack of bargaining power) and exclusion (unemployment shifted to marginal groups to limit social conflict amongst dominant groups).

#### IV. Macroeconomic policies and inequality

Key constraints to equity lie in unequal access to good jobs, and the lack of high quality jobs, with subaltern ethnic groups and women placed at the back of the job queue. What macroeconomic policies might effectively promote both growth and equality? I propose four areas for race and gender equitable policy.

The first is expansionary macroeconomic policy. Long ago, Michael Kalecki (1943) argued that while full employment was a theoretical possibility, it was not a likely outcome, due to political resistance by the “captains of industry.” He advances several reasons for this resistance. First, business dislikes

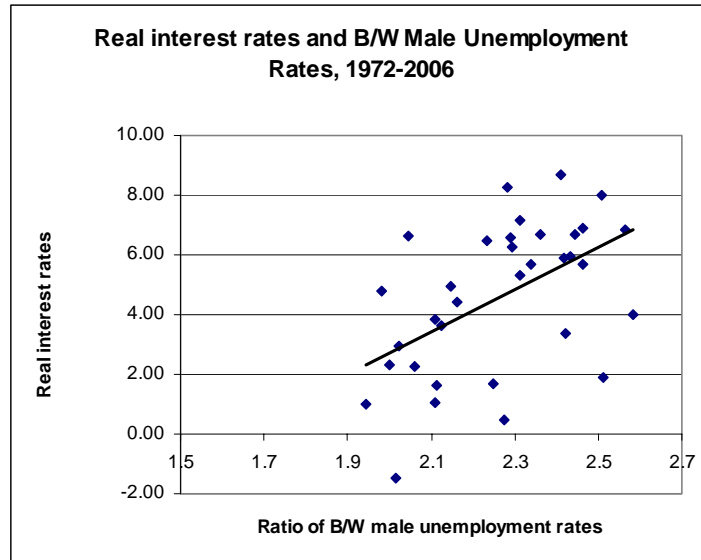
government intervention in the economy, since it reduces business power. They are opposed to types of spending governments engage in with fiscal policy (public investment and subsidies to consumption), since these compete with private business and because they undermine capitalist principles of individual responsibility. Finally, and perhaps most importantly, business dislikes the social and political effects that result from full employment. In particular, with full employment, the “sack” would cease to play a disciplinary role, threatening business profits as well as the social hierarchy. Rentiers, too, have reason to oppose full employment due to the possibility of wage-induced inflation that worker bargaining power may set off. Unemployment is indeed a sound and important component of capitalist control and dominance.

The last 20 years have seen monetary policy dominated by rentier interests in the form of inflation targeting. While it is often claimed that low inflation is a necessary macroeconomic fundamental, evidence suggests that inflation rate under 40% are not harmful to growth (Bruno 1995; Bruno and Easterly 1996; Epstein 2006 ). Rather, austerity appears to be a means to control inflation in the interest of those with wealth, raising real rates of return on capital, but at the expense of those on the bottom of the gender and ethnic hierarchy (Fosu 2000; Epstein 2003; Seguino 2003; Braunstein and Heintz 2005). Figure 3 provided such associational evidence for the US from 1972 to 2006. The already wide gap between black and white unemployment rates widens further as real interest rates rise (often induced through contractionary monetary policy to control inflation. In this figure, I provide data on male unemployment rates only, but the trend is visible also with female unemployment rates by ethnicity, as well as teen unemployment rates.

This suggests that an important strategy to pursue in order to promote equity is a reformed role for the central bank, whereby the bank targets

employment as well as inflation. By creating employment, the economic condition of subaltern ethnic group and women improves disproportionately, improving the intraclass distribution of income.

Figure 3. US Monetary Policy and B/W Male Unemployment Rates



Source: Unemployment data from Bureau of Labor Statistics, and real interest rates from World Development Indicators.

Growth is not enough to the extent that expansionary policies can be vetoed by capital flight. Therefore, capital management techniques are also necessary. In addition, even with an expansion of jobs, macro systems operates in a way that is disadvantages to people of color and women, ensuring that they get the worst jobs. Roithmayr (2000) has argued that market forces are not strong enough to overcome the force of coercive social norms and social payoffs, which operate to police discriminatory behavior in racial cartels. A market lock-in analogy sees racism as anticompetitive conduct that forecloses competition and creates continuing barriers to entry.

Thus, a second area for progressive policy requires a redefined role for government in managing the economy. Regulation of trade and investment flows can increase the bargaining power of workers, especially those in vulnerable, i.e. mobile labor-intensive industries, to raise their wages. A shift of resources to education and training raises economy-wide productivity, and lowering costs and inflationary pressures. Third, labor market policies that contribute to greater equality of income and benefits and job security (expanding social safety net coverage to part-time workers and those with short job tenure, for example) are required. Racial and gender cartels can and do engage in predatory and exclusionary strategies for economic benefit. The more powerful group can shift the cost of segregation to its victims, so that the victims of discrimination are worse off and the discriminators are better off. Affirmative action policies can redistribute jobs to the more qualified, raising productivity.

And finally, gender- and race-sensitive public sector spending can be an important tool to make equity compatible with growth. The national government represents a critical locus of resources with which to promote gender equity. But such spending is not likely to reach women and people of color on its own. One way to make public spending equitable is budget audits to ensure that public spending is directed toward the target of promoting equity. Gender- and racially- responsive budget audits can be used to review and analyze national budgets and expenditures to determine which groups benefit from fiscal policies, and whether biases against women, poor people or other disadvantaged groups are built into them.

## V. Conclusion

This paper makes several arguments. First, racial and gender dynamics are a critical component for the struggle for a socially just distribution of revenues and reward. To get to that goal requires an understanding of the macroeconomic structures of constraint and policies that overcome those constraints. This implies that an exploration of the linkages between micro and macro dimensions of racial inequality should be a central component of a field of stratification economics.

What would a set of racial and gender equitable policies look like? I outline several areas for consideration in this paper, but place the greatest weight on expansionary macroeconomic policies that create a sufficient level of jobs, and an expanded role for the state to extend the social safety net and bargaining power to workers of color and women. Income in hands of women and ethnically subaltern groups provides a means to change norms and stereotypes that become entrenched. This means that sustained stable growth is a prerequisite for economic equity—both to expand the number of jobs for women and people of color, but to do so in a way that does not lead to job loss for dominant groups who might otherwise be more inclined to resist the movement toward equity.

Of course, such policies provide a challenge to capitalists—both firms and rentiers. This suggests that a successful strategy will require re-regulation both of financial capital flows, and of firm investment. What is novel about these proposals is that they are likely to disproportionately benefit subaltern ethnic groups and women, due to job segregation. Income in the hands of these groups is a means to challenge and alter oppressive gender and racial norms that perpetuate inequality.<sup>8</sup>

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## ENDNOTES

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<sup>1</sup> Gender *stereotypes* describe the ways in which men and women presumably differ, usually in ways that justify to some extent the gender division of labor. Racial stereotypes similarly assign different characteristics to groups, with a particular emphasis on pathologizing those of non-white groups. And finally, *norms* specify acceptable behavioral boundaries for members of racial groups, and women and men. These undergird gender and racial *ideologies*, which justify the racial gender imbalance in power and resources.

<sup>3</sup> The wages and income of Malay workers rose, but not enough to close ethnic wage gaps. Further, in the mid-1980s, the government mandated higher wages to stimulate MNCs to raise productivity through technological upgrading of production processes. Firms, however, decline the offer, and moved to other Southeast Asian economies where wages were lower. Malay workers suffered employment losses, and many were expelled as redundant workers. Chinese elites suffered little if at all, particularly because the government shifted to a strategy that emphasized Singapore's role as a financial center for Asian investment. Their dominance as both bankers and professionals in the financial sector assured them rising income, with this structural shift accompanied by job segregation.

<sup>4</sup> This implies that elites capture rents due to their political power and collusion. The higher profits may stimulate investment, but it also may worsen the trade balance since elites spend a large share of their income on luxury imports. What investment does occur usually goes to industry in urban areas.

<sup>5</sup> An example of this is the coup that ousted newly-elected president Aristide in 1991. His promise to raise the minimum wage, however modestly, triggered a \$9 million coup, financed by the Haitian elite and foreign factory owners.

<sup>6</sup> See also Brysk and Wise (1997) on South America, Cramer (2002) on Rwanda and Angola, Ndikumana (1998) on Burundi.

<sup>7</sup> Countries in the sample are: Bolivia, Brazil, Guatemala, India, Japan, Malaysia, Mexico, Paraguay, Peru, South Africa, and the United State. The notion that there might be an inverse relationship between ethnic and gender inequality was first articulated by William Darity (personal communication, 2002).

<sup>8</sup> For empirical work on the relationship between income and work on the one hand, and norms and stereotypes on the other, see Seguino (2007, forthcoming).