The Economics of Discrimination (1957) was Gary Becker’s first published work using microeconomic tools to investigate supposedly non-economic phenomena. Although the significance of the book is now widely acknowledged, there are still confusions and misconceptions regarding the nature of Becker’s contribution to the social scientific literature on race relations in the 1950s and its reception and impact in the 1960s. For instance, the role of the book in the history of the relationship between economics and the other social sciences is unclear. Most accounts acknowledge that before Becker’s essay, discrimination was understood to be outside the boundaries of economics (see, for instance, Chiswick 1995 and...
Mäki 2009). For Richard Swedberg (1990), Becker’s application of neoclassical economics to discrimination marked the end of an era of mutual ignorance between economists and other social scientists. Yet, these accounts neglect the cross-disciplinary discussions regarding race relations that took place as early as the mid-1940s, long before Becker started to work on the subject. As shown by the economist Gunnar Myrdal’s monumental *An American Dilemma* (1944), economists did interact with other social scientists.

The book’s reception was likewise complex. Some commentators agree with Becker and Nashat Becker (1996, 3) that “the book wasn’t well received by most economists” because the book allegedly ended the relative isolation of economics from other social sciences. Put differently, the negative reactions came from the belief at the time that subjects such as discrimination should be left to specialists in fields other than economics (sociology and political science, for instance). Others argue that there were indeed positive reviews (see Becker [1957] 1971, 1993, and Coleman 1993). Some explain this ambivalent reception by drawing a distinction between the reaction of economists, who were largely skeptical if not hostile, and that of sociologists, who were more favorable (e.g., Sandmo 1993). Yet, a close examination of the reviews of Becker’s book challenges this explanation. Finally, the accounts of the book’s impact are misleading. Becker (1993) raises the point that, despite whatever positive reactions there were to the book, *The Economics of Discrimination* had no impact on anything for a long time; some (e.g., Chiswick 1995) attribute this weak impact to the book’s controversial character.

These above-mentioned confusions and misconceptions illustrate the problems raised by the history of cross-disciplinary ventures. As it is said to have challenged the traditional boundaries separating the social sciences (see Swedberg 1990), *The Economics of Discrimination* provides

2. Barry R. Chiswick (1995, 15) writes, “Economics . . . could not provide insights into such ‘social’ and ‘psychological’ matters as labor market discrimination.”

3. Edward Lazear (2000) acknowledges that Myrdal’s work was published before Becker’s. However, his account of Myrdal’s theory is anachronistic: Myrdal’s theory is depicted as a microeconomic theory, which it was not, since Myrdal did not consider neoclassical economics to be relevant for the study of race relations. Using such an approach to study discrimination would have to wait until Becker.

4. Sherwin Rosen’s (1993, 33) account goes in the same direction: “It is hard to describe what a daring work it was back then, given the general tenor of the time in the United States, and the general skepticism of economists and other social scientists for work that strayed too far from familiar turf.”
an interesting case study with which to address the complex relationships between economics, sociology, psychology, and social psychology. Following Olson 1968, but also Mäki 2009, we consider that historical and social contingencies are most influential in the formation and evolution of disciplinary boundaries. So are the practices of social scientists, which provide a pragmatic depiction of the scope of their disciplines. These practices reveal the scientists’ center of interest at a given period, as well as their inclination to exchange ideas with others from different disciplines or traditions. Finally, the perceptions of social scientists regarding the state and relevant scope of their disciplines are equally enlightening. Thus, to address these questions, which relate to the nature of traditional disciplinary boundaries, how they were overstepped, and what was the consequence of this transgression over time, this article contextualizes the writing, reception, and impact of Becker’s 1957 book.

In doing so, our approach departs from many discussions regarding economics imperialism, a notion that had yet to emerge in the early 1950s. Our point is not to trace the intellectual origins of the expansion of the scope of economics (as in Hurtado 2008, for instance) or to discuss its methodological content, but to recount an important episode of the history of the changing boundaries of the social sciences in the light of the surrounding historical and scientific context. This article adds to other efforts to study various attempts by economists to explore issues outside the traditional scope of their discipline (e.g., Medema 2000, Fontaine 2007, and Harnay and Marciano 2009) and contributes to the growing literature on the history of cross-disciplinary research ventures after the Second World War (see also Backhouse and Fontaine 2010). It also offers a contribution to the literature on the history of the Chicago school (e.g., Emmett 2010), which, so far, has not specifically addressed the expansion of the scope of economics.

Interestingly, Deborah Figart and Ellen Mutari (2005) have already provided a contextualization of *The Economics of Discrimination*, but

5. If, say, public finance was not studied by economists until the late 1940s, although the topic logically pertained to most definitions of economics, then it is possible to consider that such a topic did not belong to the province of economics at the time.

6. Although the term *economics imperialism* (or *economic imperialism*) had been already used as early as 1933 (see Souter 1933), the notion as we understand it today emerged only in the late 1960s (see Boulding 1969 and Becker 1971). Economics imperialism is generally related to Becker’s “economic approach,” which he formulated almost twenty years after his work on discrimination (see Becker 1976).
their work is meant mostly to criticize the claim that Becker’s theory is universally applicable and, ultimately, to show that his approach is inferior to institutionalist ones. While useful, Figart and Mutari’s contextualization is limited because it neglects the scientific context of the 1950s and the role of Becker’s book in the debates that involved economists and other social scientists. As a result, a number of important questions are left unanswered: the actual relationship between economists and other social scientists on race relations before Becker’s book; the nature of Becker’s contribution and idiosyncrasies vis-à-vis these previous relationships, which calls for the study of the place of price theory in those debates and the influence of the Department of Economics of the University of Chicago; the reactions of economists and other social scientists to Becker’s work; and, ultimately, the book’s influence on the literature on race relations throughout the 1960s.

Our study suggests that Becker’s theory of discrimination did not end the mutual ignorance between economists and other social scientists but rather that Becker changed the nature of the dialogue between them. Prior to Becker, it was sociologists and labor economists from the institutionalist tradition who studied the economic aspects of race relations, a mark of Myrdal’s persistent influence throughout the 1950s. Their approach was mostly multidisciplinary. Driven by empirical analysis, case studies, and sociological notions, it could easily be contrasted with Becker’s neoclassical analysis of labor markets. Becker defined discrimination as an economic phenomenon resulting from market interactions and, accordingly, used the utility maximization framework. By integrating nonpecuniary motives into this framework, Becker made a twofold contribution. First, in expanding the scope of price theory, he answered the traditional criticism of narrowness leveled at neoclassical economics by institutionalist labor economists. Second, Becker’s book responded to the lack of an integrated framework in race relations research, which specialists in the field often deplored. Thus, Becker’s work offered to redefine the boundaries separating two strands of labor economics (the institutionalist and the neoclassical) and the boundaries separating economics from other social sciences. But did the book succeed in this endeavor? As expected for such an innovative work, it attracted both enthusiasm and criticism, illustrating the tensions and variety of points of view among social scientists. Yet, although the book was read in academic as well as in nonacademic circles, it had only a slight impact on disciplinary boundaries.
Section 1 describes the social scientific work on discrimination before Becker. Section 2 presents Becker’s own contribution as it appears in *The Economics of Discrimination*. Section 3 turns to the book’s reception. Section 4 studies the visibility and impact of Becker’s book throughout the 1960s. Finally, section 5 offers concluding remarks.

1. Discrimination before Becker

In the first half of the twentieth century, sociologists and psychologists were the main contributors to the study of race-related issues, but after the Second World War, the understanding of discrimination was actually shaped by the work of the economist Gunnar Myrdal. In the mid-1930s, he had been commissioned by the Carnegie Corporation to lead a multidisciplinary study of African Americans, which resulted in the monumental *An American Dilemma: The Negro Problem and Modern Democracy* (1944). Among Myrdal’s most significant results was that African Americans were not poor because of inherited biological differences in ability but rather because of discriminatory behavior on the part of whites, which Myrdal’s statistics and case studies documented thoroughly. Sociological and psychological considerations were at the heart of Myrdal’s analysis of race relations. Through the “cumulative causation” principle, it was argued that segregation and poverty among African Americans fueled white people’s prejudice, which in turn encouraged them to discriminate against blacks. Myrdal believed that these practices contradicted American values (which he referred to as the “American creed”) such as freedom, equality of opportunity, and individualism. Discrimination was a moral paradox to be solved by appropriate public policies regarding education, civil rights, housing, and the migration of blacks out of the South. Interestingly, *An American Dilemma* was not regarded as an economic work, which may explain why its impact was more significant on the other social sciences.

7. For Howard Odum (1944), the book’s analysis of discrimination was an important change in sociological thought. Talcott Parsons and Bernard Barber (1948) considered the book the most important sociological work of the time. Myrdal’s book contains almost no economic theory. The part that is titled “Economics” is mainly devoted to an empirical analysis of African American economic conditions, as well as case studies concerning discriminatory behavior. As with the remainder of the book, the main dilemma confronts discriminatory behavior with the American belief in equality of opportunities. This mix of empirical analysis and sociological considerations about norms and values also characterized studies of an institutionalist flavor after World War II. And later, Myrdal was considered an institutionalist (Klein 1990).
Following the Second World War, the United States inherited the leadership over the Western world and, consequently, became an ardent advocate of democratic values, those values that had been described as the American creed by Myrdal. However, the Jim Crow system and other forms of discrimination against African Americans remained institutionalized. This paradox gained international visibility when Soviet representatives at United Nations conferences depicted discrimination and segregation as an imperialist way to organize a new form of slavery. These attacks made discrimination another sensitive Cold War issue.

The domestic situation mirrored the international controversy. Discrimination contrasted with the moral consensus of the “silent generation,” whose identity consisted in accepting the values the country was promoting internationally (Gleason 1981). Social scientists were quick to point out this paradox and entered the fight against discrimination. Inspired by Myrdal’s social engineering, they sought to change mores and minds through educational, economic, and civil rights policies. At the beginning of the 1950s, this activism characterized the related subfield of race relations known as “intergroup tensions,” through which psychologists and sociologists such as Gordon Allport, Robert MacIver, and Robert Merton, as well as Louis Wirth and Everett C. Hughes of the Chicago Committee on Education, Training, and Research in Racial Relations, contributed to a cross-disciplinary literature. The American Jewish Congress also played a significant part in the fight, as it created the Commission on Community Interrelations (CCI) and the Commission on Law and Social Action (CLSA), with which were associated scholars such as Kurt Lewin and Kenneth Clark (Jackson 2000). Their involvement led to a number of successes in court until the fight reached a climax in 1954,

8. Jim Crow legislation, which had legalized segregation in public facilities, was characterized by “separate but equal” doctrines.

9. In 1952, a Polish delegate stated that the United States had replaced Germany and other dictatorships such as Japan and Italy in the promotion of some superior race, namely, the Anglo-Saxon one. These attacks were made repeatedly throughout the 1950s (Rosser 1962).

10. The coauthor of An American Dilemma, Arnold M. Rose, wrote, “During World War II, in clarifying our war aims, and since then, in attempting to fight Communism ideologically, Americans have come to realize the shocking gap between their theory and practice in the field of race relations. This has been a great stimulus not only to passing laws, but also in changing the climate of opinion” (Rose and Rose 1951).

11. Clark and his wife, Mamie Phipps Clark, showed that segregation led to psychological damage. Using black and white dolls and asking children about their preferences, they showed that segregation developed a sense of inferiority in black children. This result served as empirical evidence in Brown v. Board of Education (Jackson 2000).
when the Supreme Court outlawed segregation in *Brown v. Board of Education*. In his decision, Chief Justice Earl Warren cited *An American Dilemma*.12

Although Myrdal’s book had inspired activism among social scientists, a significant part of the profession, from the behaviorist George A. Lundberg (1945a) to the Chicago sociologist Edward B. Reuter (1944), had criticized its lack of generalizations. Postwar sociologists wanted an integrated framework with which they could construct a more rigorous discipline, so as to match the criteria for scientific research that had emerged after World War II (Lundberg 1945b; Znaniecki 1945). Still under the influence of Myrdal’s book in the 1950s, the field of race relations was criticized for lacking an “underlying theory” that would lead to “the building of a cumulative body of tested knowledge” (Wirth 1950, 125).13 Even psychological studies, such as Gordon Allport’s *Nature of Prejudice* (1954), failed to provide a theoretical foundation (see Rose 1954).14 Developing such a framework was made even more difficult after the war, when foundations ceased to support research devoted to deepening the theoretical underpinnings of the analysis of discrimination and its connections to social, institutional, and economic structures (Jackson 1990).15 The McCarthyites’ attacks

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12. The reference to *An American Dilemma* is found in footnote 11 of Warren’s decision. The footnote lists some important references in sociological and psychological studies, such as Clark 1950, and a chapter of the book *Discrimination and National Welfare*. At the end of the note, Warren writes, “and see generally Myrdal, *An American Dilemma*.“ Warren used the book to support the idea that segregated schools hurt the motivation and mental development of black children. Some legal scholars such as Edmond Cahn were very critical about Warren’s use of scientific findings. Cahn believed that Warren, in appealing to the work of social scientists, had grounded his decision on a “flimsy foundation,” at the expense of traditional legal reasoning (see Jackson 1990).

13. Note that the same kind of opinion about the lack of theoretical work was expressed by political scientists such as David Easton (1953). The development of behavioralism within political science was an attempt to establish new criteria for scientific inquiry.

14. Gordon Allport was a professor of psychology at Harvard. He and his colleague Henry Murray as well as Clyde Kluckhohn of the anthropology department joined Talcott Parsons of the Department of Sociology to establish the Department of Social Relations (Gilman 2004).

15. It is difficult to know exactly why foundations reoriented their support. Some information is found in Jackson’s (1990, 263–64) thorough study of Myrdal’s *American Dilemma*. Jackson mentions a memo sent by Donald Young, the executive director of the Social Science Research Council and future president of the Russell Sage Foundation (in 1948); whether the memo had an influence or not, it “accurately assessed the direction in which social science research was moving.” Young advised foundations to combat “an anticipated increase in racial conflict after the war. . . . He doubted that the social scientists specializing in race relations, particularly the ‘warhorses’ who had been working in the field for some time, had anything new to say. . . . Young thus discouraged new theoretical research on race relations, sidestepped the
against philanthropic foundations also contributed to the decreasing support of such a “controversial” topic in the early 1950s (Lagemann 1999). As a result, a number of applications by Guy Johnson, Arthur Raper, and other specialists in the field were turned down (Jackson 1990).

Instead, funds became reoriented toward research that addressed concrete policy questions and suggested strategies to fight discrimination and segregation (Jackson 1990; McKee 1993). The field of intergroup tensions, which studied the links between prejudice and discriminatory behaviors, was not the sole beneficiary of the new orientation. The measurement of discrimination, which had become a growing public policy concern after the 1947 report of the President’s Committee on Civil Rights, encouraged many researchers to evaluate the gap between African American living conditions and American ideals (Wirth 1950). Accordingly, statistical studies represented the bulk of the discrimination analyses published in leading sociology journals. These studies regarded discrimination as a residual phenomenon: it was the remaining inequality after individual differences in education and ability had been accounted for statistically (Palmer 1947; Turner 1952, 247). The overall challenge was then to isolate the individual sources of differences. Otto Pollack (1944) and Edward Palmer (1947) tried to build different individual competitiveness indicators, based on age, sex, occupational position, and health, while the Chicago PhD Ralph Turner (1952) measured the “foci of discrimination,” namely, the various steps where discrimination occurred.

Measuring discrimination showed that beyond the moral disgrace, poverty among African Americans was a burden on the economy.16 This aspect of discrimination emerged at a time when American society witnessed the first signs of African American economic improvement. With increasing purchasing power, they represented a growing economic force. For instance, leading advertisers had their products sponsored by black athletes (Alexander 1951). A decade after An American Dilemma, Time magazine noted that Myrdal’s depiction of the needs of African Americans was “strikingly out of date,” for their problem was “no longer jobs, but better jobs; for many, it [was] no longer bread, but cake” (“U.S. Negro” 1953).
Social scientists addressed the economic aspects of racial discrimination through a multidisciplinary approach reminiscent of Myrdal’s. Among them were economists who specialized in labor relations and who considered that “the more ‘mixed’ the economy becomes, the less controlling is the market mechanism and the greater tends to be the influence of group psychology, public opinion, and political, social and institutional factors” (Lester 1952, 485). Since the labor market was shaped by collective bargaining instead of competition, the racial policies of trade unions and their influence on the employment of African Americans piqued the interest of scholars such as Herbert Northrup (1943, 1944, 1946).\(^\text{17}\) The psychological consequences of discrimination were also explored. Discrimination against black workers had a negative impact on their concentration, aspirations, and productivity (Roper 1952), which prevented African Americans from taking advantage of the new postwar economic opportunities (Ginzberg et al. 1956).\(^\text{18}\) The economic consequences were significant: the public opinion specialist Elmo Roper (1949) first estimated that discrimination cost $4 billion each year, before concluding in 1952 that discrimination cost nearly $30 billion in forgone earnings from taxes, purchasing power, and crime (Roper 1952).\(^\text{19}\)

As illustrated by the 1948 conference “The Costs of Discrimination in the United States,” which brought together Northrup and Roper but also the sociologist Merton, the collaboration between economists and other social scientists was not characterized by the use of the maximization framework. Moreover, the book containing the conference proceedings failed to produce theoretical generalizations (see Rose 1949 and McKee 1993).\(^\text{20}\)

17. Northrup was a Duke undergraduate who pursued his interest in race relations in his doctoral work at Harvard, where he met the institutionalists Sumner Slichter, who supervised his PhD dissertation, and John T. Dunlop, who was on his PhD committee (Kaufman 1998; Rutherford 2000). Thanks to Slichter, Northrup was one of the very few economists to work with Myrdal on the American Dilemma project during the summers of 1940 and 1941 (Kaufman 1998).

18. The 1956 study led by the Columbia economist Eli Ginzberg, The Negro Potential, was similar to Myrdal’s because Ginzberg had led a staff composed of social scientists, historians, and labor relations specialists (Miles 1956). It was the first postwar large-scale study of the conditions of African Americans since Myrdal’s 1944 book.

19. Roper was director of the first national poll based on scientific sampling techniques, Fortune Survey, from 1935 to 1950. In 1946, he founded the Roper Center for Public Opinion Research at Williams College (Wallace 1959).

20. One notable exception was Merton’s influential paper on the respective influence of prejudice and discrimination on individual behavior (see section 2 below). The remaining papers explored the economic, social, and cultural consequences of discrimination in various areas such as education, housing, religion, and the job market. They were published in Discrimination and National Welfare (1949), edited by the sociologist Robert MacIver.
such a context, Donald Dewey’s 1952 paper “Negro Employment in Southern Industry” stands as an exception. This article grew out of Dewey’s case studies of the employment of African Americans in the southern states for the report of the National Planning Association published in 1953 (Nicholls 1960). Dewey (1952, 281) criticized sociologists for misunderstanding the economic nature of segregation in the South, which, according to him, arose from market competition between black and white workers. Since the competition showed “discernible uniformities,” Dewey believed that “one can take a long step toward the understanding of the southern scene simply by qualifying the marginal productivity analysis of labor allocation with a few additional assumptions” (281). Doing so would overcome the lack of theoretical generalizations about race relations that characterized sociological studies.

In the mid-1950s, the focus of research had shifted significantly from the moral to the economic aspect of discrimination. Yet, as in Myrdal’s study, social scientific research remained mainly focused on social, psychological, and institutional factors. Discriminatory practices prevented African Americans from equal access to jobs and education, but also created a cultural context that negatively affected their productivity and ambitions. In turn, these factors were a burden on the economy. A decade after Myrdal’s book, the social scientific studies of the mid-1950s were similarly criticized for their lack of theoretical generalizations. Many of the scholars who conducted them were skeptical about or unaware of the utility maximization framework. Even Dewey’s paper was only a very limited step toward an economic analysis of discrimination, since the assumption of rational employers could only be used to better understand racial employment patterns. Discriminatory behaviors per se were made dependent on southern customs, and other irrational behaviors were regarded as being outside the scope of economic analysis. Viewed from that perspective, Becker’s theory had much to surprise. To understand its origins and novelty, one has to turn to Becker’s training as an economist.

21. In the late 1940s, Dewey did his graduate studies at Chicago, where he was a student of Frank Knight, and at the London School of Economics. He moved to Duke University as an assistant professor in 1950. Like Northrup a decade before, Dewey was also at Duke when he worked on discrimination. According to William H. Nicholls (1960, 197), he was “virtually the only white economist in any Southern university to devote a substantial amount of research to the economic aspects of race.”

22. The report, titled Selected Studies of Negro Employment in the South, was initially meant to be a comprehensive study of African American employment in southern industries, but a lack of funds had forced him to reduce the scale of his project (Ferguson 1956).
2. A New Approach to Discrimination

During his undergraduate studies at Princeton, Becker recalls that he was interested in important social issues. Unfortunately, economics courses there did not address those, so he contemplated moving to sociology. His readings of Talcott Parsons discouraged him from doing so, as Becker (1990, 29) found Parsonian theory too difficult. Jacob Viner, one of the main architects of the so-called Chicago school, advised Becker to apply for graduate studies at Chicago. When Becker moved there in 1951, he found an intellectually stimulating environment more suitable for his ambitions (Becker to Friedman, 1954, Milton Friedman Papers [MFPH], Library and Archives, Hoover Institution, box 20, folder 30; Becker 1990). During his first years at Chicago, Becker went through the cultural integration process that consisted of the study of price theory and market clearing (see Reder 1982). Like any other Chicago graduate student, Becker learned to look “continuously for new ways to introduce the market system of rewards and penalties” (Miller 1962, 66).

The teachings of Milton Friedman in the graduate price theory course at Chicago influenced Becker. They introduced him to an approach to economics as a policy-oriented science studying practical issues. Friedman’s students, such as Robert Lucas and Sam Peltzman, remember Friedman’s peculiar teaching style, which always referred to the concrete problems of the day (Hammond 1999; Snowdon and Vane 1999). In class,

23. At Princeton, Becker worked on two papers, “A Note on Multi-Country Trade” and “The Classical Monetary Theory: The Outcome of the Discussion.” The first paper presented a two-commodity model of international trade and the second one, written with William Baumol, dealt with the monetary theory of Oskar Lange and Don Patinkin. Published in 1952 after Becker’s departure from Princeton, the papers had little to do with social issues.

24. In order to master this new approach, Becker needed training in both theory and statistics (Becker to Baumol, 20 April 1952, William J. Baumol Papers [WBPD], David M. Rubenstein Rare Book and Manuscript Library, Duke University, box 1, folder B). During his early years at Chicago, Becker had a busy schedule. As he told Baumol in 1951, he didn’t feel like writing, for he had a lot of theory to learn (Becker to Baumol, 22 January 1952, WBPD, box 1, folder B).

25. When Becker arrived at Chicago in 1951, Friedman had already written a first draft of his methodological essay, “The Methodology of Positive Economics,” then titled “Descriptive Validity vs Analytical Relevance in Economic Theory” (Hammond and Hammond 2006). As he stated in his 1953 book, Essays in Positive Economics, a positive theory had to be judged only by the accuracy of its predictions, not by the realism of its assumptions. Friedman (1946) emphasized partial equilibrium analysis, as opposed to Walrasian general equilibrium theory, which he thought too abstract and empirically empty.

26. Lucas recalls the following: “I think it was the breadth of problems he showed that you could address with economic reasoning. That’s what Friedman emphasized. No single problem was analysed all that deeply but the range of problems included everything. So we got the
Friedman addressed a wide variety of topics such as “why people buy lottery tickets” and “the determinants of parental demand for children” (Becker 1991). These examples served only as pedagogical illustrations; it is not clear whether Friedman regarded them as relevant topics for research in economics. Yet, Friedman’s pedagogical technique showed Becker that economics had the appropriate tools to study social issues.

Unsurprisingly, Friedman became a member of Becker’s PhD committee. It was H. Gregg Lewis who supervised the dissertation. Lewis shared with Friedman a concern for studying practical issues, which appealed to many doctoral students at the time (Rosen 1994; Biddle 1996). The general topic of race relations was an interesting challenge for Lewis’s enterprise of redefining labor economics on microfoundations (Rees 1976; Teixeira 2007). As indicated above, the topic was already a focus of neo-institutionalists and other labor relations specialists, who criticized neoclassical economics for disregarding psychological, cultural, and other nonpecuniary motives. Such motives undermined the role of prices as factors for decision making and, consequently, undermined the relevance of the marginal analysis of labor markets. For Lewis, a microeconomic analysis of discrimination would demonstrate that price theory could analyze the effects of nonpecuniary motives on labor market adjustments and ultimately show that prices continue to play a significant role. The debates surrounding Simon Rottenberg’s “On Choice in Labor Markets” (1956) illustrated later the use of such an argument to counter the criticisms of labor relations specialists such as Richard

impression, and rightly so, that we were getting a powerful piece of equipment for dealing with any problem that came up in human affairs” (Snowdon and Vane 1999, 120–21; see also Hammond 1999).

27. On the one hand, Becker (2003) recalls that, at first, Friedman did not believe discrimination was a relevant economic topic. Friedman’s price theory textbook, based on his students’ lecture notes for 1951–52, addresses only a few “noneconomic” issues, among which are discrimination and population. In the textbook, Friedman also claims that the concept of an economic problem goes beyond the traditional boundaries of economics. However, the book was published in 1962, so Friedman could have been influenced by Becker’s inroads into demographics and sociology. On the other hand, the correspondence between Friedman and Stigler shows that they both informally used economic theory to study fertility (Hammond and Stigler 2006).

28. Becker’s recollections of Friedman’s classes might not be accurate, but in this case, they would betray Becker’s particular understanding of Friedman’s teachings. For Becker, “real world issues” were not only economic, but also political and social. When Friedman recommended Becker for an Earhart fellowship in 1953, he wrote that “Becker has a brilliant, analytical mind . . . a real feeling for the interrelationship between economic and political issues” (Fuchs 1994, 183–84).
Lester. Thus, Becker’s PhD enterprise matched Lewis’s research agenda, as did Morton Zeman’s thesis on the measurement of income differences between whites and African Americans, which Lewis also supervised at the same time. Working on an economic theory of discrimination also satisfied Becker’s own desire to study topics outside of economics’ traditional domain of analysis.

Becker started to work on discrimination during the Brown v. Board of Education debate, which took place in 1951 after the NAACP appealed to the Supreme Court. Chicago was considered the capital of black America, as it was the primary recipient of the massive migration of black southerners from the 1940s. In 1951, the suburban town of Cicero had witnessed a riot that lasted three nights and involved thousands of white protesters, attracting worldwide condemnation. Nevertheless, Becker’s dissertation, “The Economics of Racial Discrimination” (1955), remained distant from that politically charged environment and did not demonstrate the activism of the race relations literature of the time. As he wrote in the introduction, the work was meant to fill a theoretical void, for most of the abundant literature on race relations, including the seminal work of Myrdal, had “been purely descriptive, or [had] involved only casual analysis” (Becker 1955, 1). Becker’s goal was to apply “neoclassical economic theory to the interpretation of Negro-White differences in the United States economy” (1). The dissertation was primarily written for economists. Becker never referred to any work by sociologists or psychologists, and his work tackled market discrimination as a problem of general economic significance.

Some members of the economics department felt uneasy with this pure economic approach to discrimination. They insisted that a sociologist be

29. Rottenberg (1956) took the example of a worker choosing between a “clean” and a “dirty” occupation, which included a more complex motivation than simply choosing a job associated with the maximum wage rate. Rottenberg wrote that “the economists’ position is simply this: that workers will be indifferent between clean and dirty occupations, if the wage differential is just sufficient to compensate for differential cleanliness; that they will prefer the clean job, if the wage differential is less than this; that they will prefer the dirty job, if the wage differential is more than this. It does not matter whether we say that they choose jobs in terms of cleanliness properties, wages being given, or that they choose jobs in terms of relative wages, cleanliness properties being given” (190–91). This example is not so different from Becker’s analysis of the choice of a white worker between working alongside blacks or not, as presented in his 1955 dissertation and 1957 book (see below).

30. Becker recalls that they did not trust that an economist alone could write on discrimination (Becker to the author, 12 February 2010). Becker did not mention the names of those economists, which clearly suggests that they were not part of the Lewis-Friedman-Schultz group (see also Becker 1990 as well as his interview with Tim Harford in the Financial Times [Harford 2006]).
placed as a member of Becker’s PhD committee; Everett C. Hughes, then head of the Department of Sociology, joined Lewis and Friedman to complete the committee.  

31 Hughes shared common interests with Becker: he had been in charge of studying racial problems for the Industry and Society project in the mid-1940s (Tréanton 1997) and pursued his study of race relations in industry as a member of the Committee on Education, Training, and Research in Race Relations.  

Hughes was aware such a topic raised problems regarding disciplinary boundaries, since an important question was to know what circumstances led the industry to rely on perfect mobility of labor or, instead, led to political action limiting the movement and opportunities of some minorities (Hughes 1949, 213). Hughes (1963, 890) remained open to competing approaches, as he considered that the main challenge facing sociology was to resist “the drive for professionalizing, and to maintain broad tolerance for all who would study societies, no matter what their methods.” Indeed, Becker recalls that Hughes was not hostile to the project. When he gave a speech for the dedication of the R. E. Park Building at Fisk University in 1955, Hughes argued that the growing interest of economists (Becker and Zeman) for such a traditionally sociological topic was to be expected, since the differences between blacks and whites were progressively fading, which made it easier for economists to treat them as perfect substitutes in production (Hughes 1984). Yet, despite Hughes’s open-mindedness, he differed from Becker, as he was an empirically oriented sociologist taken by case studies and field work (Chapoulie 1997), which made the communication especially difficult (Becker 1990). Becker recalls meeting with Hughes only once: Hughes was polite but showed no interest in the project, an attitude that foreshadowed some of the subsequent reactions of sociologists (e-mail message from Becker to the author, 12 February 2010). Thus, Becker hardly had any contact with him (Becker 1990).

Becker completed his dissertation in 1955; it was approved by his committee, and he graduated with a PhD that June. Over the next two

31 We searched Hughes’s archives for any correspondence between him and Lewis, Friedman, or Schultz, but found nothing, except a letter from Hughes to Schultz (1952) about the possible invitation of Myrdal to give a series of lectures at the University of Chicago in 1952. The letter is evidence that Schultz and Hughes were in informal contact and shared an interest in Myrdal’s work.

32 As stated in the “historical note” to the online “Guide to the University of Chicago Committee on Education, Training, and Research in Race Relations Records, 1944–1962,” the committee’s purpose was “to design research that would test theories of race relations in order to provide a scientific basis for public policy and programs, as well as for further field research.”
years, Becker reworked the dissertation into a book, which was published by the University of Chicago Press in 1957 under the title *The Economics of Discrimination*. Unlike the dissertation, the book was written as a contribution to the cross-disciplinary literature on economic discrimination\(^\text{33}\) and was meant to deal with the social issues of the time: as the introduction read, “No single domestic issue has occupied more space in our newspaper in the postwar period than discrimination against minorities, especially against Negroes” (Becker [1957] 1971, 1).\(^\text{34}\) Becker’s starting point reversed the common view on the causality between economic and noneconomic discrimination, as it reemphasized the “economic” at the expense of the “social.” He was guided by the belief that “by eliminating market discrimination one could eliminate much of the discrimination in non-market areas” (9). In this respect, it echoed the few voices, including the journalist Russell Warren Howe’s (1956), that had called for a reappraisal of the influence of economic behavior in the study of discrimination.\(^\text{35}\)

Becker’s theory linked individual prejudice to the overall level of discrimination in the marketplace. The main assumption was that prejudice came mostly from tastes. Becker assumed that each individual had a taste for discrimination, so that someone experienced a certain amount of disutility whenever he or she was close to a member of another group. This idea matched important sociological and psychological results reported in Allport’s book on prejudice.\(^\text{36}\) It was reminiscent of the “contact hypothesis” developed in the early 1950s by Allport, Lewin, and other CCI members (see above), according to which prejudice was lower if members of

33. The main results, as well as most of the theory, had been laid down in the dissertation, but the book included a more comprehensive statistical analysis.

34. This quotation, as well as many in this paper, comes from the second edition of *The Economics of Discrimination*. However, it does not raise any problem of historical significance since this edition leaves the original 1957 text intact “aside from the correction of typographical errors” (Becker [1957] 1971, 2). Note that since Becker did not “try to eliminate the errors in substance” from the text, he incorporated “separately, as addenda to various chapters, three discussions of discrimination” that were published after 1957.

35. To Howe (1956, 216), “the wellspring of discrimination [was] largely overlooked. . . . Sociologists [had] preferred to look for obscure psychopathological pretexts for prejudice, for mysterious taboos, for schizophrenia (‘I hate them because I love them’).” Discrimination and segregation were only ways for whites to avoid direct competition with blacks and to harm them economically.

36. Allport (1954, 6) defines *prejudice* as “a feeling, favorable or unfavorable, toward a person or thing, prior to, or not based on, actual experience.” Becker acknowledged with Allport that nepotism and discrimination were two sides of the same coin. Note also that Allport’s Nature of Prejudice was supported by funds from the American Jewish Congress.
two groups lived closer. Becker’s understanding of race relations reflected the prevailing social discourse: discrimination meant social or psychological distance, at a time when segregation was one of America’s main concerns (Figart and Mutari 2005). But Becker was also influenced by Friedman’s methodological perspective. Employers, as well as other economic agents, were assumed to behave “as if” they were rational, and the only specific behavioral assumption was the presence of a taste for discrimination. Economically, it meant that agents behaved as if they “were willing to pay something either directly or in the form of a reduced income, to be associated with some persons instead of others” (Becker [1957] 1971, 14).

The pecuniary translation of the taste for discrimination was illustrated by a discrimination coefficient, which was added to the usual monetary costs of products or labor. Becker did not focus much on individual choice but on the consequences of this transaction cost on market exchanges, leaving the explanation of prejudice formation to psychologists.

In a departure from what he did in his dissertation, this aspect of the theory made Becker consider earlier analyses of discrimination by sociologists and psychologists. Interestingly, the links between prejudice and discrimination were already an area of interdisciplinary exchange between sociologists and psychologists. While psychologists studied the formation of prejudice, sociologists, following the influential paper of Robert Merton (1949), studied to what extent discriminatory behaviors came from individual prejudice, since people also conformed to social and institutional forces such as norms and laws (McKee 1993). As Becker introduced market forces into the analysis, he also placed economics as a contributing approach to the subject and offered to redefine the cross-disciplinary dialogue. To analyze the relations between individual prejudice and market discrimination, Becker (1976, 22) defined a market discrimination coeffi-

37. Becker (1957) remains elusive on the final effect of a high frequency of contact on prejudice. Although Becker incorporated the conclusions of the “contact hypothesis,” he also included other arguments to show that closeness and high frequencies of contact between two groups could raise the taste for discrimination.

38. For instance, if an employer has a taste for discrimination against a member of the $N$ group, he will have to pay $w(1 + d)$ to hire members of the other group, with $w$ being the monetary wage and $d$ the discrimination coefficient. Similarly, consumers having a taste for discrimination would have to pay $p(1 + d)$, with $p$ being the price of the commodity, to avoid buying their product in a shop held by a member of the $N$ group.

39. Merton (1949) considers that individuals could feel a prejudice against a minority or not, and are willing to conform to laws and cultural norms, or not. This leads to a typology of four ideal-types, among which, for instance, is the prejudiced nondiscriminator, who does not discriminate even if he feels prejudiced against a minority. For Becker ([1957] 1971, 40n), this behavior corresponds to a mild taste for discrimination.
cient against a specific group, say $N$, as the “difference between the actual ratio of the incomes of $W$ and $N$ and this ratio without discrimination.” This concept echoed the “residual” definition of discrimination used in sociological studies. What made discrimination a sheer economic phenomenon was that the overall market discrimination measured by the market discrimination coefficient could differ from individual discrimination coefficients because economic forces such as competition, the shape and homogeneity of production functions, and market structures could act on individual behavior at the market level.40

For Becker, this framework was a powerful tool to study a wide range of other social issues than discrimination; it likewise addressed the institutionalists’ concern about the microfoundations of labor economics, since the discrimination coefficient introduced the effects of any kind of non-pecuniary elements into market transactions. As Becker (1971, 45) put it, “Conventional theory usually ‘assumes’ that all employers endeavor to maximize money income. This has been continuously criticized by those who argue that some employers want power, an easy life, and other forms of non-money income. The introduction of DC’s [discrimination coefficients] generalizes conventional theory; it is no longer assumed that all potential employers want to maximize money income.”41 Becker’s approach offered a redefinition of a potentially wide array of social phenomena as market phenomena, which could be studied within the utility maximization framework.

His approach also encompassed the results of Dewey’s analysis of southern racial employment patterns. If employees had a taste for discrimination, employers would never mix their workforce (because of a rise in their costs), which would lead to a complete segregation between $N$ and $W$.42

40. It is possible to understand this emphasis on the economic effects of those different assumptions as Lewis’s influence on Becker. As Jeff E. Biddle (1996, 186) stated, “Lewis explored his models thoroughly. Where others might implicitly assume that certain functions were perfectly elastic, or that a production function was homothetic and linear homogeneous, or that all relevant markets were competitive, Lewis would make these assumptions explicit, discuss their plausibility, and determine consequences of their failure.”

41. In his dissertation, Becker (1955, 14) knew already that the discrimination coefficient could be used as a building block for studying a wider range of problems, as it was considered a “bridge between money and real costs.” In a footnote, he added that “many problems involving non-pecuniary motivation can be solved using similar techniques.”

42. Note that $N$ and $W$ are perfect substitutes. This point was debated by Lewis’s PhD student Finis Welch (1967). Becker deepened Dewey’s analysis, which was, according to Becker ([1957] 1971, 108), “almost completely irrelevant for understanding market discrimination”—defined as income differences—but “relevant for market segregation”—defined as a specific distribution of individuals.
Yet, Becker’s theory differed from previous research in considering discrimination a costly practice to the racist. It went against the common belief, held by important social scientists such as Myrdal, Rose, and Allport, that the dominant group gained by discriminating against minorities. Moreover, contrary to the dissertation, the rewriting process clearly left Myrdal’s work aside. The book likewise neglected trade unions and, as a result, did not mention institutionalist types of studies such as Northrup’s. With most of the contributions by economists left aside, the book conveyed the impression that it was the first economic study of discrimination.

This idiosyncrasy was strengthened when Becker tested his theory with statistical data from the Bureau of the Census. First, his empirical conclusions corrected Roper’s 1948 results. Discrimination had a negative impact on African American income, but not as large as Roper had suggested. Second, his results challenged the widespread feeling among social scientists, journalists, and the general public as well that, in the mid-1950s, African Americans had benefited from the postwar economic growth. For Becker, discrimination had not changed for half a century: the obvious improvement in the absolute occupational position of African Americans did not mean an improvement in their status relative to whites, because most of the improvement was due to “forces increasing the position of whites as well” (Becker 1957, 114). Indeed, Becker found little evolution in their occupational position relative to whites.

Just as Becker redefined discrimination as an economic problem, so he implicitly promoted economic solutions to eradicate it. Market competition stood as a powerful force that could discourage employers from engaging in discriminatory behavior, since such behavior eroded a firm’s competitiveness. The benefits from free market competition, a hallmark of

43. References to Myrdal were more numerous in Becker’s PhD dissertation, in which he acknowledged the importance of the 1944 study. There is only one reference to Myrdal’s work in the 1957 book, in a footnote. Interestingly, for some economists, Myrdal was considered more a sociologist than an economist. This distinction is made clear in John Hicks’s (1954, 796) review of Myrdal’s Political Element in the Development of Economic Theory (1953).

44. The chapter on trade unions found in the second edition was written in the late 1950s.

45. Borrowing from international trade theory, Becker showed that if the W group (“exporting” capital) discriminated against the N group (“exporting” labor), the overall amount of exchanges between the two “countries” N and W was reduced as well as the net income of both groups N and W. Depending on the production function used, when whites discriminated against blacks in market interactions, the income of blacks fell, but only by as much as 13 percent; that figure was in sharp contrast to the 67 percent decline found by Roper. It is likely that Becker’s interest in international trade, as illustrated by this analogy and his 1952 AER paper, was influenced by Jacob Viner, his teacher at Princeton.
Chicago price theory, were confirmed by Becker’s statistical analysis, which showed that market discrimination was stronger in monopolistic industries. On the other hand, Becker undermined previous educational prescriptions by economists and social scientists following Myrdal. Educational attainment in the United States had continuously risen since the beginning of the century, but discrimination, as he measured it, remained as prevalent as ever. Moreover, African Americans were more discriminated against in high-skilled jobs. Becker, following Allport (1954), claimed that education could influence only a small part of the taste for discrimination.

With his first book, Becker bridged the gap between, on the one hand, the need for theoretical research expressed by some social scientists and, on the other hand, the taste for an empirical approach as found in sociology or labor economics. An innovative contribution with controversial conclusions, the book provoked a variety of reactions.

3. The Reception of The Economics of Discrimination

Right after Becker completed his PhD, his dissertation was prepared for publication by the University of Chicago Press. Since the mid-1950s, the economics department at Chicago had had an agreement with the press to publish a series whose title was “Studies in Economics.” Friedman had opened the series with his Studies in the Quantity Theory of Money (1956); Becker’s theory of discrimination was chosen by the department to be the second contribution to the series. Becker’s manuscript had been reviewed by the Publication Committee of the Department of Economics (chaired by Lewis), the Social Science Committee of the University of Chicago Press (of which Friedman was a member), and two outside referees. It had been unanimously approved by both committees, but the press’s board was of a different opinion (Friedman to Roger Shugg, 30 November 1956, MFPH, box 20, folder 30). After reading the reports of the two outside referees, its members expressed doubts regarding the quality of Becker’s manuscript (Friedman to Shugg, 17 December 1956). They decided against publication and, following one of the reports, recommended that the
manuscript be published as a series of academic papers (Lewis to Alexander Morin, 29 August 1956; Friedman to Shugg, 30 November 1956); that way, the press would not be involved in the publication of such controversial material. Interestingly, it was not the first time that a theory of his addressing noneconomic phenomena was rejected for publication. In the early 1950s, his paper that paralleled market competition and democratic competition of political parties was rejected on behalf of the *JPE* by Frank Knight. Along with the placement of Hughes on Becker’s PhD committee, these episodes suggest that some economists and other social scientists felt uneasy with the expansion of the scope of economics outside its traditional boundaries at the time. Regarding the rejection of the manuscript on discrimination, Becker ([1957] 1971) recalled three kinds of criticisms, all concerning the theoretical aspect of the book. First, the use of economic tools to study discrimination was challenged. Second, there was opposition to “as if” reasoning and, more generally, to Chicago economics. Finally, some found that his model lacked noneconomic parameters.

In response to the press’s decision, the Publication Committee of the Department of Economics at the University of Chicago, as well as Friedman, agitated on Becker’s behalf. Friedman, along with the committee, unanimously supported the view that it would be in the best interest of the department if Becker’s manuscript were published as a book instead of a series of articles (Lewis to Alexander Morin, 29 August 1956). Friedman thought the book was of major scientific significance and read the two outside reports as highly favorable ones. The book’s merits came from Becker’s demonstration that discrimination was a “special case of a more general problem—the role of non-pecuniary factors in economic choice—and that economic analysis [was] highly relevant to its under-

47. We did not manage to find the report, but Knight had stood against the overuse of the rationality assumption as early as the interwar period. The emphasis on practical issues differentiated Friedman and Lewis from other key figures of the Chicago price theory tradition such as Knight. For instance, when comparing Knight’s teachings with Henry Simons’s, Stigler (1973) recalled that contrary to the latter, Knight was never attracted to contemporary issues. This is an illustration that in the early 1950s, the economic approach of Becker’s mentors was not the university’s dominant view it became a decade later. Among others, the university hosted the Cowles Commission until 1955.

48. Here, Becker’s account of the reasons why the book was rejected is rather vague. He was, for the most part of this episode, kept out of the loop (Becker to the author, 16 February 2010). We do not have, unfortunately, the actual reviews, and neither does Becker. Although the records of the University of Chicago Press, located at the University of Chicago Special Collections Research Center, contain a folder on Becker’s *Economics of Discrimination*, it only contains photocopies of the published reviews we analyze below.
standing” (Friedman to Shugg, 30 November 1956). Moreover, this novel approach contrasted with “the undisciplined speculation and casual empiricism so common in the social sciences,” which, in turn, explained the small size of the manuscript (Friedman to Shugg).49

In addition, the rejection by the press raised a problem of coordination and trust between the press and its two advisory committees. Although Friedman conceded that the board should retain the ultimate right to decide what to publish, he believed that by overruling the committees’ recommendations, the decision insulted their scientific legitimacy.50 In particular, the decision was considered as a “vote of no confidence in the Social Science Committee” (Friedman to Shugg). In order to pressure the board, Friedman gathered his comments in a memorandum that he circulated to the members of the two committees and sent to the board. In addition, George Stigler, who had commented on the manuscript, also fought the board’s decision by writing a letter in which he urged for its publication. A close friend of Friedman, Stigler had strong ties to the economics department at Chicago and recognized himself in its price theory tradition.51 These reactions convinced the board members to reconsider their initial rejection. Two additional reports were commissioned, and the board referred once again to the Social Science Committee for further advice. In January 1957, the board finally agreed to publish the book.52

Interestingly for our purpose of studying the complex relationships between economics and the other social sciences, the formal reception given by published reviews was much less controversial. The book was reviewed in about the same number of economics and sociology journals and among them, leading journals such as the *American Economic Review (AER)*, the *American Journal of Sociology (AJS)*, and the *American Sociological Review (ASR)*. Most reviewers were experts on the status of African Americans or discrimination analysts, such as Donald Dewey (writing

49. Note that Friedman’s opinion on the social sciences is probably no less negative than Becker’s.
50. This was not the first clash between the board and the Social Science Committee. Shortly before, the board had overruled the committee’s decision to publish Rottenberg’s manuscript, starting a controversy that raised the “same kind of issues” (Friedman to Shugg, 30 November 1956, MFPH, box 20, folder 30).
51. Stigler received his PhD at Chicago in 1938 and was professor at Columbia from 1947 to 1958. He then returned to Chicago as the Charles Walgreen Professor of Economics at the Graduate School of Business.
52. We were not able to find the additional reports, so we do not know the details they contain.
for the *Southern Economic Journal*; Herbert Northrup (for the *Industrial and Labor Relations Review*); Guy Johnson (for *Social Forces*), whose work on African American culture had inspired Myrdal; and Otis Dudley Duncan (for the *AJS*), who became an important specialist on race relations in the 1960s. Among nonspecialists were the economists Armen Alchian (for the *American Statistical Association Journal*) and Melvin Reder (for the *AER*) and the sociologist Karl Schuessler.

Social scientists praised Becker’s modeling. It was considered the most original aspect of his contribution. Even when skeptical about the whole endeavor, reviewers followed Schuessler (1958, 108) in regarding the taste for discrimination as a “tour de force” that led to a highly abstract model of “indisputable strength.” The discrimination coefficient, which implied monetary loss, was an ingenious way to measure discrimination in economic activity. Aware of the paucity of theoretical research in the field of racial discrimination, Johnson (1958) praised Becker for filling the void with an integrated approach in which empirical evidence was consistent with the theoretical framework.

Yet, the apparent narrowness of Becker’s economic framework was subject to criticism. For Richard C. Leonard (1957), discrimination was so multicausal that only a “broad sociological framework” would meaningfully tackle the issue. The economic framework was far from sufficient, for discrimination was believed to result from irrational behavior. On these grounds, Dewey (1958) was opposed to Becker’s theory and “as if” methodology. He criticized the taste-for-discrimination concept, which in his view had “serious limitations” for studying most of the irrational behaviors involved in the discrimination problem. Dewey doubted that the model could produce any useful predictions. A taste for discrimination as a fixed parameter prevented one from studying the “crucial” question of the evolution of individual prejudice. Interestingly enough, this distinction between irrational and rational behavior was not much emphasized by

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53. It is difficult to ascertain if Myrdal was asked to review Becker’s book. William Barber, who is an expert on Myrdal, does not know. Anyway, Myrdal never reviewed Becker’s book.

54. In 1950, Johnson had deplored the lack of theoretical generalizations in his review of *Negroes in American Society*, a sociology textbook by Maurice Davie.

55. In a premonitory way, Dewey (1952, 287) had criticized the understanding of discrimination as a cost: “Cases where employers deliberately sacrifice profits in order to indulge an animosity toward Negroes are extremely rare.” In his review, he warned economists about the unlimited use of “as if” assumptions, for “one must take exceeding care in treating irrational behavior as if it is rational behavior” (Dewey 1958, 495).
sociologist reviewers.56 Other economists (James Duesenberry) used it later as the main criticism against Becker's economic analysis of fertility (see Duesenberry 1960).57 On the other hand, in the early 1950s, some sociologists such as Jessie Bernard (1954) and Arnold Rose (1957) considered rational behavior as a possible basis for inquiry.

Like Johnson (1958, 180), most reviewers noted that the “book [was] an excursion into the field of race discrimination by a mathematical economist.” Becker’s model implied that the definition of the boundaries of social scientific knowledge was subject to debate. Some were open to this new type of cross-disciplinary work; one was Armen Alchian (1958, 1048), who praised Becker’s ingenuity for measuring “sociological phenomena, in a sense more profound than merely counting how many people do or do not say they have certain tastes or preferences.” A member of the RAND Corporation, Alchian was familiar with the economic analysis of a wide range of issues involving nonmarket phenomena.58 Melvin Reder (1958, 500), a research fellow of the interdisciplinary Center for Advanced Study in the Behavioral Sciences in 1956, praised the “ingenious theorizing” but also emphasized the “general quality of Becker’s empirical work.” He foresaw that it would “influence thinking on the economics of discrimination for a long time to come” (500). For these economists familiar with interdisciplinary work and sympathetic to Chicago economics, The Economics of Discrimination was a good illustration of the power of economics to develop a fully integrated theory from assumptions to tested predictions.59 This promising feature of modern economics converged

56. At least not by important sociologists such as Johnson or Duncan. Leonard was mostly a reviewer for the American Catholic Sociological Review.

57. Duesenberry’s criticisms were made during a conference on fertility that brought together economists and demographers in 1960. Interestingly, as the conference book reveals, the demographers who attended the conference actually cited Becker’s book, while the economists in attendance maintained a patronizing attitude toward Becker; see Demographic and Economic Change in Developed Countries (1960).

58. Becker met Alchian in the summer of 1957 at RAND, where he worked on an economic analysis of the supply curve of men to the military, evaluating the effect on resource distribution of the draft and estimating “the costs to the military of training their own pilots” (Becker to Lewis, 8 October 1957, H. Gregg Lewis Papers [GLPD], David M. Rubenstein Rare Book and Manuscript Library, Duke University, box 10). Although he and Alchian shared the same interest in interdisciplinary problems, Becker was much more ambitious. Research at RAND only tackled problems he considered “too limited” (Becker to Lewis, 21 July 1957, GLPD, box 10).

59. Reder did the first two years of his graduate training at Chicago before moving to Columbia. Alchian had contacts with members of the Department of Economics at Chicago, notably Friedman. The latter had commented on early drafts of Alchian’s “Uncertainty, Evolution, and Economic Theory” (eventually published in 1950) and, later, noted the similarity between
toward the new scientific ideals that had emerged in the Cold War and that centers such as RAND and the Center for Advanced Study in the Behavioral Sciences were encouraging (see, for instance, Amadae 2003). Duncan’s (1958) encouraging review also testified for his openness to new approaches. An assistant professor in the Department of Sociology at Chicago, Duncan had had contact with Becker when he worked on his doctoral dissertation. Duncan was familiar with this kind of interdisciplinary work, as he had reviewed in 1956 The Economics of Location by August Lösh, which offered an economic theory of spatial structures that tackled human ecology issues, and in 1957 Location and Space Economy by Walter Isard. Although he was sometimes critical of these frameworks, Duncan (1957, 240) understood them as a new and promising way toward a “closer collaboration among scientists.”

For other race relations specialists, this redefinition of the social was perceived as a threat. Schuessler (1958, 108) felt that discrimination was a special province of sociology and therefore doubted that economists would follow Becker and “stampede the area of racial and ethnic discrimination.” Schuessler thought that “economists . . . [were] likely to respect rather than assail this tradition,” which revealed his understanding of Becker’s work as sort of an unfair incursion into the domain of sociology. In an empirical paper devoted to the analysis of the deterrent effect of the death penalty, Schuessler (1952, 55) had criticized what he called “the psychological hedonism” in which “men deliberately [chose] among rival courses of action in the light of foreseeable consequences,” a conception of man that was “not in accord with modern sociology and psychology.”

Likewise, the labor economist Herbert Northrup stood against the book, taking a defensive line. Northrup (1958) attacked Becker’s claim that The Economics of Discrimination was the first important analysis of the subject by an economist, a claim that suggested that the contributions by Northrup himself and others were not economics. Becker completely neglected the role of unions, the relevance of the institution-

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Alchian’s arguments and his own example of the tree leaves found in his Essays in Positive Economics (1953) (Levallois 2009).

60. To Schuessler (1952, 55), sociology and psychology “see human behavior as largely unplanned and habitual, rather than calculated and voluntary.”

61. The reviewer even quoted Becker to remind the reader that Becker’s work was not “the first data available on economic aspects of discrimination against Negroes in the United States” (Becker 1957, quoted in Northrup 1958).
alist approach, and the “wealth of material in this field” (Northrup 1958, 298). Northrup had himself suffered from economists’ and sociologists’ aversion to dealing with such a loaded issue as discrimination in the 1940s, but nevertheless, Becker’s work represented a threatening new trend in labor economics.\textsuperscript{62} The Economics of Discrimination was part of a broader endeavor to make labor economics another subfield of neoclassical economics, undertaken by Becker and his Chicago colleagues in the Labor Economics Workshop. It was another attempt to apply the maximization framework to the study of a phenomenon traditionally studied by scholars who criticized the maximization assumption. This new approach expanded the domain of economics but it likewise narrowed the diversity of its frameworks. To Northrup (1958, 298), its lack of usefulness came from the use of “fairly naïve assumptions” and the “failure to consult empirical evidence.” Referring to “great economists” such as Schumpeter (one of his teachers at Harvard) and Keynes, Northrup reminded the reader that equations were “alluring” but that “theoretical economists [had] a fundamental obligation to study the facts before presenting a theory as a finished product” (298).

Finally, Becker’s statistical findings were considered important. The fact that the status of African Americans had not improved in comparison with that of whites since the early twentieth century was one of the book’s most praised results, for it challenged a commonly held view within the sociology profession. This result was discussed by Reder, who thought that Becker’s measurements undermined the idea that African Americans had made relative economic progress since the 1940s. Not surprisingly, Becker’s analysis of African American occupational positions using statistical tables caught the attention of sociologists. However enthusiastic sociologists were about Becker’s theory and general endeavor, they remained more critical of his use of data because of their greater empirical sensibility. Since the interwar period, sociology had recognized the importance of statistics and saw it as a symbol of scientific achievement (Shanas 1945). Most of the time, Becker’s data analysis was criticized for being too simple and too naive (see, for instance, Duncan 1958) and for not

\textsuperscript{62} As Northrup told Bruce E. Kaufman (1998), he met with the prominent sociologist Wight Bakke at Yale, who told him not to “fool around with this stuff [his work on discrimination]. It will never get you anywhere.” According to Northrup, “that was the attitude of a lot of people many of whom ‘discovered’ the race problem in industry after the passage of the 1964 Civil Rights Act when it was fashionable” (quoted in Kaufman 1998, 673).
taking into account more advanced analyses, notably Turner’s. Becker was criticized for not collecting his own data, while the raw data from the Bureau of the Census was not reprocessed as much as sociologists would have liked. In other words, most sociologist reviewers found that the book lacked “the critical data necessary” (Schuessler 1958, 108).63

Overall, skepticism regarding Becker’s innovative contribution did not overshadow the acknowledged significance of the book. Most criticisms echoed Helen Amerman’s (1958, 279) opinion that “this book [was] by no means in the ‘popular vein,’ and its translation of racial discrimination into economic terms [was] a refreshing challenge to the assumptions of the sociologists and social psychologists.”64 Aware of the importance of theoretical work in the field, Dewey (1958, 496) acknowledged that “no doubt a cool head should restrain a warm heart.” In considering the book to be one of the most important books of the year, he echoed Leonard’s claim that “Becker [had] done a commendable job” as well as Johnson’s (1958, 181) assessment of the book as “an excellent piece of work.”

This enthusiastic climate raised high hopes concerning the book’s influence on further social scientific research as well as on labor economics. With the strong support of the Chicago economists Friedman and Lewis as well as Theodore W. Schultz, Becker (1990) felt vindicated in his approach. Yet, in the introduction to the second edition of _The Economics of Discrimination_, Becker ([1957] 1971) expressed his disappointment about the reception of the first edition as well as its subsequent influence on research.65 We now turn to the impact of Becker’s book in the 1960s to explore the reasons for such disappointment.

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63. Sociologists’ criticisms of Becker’s statistical analysis are not very detailed. Schuessler criticized Becker because the latter used the data “only to check fairly specific points” or because he simply interpreted the data “in the light of the general theory. For example, the relative number of Negroes in competitive and monopolistic industries in the South . . . is used to verify the proposition that competitive industries discriminate less on the average than monopolistic ones” (Schuessler 1958, 108). Most of the time, Becker used simple regressions and built simple indexes, contrary to sociologists such as Turner or Duncan, who reprocessed their data in more complex ways and consequently built much more complex indexes and indicators. Despite Schuessler’s criticisms, both Becker and the sociologists used US Census data.

64. During the late 1940s, Amerman was a research assistant for the Committee on Education, Training, and Research in Race Relations at Chicago.

65. Interestingly, the introduction to the second edition differs greatly from the marketing copy printed on the back cover of the book, in which it is said that “the original edition of _The Economics of Discrimination_ was warmly received by economists, sociologists, and psychologists alike for focusing the discerning eye of economic analysis upon a vital social problem—discrimination in the market place.” This paragraph is followed by quotations from Schuessler’s and Reder’s reviews.
4. The Impact of *The Economics of Discrimination*

In the wake of its publication, *The Economics of Discrimination* represented many challenges and promises. It was seen as an interesting answer to the criticism of institutionalists and a powerful tool with which to redefine labor economics on microfoundations. It was likewise said to offer an integrated framework for the development of theoretical analyses of discrimination, a framework that was lacking in the social sciences. Finally, the book’s framework could be expanded to a broad range of social phenomena. The study of the book’s impact in the 1960s shows to what extent these promises were fulfilled.

As one of the few theoretical analyses of the economic aspects of discrimination in the late 1950s, Becker’s book enjoyed a reasonably good reception in the relatively small community of race relation specialists. The book’s visibility reached beyond the traditional academic boundaries. It was favorably reviewed in the *Crisis*, the NAACP journal, and was even cited in a 1960 report for the association, *The Negro Wage-Earner and Apprenticeship Training Programs* (see Hill 1960). Later, the book was listed in the bibliography of the Special Subcommittee on Labor of the Committee on Education and Labor, as well as in the 1963 report of the US Commission on Civil Rights.

The book sold reasonably well. In 1957, *The Economics of Discrimination* sold better than Friedman’s *Essays on Positive Economics* had sold in 1953. However, as in the case of Friedman’s book, the sales figures fell dramatically in the following years (Morin 1966). In 1964, the book had sold a little more than seventeen hundred copies, a sales figure typical of such professional writings (see Morin 1966). Compared to the annual sales figures of “classics” such as Edward Chamberlin’s *The Theory of Monopolistic Competition* (1933), Joseph Schumpeter’s *Theory of Economic Development* (1934), and Paul Samuelson’s *Foundations of Economic Analysis* (1947), Becker’s book was not yet considered a classic, and it was

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66. A search for citations of *The Economics of Discrimination* in books, memoranda, and edited volumes from 1957 to 1963 using Google Books results in about fifteen citations, five of which were sociology books. JSTOR indicates that Becker’s book was cited in sixteen articles, four of which were sociology articles. Some citations refer to the measurement of the relative position of African Americans; some refer to education; still others refer to Becker’s theoretical contribution to pure economic theory.

67. The book sold 806 copies in 1957, then fell to 231 the next year, and reached a floor in 1962, when the book sold 82 copies. The sales of Friedman’s book followed the same pattern, as it initially sold 784 copies, but never dropped below 170 copies per year (Morin 1966).
not used as a standard text in graduate courses. Thus, it was probably bought only by libraries and specialists in the field. In the meantime, unlike Friedman’s *Essays*, it was considered too specific to be bought by undergraduate and graduate students (Morin 1966, 410).

The book’s impact on the general orientation of race relations research in the 1960s was slight: empirical analyses remained prominent among economic studies of discrimination until the late 1960s (Brimmer and Harper 1970). As discussions on the theoretical aspects of discrimination were scarce, the most immediately influential part of Becker’s book was his empirical analysis of the relative living conditions of African Americans, the results of which were discussed by the sociologist Hubert Blalock (1959) and the economists Elton Rayack (1961) and Alan Batchelder (1964). Blalock found similar results; in contrast, Rayack’s study was at odds with Becker’s and supported the optimistic conclusions drawn by Eli Ginzberg and his coauthors in *The Negro Potential* (1956). These empirical studies were all the more important as American society in the early 1960s faced more and more protests from discontented African Americans, who thought their relative position had not changed in decades. Stimulated by the rise of these protests, Batchelder’s 1964 empirical study showed that the relative position of blacks had not changed from what it was in the late 1940s, which provided additional support for Becker’s empirical findings.

Regardless of their empirical content concerning the change (or lack thereof) in the relative position of blacks, Batchelder’s and Rayack’s arguments testified to the changing understanding of race relations, with economic forces (competition and technological change) being increasingly acknowledged as playing an important role in opening job opportunities and reducing discrimination. For Rayack (1961), the improvement in the relative position of African Americans was due to labor shortages and not to a reduction in discrimination. In his 1962 book

68. The sales figures for Schumpeter and Samuelson peaked at about one thousand; Chamberlin’s figures reached three thousand. Chamberlin’s and Samuelson’s books were used as standard texts in graduate courses, which likely had a significant effect on sales.

69. Rayack argued that Becker’s use of constant weight indexes, which held the differences in incomes between blacks and whites constant, underestimated the relative progress of African Americans because income differentials had narrowed since the beginning of the century. Becker (1962a) himself entered the debate in 1962 to reply to Rayack, advocating the relevance of constant weight indexes.

70. Rayack’s (1961, 212) conclusion regarding the effect of competition on the behavior of employers is very similar to Becker’s. Employers “may continue to have the same subjective attitude toward discrimination, yet be unable or unwilling to act accordingly because of extreme shortages in the labor market which make it difficult to hold or attract workers.”
Capitalism and Freedom, Friedman publicized Becker’s economic approach to discrimination to a wider audience. Friedman used Becker’s conclusions about the benefits of free market competition to argue against the Fair Employment Practice Commission.71 Perhaps a sign of the renewed interest in the economic aspects of race relations, the University of Chicago Press saw an increase in the demand for Becker’s book in 1963 (Morin 1966; Becker [1957] 1971).

Despite the growing acknowledgment of the economic nature of discrimination, Becker’s approach continued to provoke skepticism until the mid-1960s. In 1956, Becker met Robert Solow for a job interview at MIT, during which Solow expressed strong reservations about the relevance of neoclassical economics as applied to discrimination (Becker 1990, 2003). Moreover, Friedman’s (and consequently Becker’s) economic views of discrimination were criticized in some reviews of Friedman’s book, including Abba Lerner’s (1963) and Kenneth Boulding’s (1963).72

From the mid-1960s on, economists benefited from a renewed interest in race relations, and by the late 1960s the number of economic studies of discrimination had begun to rise sharply. As the question of poverty and social ills in general became prominent, a significant part of the economic analyses of minorities dealt with various aspects of poverty, notably urban and educational problems (Brimmer and Harper 1970, 786). In the context of Lyndon Johnson’s War on Poverty, philanthropic foundations were prone to support theoretical research on discrimination.73 Accordingly, citations to Becker’s book by economists and other social scientists increased.74

In this context, The Economics of Discrimination became an inevitable reference. In 1971, the University of Chicago Press asked for a second

71. “It is often taken for granted that the person who discriminates against others because of their race, religion, color, or whatever, incurs no costs by doing so but simply imposes costs on others. This view is on a par with the very similar fallacy that a country does not hurt itself by imposing tariffs on the products of other countries. Both are equally wrong. The man who objects to buying from or working alongside a Negro, for example, thereby limits his range of choice. He will generally have to pay a higher price for what he buys or receive a lower return for his work. Or, put the other way, those of us who regard color of skin or religion as irrelevant can buy some things more cheaply as a result” (Friedman 1962, 109–10).

72. Note that Boulding does not criticize Friedman’s approach to discrimination per se, but criticized its economic bias, since there are other ways to organize society than through the market (love and threat).

73. A late 1960s research proposal from Barbara Bergmann to the Ford Foundation clearly supports this view (Bergmann to Genosi, 5 March 1968, Mancur Olson Papers, Hornbake Library, Special Collections, University of Maryland Libraries, box 89, folder “B”).

74. JSTOR indicates that, from 1964 to 1970, The Economics of Discrimination was cited by twelve papers in sociology and thirty-eight papers in economics.
edition of the book. Reviewed by David Collard in the *Economic Journal* in 1972, *The Economics of Discrimination* was then depicted as a “classic.” Yet, the book’s influence in blurring the boundaries between the economic and the social regarding issues pertaining to race relations was indirect at best. Until 1967, only the work of Anthony Tang (1959), Anne Krueger (1963), and Finis Welch (1967) had used Becker’s theoretical framework in a published paper. Instead, Becker’s book became a starting point for criticisms. For instance, Lester Thurow’s *Poverty and Discrimination* (1969) was a direct attack on Becker’s theory. An MIT economist trained at Harvard, Thurow rejected Becker’s assumption that people had a taste for discrimination, and he assumed instead that whites formed cartels to discriminate against blacks. From the early 1970s, following a decade of great paucity, studies of discrimination again explored the subject theoretically. They likewise illustrated the changing nature of the debate. With institutionalism slowly fading from labor economics, theoretical criticisms of Becker’s theory came mostly from mainstream economists such as Barbara Bergmann (1971), Kenneth Arrow (1972), and Edmund Phelps (1972), who initiated a new economic approach to discrimination based on the “crowding hypothesis.” They assumed that employers used the skin color of a job candidate as a proxy for his productivity, which led them to hire whites instead of others and in turn intensified their initial prejudice against minorities. In some ways, this approach revived Myrdal’s cumulative causation principle under a neoclassical framework. All in all, these criticisms attacked Becker’s taste-based model of discrimination.

Finally, despite its acknowledged status as a pioneering economic analysis of nonpecuniary motives, the redefinition of labor economics on microfoundations was not based on the book’s framework, but arose mainly from Becker’s and Jacob Mincer’s work on human capital in the mid-1960s (Teixeira 2007). Neither did the book’s framework ground Becker’s subsequent “economic approach to human behavior,” as he and Friedman

75. JSTOR indicates that from 1971 to 1979, one hundred economics papers referred to Becker’s book, including Joseph Stiglitz’s 1973 survey on the various economic approaches to discrimination. Sociology papers also referred increasingly to Becker’s book: forty-five of them cited the book during the period.

76. As a sign of changing times, Bergmann’s seminal paper on discrimination was supported by a grant from the Office of Economic Opportunity, a key institution in Johnson’s War on Poverty.
had initially hoped in the late 1950s. In the light of Becker’s work from the mid-1960s on, the appeal of the “discrimination coefficient” as a tool to study a wide array of human behavior slowly faded in favor of a more rational choice approach centered on the individual’s allocation of time (see Becker 1965 and Becker and Michael 1973).

5. Concluding Remarks

The literature on economics imperialism has shaped the way in which scholars approach the relationship between economics and the other social sciences. Alongside Anthony Downs’s *An Economic Theory of Democracy* (1957), *The Economics of Discrimination* is often depicted as marking the beginning of an era in which economics expanded its scope to encompass subjects that traditionally had been the province of other social sciences (Swedberg 1990). For Swedberg (1990), economics imperialism ended the period of mutual ignorance between economists and other social scientists. The present article shows that this depiction is inaccurate, at least when it comes to the study of discrimination: long before Becker, psychologists, sociologists, and economists, together and independently, studied race-related issues. In the wake of Myrdal’s work came the idea that discrimination was a moral problem and that its economic effects were to be analyzed with tools common to both psychology and sociology, notably statistical analysis and descriptive studies. *The Economics of Discrimination* may have been the first attempt to use microeconomic tools to study discrimination, but contrary to comments such as Barry Chiswick’s (1995), the book was hardly the first study of the topic by an economist. Thus, Becker’s book did not bring to an end the era of mutual ignorance between economists and social scientists; it simply offered to change the relationship between them. Becker developed a new understanding of discrimination as a sheer economic phenomenon: discrimination was not just a social context in which market behavior took place; it arose from market adjustments and other economic forces. This, in turn, changed the way economists could deal with the problem, with the maximization framework as the relevant frame of reference.

Contextualizing Becker’s book provides interesting insights into scholars’ perceptions of the relationship between economics and other social sciences. It furnishes clues with which to better understand the nature of the traditional boundaries that separated them in the 1950s. Without a
doubt, Becker’s book was perceived as an excursion of a mathematical economist into both sociology’s and social psychology’s domains, and for some, one that threatened the traditional division of labor within the social sciences. Nevertheless, given the lack of theoretical content of sociological analyses of discrimination at the time, the book was considered a significant contribution. In discussing important theoretical and statistical findings, it exemplified the kind of achievement that the postwar social sciences could hope to make. It was also an illustration of the evolution of economic theory after World War II, with the gradual decline of pluralism and the concomitant strengthening of neoclassical economic theory (Morgan and Rutherford 1998). Unsurprisingly, institutionalists disagreed with Becker’s ideas and reacted to the emergence of new criteria for scientific research that were illustrated by the microeconomic models based on utility maximization. Nevertheless, the reception was encouraging enough to suggest that disciplinary boundaries were ready to change in the wake of Becker’s contribution. Friedman had high expectations regarding the role of the book in the redefinition of labor economics on neoclassical foundations, and Becker himself saw the discrimination coefficient as a promising tool to ground subsequent studies of human behavior.

But disciplinary boundaries are not easily redefined, and they proved resilient throughout the 1960s. *The Economics of Discrimination* hardly influenced the practice of sociologists, as it did not induce them to use microeconomic tools or to develop an intellectual exchange with neoclassical economists. Becker’s work did not initiate a movement inside labor economics to develop the microeconomic analysis of discrimination either, so, as before, economists and social scientists continued to work with each other on empirical studies. Most comments on the book’s reception (e.g., Becker and Nashat Becker 1996) are unfair, insofar as they fault the book for not immediately initiating a new trend in the theoretical analysis of discrimination. But even if most of the reviews had been enthusiastic (and some certainly were), they would not have been enough to move disciplinary boundaries, that is, to influence the practice of social scientists. Thus, it is not surprising that the influence of Becker’s research on the social scientific literature grew only years later, after he moved to Columbia in the late 1950s. Along with his colleague Jacob Mincer, Becker was able to build a community of students and scholars who would provide the necessary impetus for the development and diffu-
sion of the human capital and allocation-of-time frameworks and, from the late 1960s on, their systematic application to various aspects of social behavior.

References


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