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ECONOMIC VIEW

When It Really Counts, Qualifications Trump Race

By ROBERT H. FRANK



WHILE campaigning in western Pennsylvania last month, [Barack Obama](#) was asked whether racial bias might hurt his campaign. “What I’ve found is that people here, they don’t

care what color you are,” Mr. Obama told a Pittsburgh television reporter. “What they’re trying to figure out is, who can deliver? It’s just like the Pittsburgh Steelers. They don’t care what color you are, they want to make sure you can make the plays.”

Mr. Obama’s comments didn’t cite [Milton Friedman](#) directly, but they could be read as an implicit endorsement of the late Nobel laureate’s claim that competitive markets are the surest way to eliminate job discrimination. Mr. Friedman, the conservative thinker who taught at the [University of Chicago](#) years before Mr. Obama’s arrival there, advanced this position forcefully in his 1962 book, “Capitalism and Freedom.”

The Friedman argument rests on the observation that when business owners don’t hire the most qualified candidate, they pay a price. Some owners might be happy to discriminate if they could do so without penalty, Mr. Friedman conceded. But discrimination in a free market is always costly, he said. If owners hire a white candidate who is less able than a black candidate they could have hired, profits suffer. Mr. Friedman argued that most owners would conclude that discrimination simply isn’t worth it. (Mr. Friedman, of course, had no illusions that competition would eliminate the disadvantages that stem from growing up in poverty or attending substandard schools.)

The notion that employer discrimination will be eliminated by competition is appealing, but it's not consistent with field experiments suggesting that such bias in labor markets remains widespread. In a 2004 paper published in the *American Economic Review*, for example, Marianne Bertrand and Sendhil Mullainathan, professors of economics at the University of Chicago and [Harvard](#), respectively, found that applicants named Lakisha or Jamal were less likely to be considered for jobs, even when they had qualifications on paper that were similar to those of applicants named Emily or Greg. In response to job advertisements in Boston and Chicago newspapers, the economists submitted fictitious résumés and cover letters under the two sets of names. Candidates with the Anglo names, they reported, were significantly more likely to be invited for interviews.

Many economists concede the validity of Milton Friedman's argument when all participants in a labor market are well-informed, particularly employers, who would need precise measures of applicants' abilities to estimate how costly discrimination would be. In reality, though, hiring decisions are often made under time pressure with imperfect information about candidates. In a 2005 paper jointly written with Dolly Chugh, an [N.Y.U.](#) management professor, Ms. Bertrand and Mr. Mullainathan argued that under these circumstances, labor market discrimination may persist — albeit often outside the conscious awareness of those who

make hiring decisions.

In any event, Mr. Friedman's argument is clearly most persuasive when labor market conditions come closest to the full-information competitive ideal described in textbooks. So Mr. Obama's invocation of the Pittsburgh Steelers was well chosen for the point he was making. Professional sports markets may not match the textbook ideal, but they are at least as competitive as other labor markets and have no shortage of data on candidates.

For example, teams hire high-priced scouts who spend thousands of hours gathering detailed data about individual prospects before deciding whom to draft or hire as free agents. Won-lost records provide a conspicuous measure of success. And while corporations often retain employees who are well past their productive prime, professional athletes who have lost a step are usually cut pretty quickly. In short, professional sports provides as forceful an example as we are likely to find of a market in which the color of a person's skin is irrelevant.

By contrast, the job market for presidents — the election campaign, culminating in the actual vote on Election Day — may be the best method we've come up with for choosing a national leader, but as I'll explain, it bears little resemblance to the textbook ideal of a perfectly competitive job market.

In 2008, however, an unusual confluence of circumstances made the resemblance much closer than usual. With the economy in the midst of its most serious downward spiral since [the Great Depression](#), voters were forcefully reminded that the quality of the person they elected could have enormous implications for their own well-being. The campaign also began earlier and confronted voters with a tremendous amount of information, on the Internet as well as through traditional media, about the candidates' positions and achievements.

In typical campaigns, candidates stick to carefully prepared scripts that many voters find difficult to distinguish. But this year's volatile climate forced candidates to react to events on the fly, often in full public view. And in addition to whatever impressions they were forming on their own, many voters were undoubtedly influenced by trusted figures like [Warren E. Buffett](#), [Paul A. Volcker](#) and [Colin L. Powell](#), who were telling them that Obama was the better choice.

All told, the 2008 campaign made it hard to deny the importance of choosing a candidate who could "make the plays." Under these circumstances, even some strongly prejudiced voters might have found the price of indulging their bias too steep. If the stakes had been lower, race might well have been a bigger issue.

Even so, Mr. Obama's election could mean that race will

henceforth always matter less. Such, at any rate, is what the experience of the world of professional sports suggests.

There were no black major league baseball players before Branch Rickey, the [Brooklyn Dodgers](#) team president, added [Jackie Robinson](#) to his roster in 1947. During Mr. Robinson's 10-year career with the team, the Dodgers went to six World Series and he was voted to the National League All-Star team six times. In retirement, he was elected to Baseball's Hall of Fame on the first ballot. Shortly after Mr. Robinson's arrival in the major leagues, it became clear to all that failure to field the best possible team, irrespective of color, was a sure recipe for failure.

As events unfold, it will be interesting to see whether Mr. Obama changes voting practices as much as Mr. Robinson changed hiring practices in baseball.

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