

## The Economics of Political Correctness

**Scholars need incentives to tell the truth, not to hide it and promote socially acceptable ideas.**

By Roland Fryer

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Illustration: David Klein

One morning, chatting with Harvard undergraduates just before my class, I reminisced about my own college years in the late 1990s—debating religion in our residence hall or arguing about the role of discrimination in America in common rooms.

Those conversations were uncomfortable and even heated at times. But they were positive experiences for me and I'm pretty sure everyone else. Grappling with different views helped us understand one another, and that helped me understand, and sometimes change, my own outlook.

I asked a student in the front row: With all this technology and social media, where do you have these types of conversations? She looked up from her turquoise notebook and replied: "We don't." I looked around the amphitheater and asked, "Really?" A hundred heads nodded in unison.

I thought they were exaggerating until a student in another class dared to ask if racial disparities are due to systemic racism or differences in work ethic. He happens to be black and from a disadvantaged background, and he earnestly wondered why, in his neighborhood growing up, it seemed to him that black immigrants worked harder than American-born blacks. A white woman a couple of rows behind him called him a "white supremacist."

If my dorm-mates and I had the threat of academic censure hanging over our heads back then, would we have been as forthcoming with each other? I'd like to think so, but I doubt it. We weren't courageous; we lived in a world where the cost of information was higher and the cost of asking the "wrong" question was essentially zero, so debate was an efficient way to learn.

In my college dorm's common room, I met an Indian woman who thought arranged marriage made more sense than dating. I found her arguments baffling for the obvious reasons—and besides, economists typically think more choice leads to better outcomes. She didn't question my motives for asking; she simply pulled out data on divorce rates across the two continents to prove her point. That common room was the first place I debated chapters of the Bible with an atheist. The first time I had a chance to ask delicate questions of a gay man about his experiences.

A decade ago, I still interacted with dozens of undergraduates and doctoral students who were asking important and provocative questions about race and sex in America. But now students invite me to lunch and ask if their research idea is too risky; they wonder out loud what they are allowed to “say in public,” as though they are in the situation room discussing nuclear launch strategy rather than pondering the economics of policing in an overpriced cafe.

Some are turning to an app called Sidechat, where they can frankly debate others in the Harvard community without revealing their names. It’s good that these conversations are happening somewhere; it’s distressing that they require a veil of anonymity.

The issue affects research in economics, hardly known for its far-left politics. When I used artificial intelligence to evaluate all the race- and sex-related papers published in the top six econ journals since 2006, asking the algorithm to score how liberal or conservative the conclusions leaned, I found a more than 2-to-1 leftward tilt overall.

There were particularly big gaps in the late Obama years and the early 2020s. Did empirical output lean particularly to the left at those times, or were political-correctness pressures especially strong?

Realistically, either journal editors are refusing to publish controversial results, or academics are too cowardly even to do the research. One notable exception—a recent American Economic Review paper finding that children’s academic outcomes improve when parents are incarcerated—met with censorious derision from others in the field on social media. My own work on race and policing, which was published in a top peer-reviewed journal in economics, was labeled “hate speech” by (pre-Elon Musk) Twitter.

Even if stone cold economists have fallen prey to self-censorship, economics can tell us why. A brilliant analysis by Stephen Morris—a formalization of early ideas developed by Glenn Loury—develops the basic economics of political correctness. Here is an example:

Suppose there is an informed professor advising a less informed politician as to whether diversity, equity, and inclusion policies help minorities. If the professor says DEI is harmful, the politician might interpret the recommendation as the honest findings of an unbiased researcher. But he also might interpret it as the motivated reasoning of a racist, and might even stop asking the professor for advice.

Mr. Morris demonstrates mathematically that if the professor is sufficiently concerned about being thought a racist, he will lie and recommend DEI even when he knows it’s a bad idea for minorities. And if he does tell the truth, his advice may come across as tainted by bias. The implications are unsettling for anyone trying to make decisions based on academics’ recommendations.

A similar dynamic is at play on any socially sensitive topic, and social media turbocharges it. Online activists have major incentives to call out even obscure academic work they deem beyond the pale; doing so can help them shore up their own progressive bona fides and build their followings. And there are few penalties for misconstruing the target’s argument or being plain wrong.

The question is what can be done. First, we need to take a careful look at how we hire and promote faculty. Instead of having them sign statements swearing fealty to DEI, perhaps they should promise to tell the truth. Second, we need high-powered incentives for people who are correct regardless of politics. If someone scientifically demonstrates that systemic racism is the main factor in racial disparities in America, this should be celebrated. If someone finds that health disparities are driven by genetics rather than social factors—that too should be celebrated. We need something like the MacArthur Fellowship or the X Prize for telling the truth about data.

I am gravely concerned about the rise of political correctness on college campuses, its effect on the type of analysis that is being published and being taught, and how this will undermine, among many other things, efforts to help the marginalized in America. Such efforts will succeed only if they are rooted in the truth.

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