

Government and Conflict

BY WALTER E. WILLIAMS



Human differences such as race, ethnicity, religion, and language have always been sources of conflict. Despite arguments to minimize the importance of these differences, people still exhibit preferences in these areas when choosing a spouse, friend, business partner, employee, neighborhood, and other associations. People do not associate randomly. Efforts to deny such assortative behavior in the name of political correctness are foolhardy.

Far more worthy of our efforts is to acknowledge, not necessarily sanction, assortative behavior as natural. We should ask: How can we minimize the probability that such preferences will produce conflict?

The Marriage Market

Examination of marriage can provide concrete insights for our discussion. Like many other transactions, marriage is a contractual relationship where goods and services are exchanged under mutually agreeable terms. Most people tend to seek marriage partners similar to themselves in race, ethnicity, religion, language, and socioeconomic status. It may be tempting to dismiss marriage choices as trivial but, given their impact on society, that is utterly erroneous.

Highly educated people tend to marry other highly educated people. High-income people (or those with prospects for high income) tend to marry other high-income people. Just these two aspects of choice create an income distribution more skewed than would be the case if high-income and highly educated people chose opposites as partners. Thus marriage decisions have an important impact on society.

Despite the widespread use of race, ethnicity, religion, and other characteristics as criteria in mate selection, there is very little social conflict or controversy in the matter. It is such a nonissue that people hardly ever

think of the marriage contract as an activity rooted in discriminatory choice. Moreover, if the discriminatory features of marriage were brought to people's attention, they would probably respond, "So what!"

One suspects that marriage decisions pose few social problems because they are voluntary. Other than sanctioning the contract once it has been made, government plays only a trivial part unless there is a dispute. Interestingly enough, we only observe conflict in the marriage market when people use government or quasigovernment institutions, like the church, to impose restrictions according to race, ethnicity, socioeconomic status, or religion.

We should ask: How can we minimize conflict from preferences based on human differences?

Different Preferences, No Conflict

Freedom of choice can be found elsewhere. Just as people have strong preferences in race, ethnicity, and religion, they have strong preferences in goods and services. Some people strongly prefer Cadillacs while others prefer Volvos. Despite those

differences, we seldom hear of conflict between the two groups. People simply purchase the cars they prefer.

In fact free markets are a great leveler of men; personal attributes have less importance. When a person buys a Cadillac or Volvo, his least concern is the race, ethnicity, or religion of the workers who produced the car. The person's greatest concern is likely to be whether he has gotten the highest quality car for the lowest possible price.

Whenever government allocates resources, there is increased potential that preferences will give rise to conflict. Education is a good typically financed and produced by government, and as such it has been the focal point of considerable conflict. Some parents prefer

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that their children have a morning prayer in school. Other parents have the opposite preference. Both preferences appear to be legitimate exercises of parental prerogatives.

The problem arises because when schools are publicly produced, they will either have prayers or no prayers. Parents who prefer morning prayers must enter into political conflict with those who do not. There is a lot at stake. Parents who lose will have their kids in a public school not to their liking. Then the alternative is for parents to bear the financial burden of tuition at a nonpublic school, plus be forced through property taxes to pay for public school services for which they have little use.

A conflict-reducing method, if education is publicly financed, is to have it privately produced. Each parent could be given a voucher equivalent to the per capita expenditure on education. Parents who wished for their children to have a morning prayer would simply enroll them in such a school, and parents who preferred otherwise would enroll their children in an appropriate school. There would be little scope for education conflict between the two groups of parents. Instead of adversaries, they could be friends.

The primary reason government allocation of resources enhances the potential for conflict is that most government activity is a zero-sum game whereby one person's gain can only be achieved through another person's sacrifice. Parents who win the political struggle for prayers in school would benefit at the expense of those who were against prayers in school, and vice versa. By contrast, with market provision of goods and services we have a positive-sum game where everybody wins. This applies to any good or service. If the choice between Cadillac and Volvo were decided collectively, we would witness the same kind of conflict that arises over school prayer. Instead of people with differing tastes in automobiles getting their way and living in harmony with one another, those with strong preferences for Volvos would have to organize with like-

minded people against those who had strong preferences for Cadillacs.


Race and Ethnicity: Government versus Markets

People have racial or ethnic preferences and will seek to indulge them. They will do so whether there is market or government allocation of resources. However, there is a key distinction. With government allocation part of the costs of preference indulgence tends to be borne by people other than the decision maker. With preference indulgence under market allocation, the decision maker tends to bear a greater proportion of the cost.

Suppose for purposes of simplicity that a black worker has the same productivity as a white worker, but the black worker offers his services for \$5 while the white worker demands \$8. If the decision maker is a government bureaucrat, the indulgence of his discriminatory preferences for the white worker is virtually free. It is taxpayers who bear the burden of paying \$8 rather than \$5; the bureaucrat takes home the same pay whether he discriminates or not; his cost of indulging his racial preferences is zero.

By contrast, in the private sector, the owner paying \$8 for the work that could have been done for \$5 an hour means a lower residual claim of \$3. The cost of racial preferences is directly borne by the decision maker.

Basic economic theory postulates that the higher the cost of doing something, the less it will be done. Therefore, it follows that we expect to see less racial discrimination in the private sector than the public sector. Similarly, when the political atmosphere changes to favor discrimination in favor of blacks, we expect to see more of it in the public sector.

The fact that it costs something to discriminate explains why those who wish to engage in it typically seek some form of government intervention. Intervention makes discrimination less costly to the discriminator than otherwise. The essential ingredient of intervention that makes discrimination less costly is restriction of peaceable, voluntary exchange. 

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