



Episode 1,362: The Discrimination Myth

Guest: Frank Karsten

WOODS: It's been quite a while since we've spoken, and we did actually have a very good conversation about your book *Beyond Democracy*, which I see mentioned and pictured at the end of this particular book. Let's go on to yet another controversial topic, namely the topic of this book. You don't write books about tulips or —

KARSTEN: [laughing]

WOODS: — or playing frisbee. You really get right to the heart of [laughing] —

KARSTEN: Yes, yes, yes. Well, I don't like writing myself, so the only reason that I write is I'll think, *Okay, this is still a gap in the libertarian library*. So I think worldwide this is still quite a unique book. Of course, I'm standing on the shoulders of others like Walter Block, who has written on this topic, and Walter Williams and Thomas Sowell. But this is a different book. This is just a hundred pages, very structured, and it defends the right to discriminate from both a moral and a practical perspective.

WOODS: Right, yeah, I'll say there's a gap when it comes to that [laughing]. So all right, let's try and understand what's motivating a book like this, because somebody looks at a book called *The Discrimination Myth* and then hears what you just said, and thinks there's no person of goodwill who could even consider writing a book like this. What could possibly have possessed you to do this?

KARSTEN: Well, I always thought that discrimination was bad, and that's all you hear in the news. Discrimination is horrible, and to have prejudice is horrible, to generalize is horrible, to just see group differences is horrible. But we act on it on a daily basis, every one of us. And the discussion revolving around this theme is very emotional and laden with — it's very explosive, and there's no need for that, necessarily, because the definition of what is discriminatory or what is racist or sexist has been stretched so enormously, that anything nowadays can be racist or sexist or horrible, homophobic, whatever. And that destroys careers. It creates a lot of division, and I would like to lessen that.

I mean, I came to the conclusion that if you want more discrimination, you should outlaw it, and if you want less, you should legalize it. The libertarian mindset regarding discrimination was always, as I learned, from a moral perspective. People should be free to associate with whomever they want, and I felt that I had to write the book because I found out that there are many, many laws that are actually conducive to discrimination and that don't seem to have a link to discrimination directly, but are very detrimental to certain groups in society.

And Walter Williams has on your show indicated that, for instance, one of them is the minimum wage law. And I also found out that anti-discrimination laws are counterproductive. They create more division. What we actually see now in the United States is also in the Netherlands, where I reside, and it creates more division, discrimination, and exclusion.

WOODS: There's so much packed into all the things you just said. Sowell, who's somebody I admire and have read for many years, makes among many other points the point that occupational licensing can have a disparate impact on members of minority groups. He says, but there is no racial pressure group advocating getting rid of them, because even though it would clearly and obviously have a good effect in many cities to make it easier to enter certain professions, since the laws in favor of occupational licensing don't explicitly have a racial element, it's no particular feather in a black politician's cap to get rid of them. He wants to be involved in abolishing things that clearly and obviously have a racial dimension, and there are fewer and fewer of those these days. So he says: here's things that you could do right now today that would help the people in your community, but that doesn't happen, because the things that you'd be doing would be too general. They wouldn't be specifically targeted at minorities, even if as a practical matter they would help minorities.

Now, of course I want to return to your extremely provocative claim that if you want less discrimination you should legalize it and all this sort of stuff. I want to get back to that. But let's start with a couple of early examples, early as in where they're located in your book. You mentioned two cases that illustrate the importance of what you're talking about. One involves the restaurant Hooters, and the other one involves the website Christian Mingle. Tell us what happened in both cases.

KARSTEN: Well, this was a case with Hooters. This is a restaurant chain in the United States that deals with sexy waitresses and stuff, so they hire mainly women for these jobs, of course. And they were sued by maybe the EEOC, the Equal Employment Opportunity Commission, that they should also hire men. And this was already 20 years ago, and eventually they were fined for quite a few million, and that's a high amount. They became barkeepers instead of waitresses, of course. And this was a ridiculous case. And of course, the other case is with Christian Mingle, a Christian dating website, and of course what I said in the book, when we date on a dating site or date in general, we are very discriminatory and unashamedly so. But a few gay men found out that they could not select on gay partners, they couldn't in their search routine on the website. And they sued the company, and they would have to pay compensation to the couple, I think, and a fine maybe also.

And of course, you know, I don't know whether this has negative unforeseen consequences necessarily. I mean, some sites will say, okay, then we won't start a Christian Mingle website or Christian dating website. And the other thing is that with the — so there are many companies that cannot escape this legislation unfortunately, but there's another case that I make in the book of a Muslim woman who wants to apply for a job at the fashion chain Abercrombie & Fitch. And she wore a headscarf doing the interview, and they said, well, we have very strict clothing requirements for our employees so we can't hire you. And she sued the company. She was awarded a few thousand or \$20,000 or something. I don't know; it was about ten years back. And people would think, okay, this is a great victory for Muslims and for anti-discrimination activists and stuff. So it seems. But the unforeseen consequences, of course, is that if you cannot as a company discriminate specifically, namely on a headscarf, then you will discriminate more broadly, namely on Arabic-sounding surnames, for instance. So you know, these activists, they have a great talent, it seems, for shooting themselves in

the foot, because it will become harder through this legislation as a non-headscarf-wearing woman to find a job.

WOODS: All right, before we move on, we can build on what you just said by revisiting your point about how state anti-discrimination law isn't necessarily all it's cracked up to be in terms of what it accomplishes, and that plenty of what the state does, that on the surface appears at least in the wording and the names of the legislation to be neutral and nondiscriminatory, in practice has discriminatory effects. So for instance, things like a \$15 minimum wage, well, what you're doing is you're going to the low-skilled end of the labor pool, and now what you're doing is attracting more people into it. Because there are people who are out of the labor force who might — you know, these are the marginal people who might be drawn into it by the attractiveness of a \$15 minimum wage. So you've now given the lower end of the labor pool more competition. Is that good for people who have few skills? Is that good for disadvantaged people? This is the kind of thing the state does all the time that has clear and obvious discriminatory effects, but nobody says anything because it sounds nice to them, and that is enough to assuage their consciences, apparently.

KARSTEN: That's true. I mean, those activists, sometimes called social justice warriors, I don't know if their version of social justice is the correct one, but they want to be applauded for good intentions, and they don't want to be held accountable for bad results. And you see that all the time in economics, that good intentions often lead to unforeseen consequences. And this is a very, very bad example of that, and it's for good reason that Milton Friedman has said of the minimum wage that it's the most anti-black — that's his word — law on the books, because it discriminates against people who are lowly skilled and lowly educated.

WOODS: And it's numerous times been made clear that that was not exactly a million miles removed from the minds of the people devising it. Now, you've got each chapter organized as a myth that you're debunking. So myth number five is the kind of myth that I find it interesting to talk about, and it is the kind of myth that Sowell and Williams have spent much of their careers responding to, namely: discrimination is the main cause of social inequality. That is, if we have differences in group outcomes, whether it's income, or educational level, or anything else, this must be caused by some deliberate, sinister policy or set of social attitudes toward people, and it can't have any other explanation. So when we see disparate outcomes, this more or less in the minds of the general public means there must have been some discrimination, so-called, going on. How do you take that on?

KARSTEN: Well, that's very unlikely, because it takes the premise that we are all equal. And of course, we understand that as individuals we are not equal. There are certain differences, and some of them are certainly biological, because if they were not biological, we could raise each child to become an Einstein or a Mozart, and it seems that few succeed in that. So we do generally recognize individual and biological differences. But between groups, we say, no, no, no, all groups are similar, are the same. It averages out. And if you look at SAT scores, for instance, then you can see a quite a difference between the different ethnicities, for instance. But if you look at IQ distribution, the bell curve of IQ distribution between men and women, then men tend to gather around extremes more than women, relatively. So for instance, the chance of a genius-level IQ is seven times higher with men and women. So this will result in different outcomes for academic achievement.

So it's not necessarily — of course, I do recognize there's a lot of discrimination going on, and me as a white man generally suffers less in the social spheres, although from the government,

there's now a lot of affirmative action, so men in the Netherlands, at least, men and white men are discriminated through affirmative action of other groups. But in general, I do recognize there are groups being discriminated more than others, and that's a bad thing, and I would like to minimize that. I give examples of how we can achieve that in the book. So I do not play down the level of discrimination. And some of it is not necessarily very bad. If you imitate an accent, for instance, you know, it can be hurtful to someone, but it's not on the same level as Jim Crow laws, for instance, or apartheid. And unfortunately, this is all bundled on one heap.

And so yes, there are difference in talent and skills between groups, and there is difference in and motivation, also. So even if we would all be equal, then still, there is a difference in an outcome, possibly because there's a difference in motivation. Take, for instance, men and women. Men appreciate women more if they're pretty and young, whereas women appreciate men that have high achievement or earn high salaries. So because of that, men would be more motivated to work very hard, for instance, so even if they would be mentally or psychologically the same, men and women, they would still have different motivations and therefore different outcomes. So there are many reasons why the outcomes in society can be different, and Walter Williams give the example of racist and sexist sharks, and it turns out that according to statistics, white men are more prone to become victims of shark attacks. And yeah, is this because of sharks that are racist and sexist, or might there be a different reason, namely that white men are swimming more often in waters where sharks can be seen, too?

WOODS: Well, likewise, you could think of other areas where there are disparate outcomes that do not bother the schoolmarm out there, and one of them would be prison. Now, men are much, much more likely than women to be in prison, and it's so preposterously more, that if it were any other group of people we were talking about – obviously, if it were reversed and it were mostly women, we'd never hear the end of it. Whereas here, because men can just take abuse all day long, no one even considers that maybe there's an injustice here. And by the way, I'm not saying there's an injustice here. It's probably correct. Now, let's leave aside that some people are in prison for nonviolent offenses. That's irrelevant. Let's get rid of all those. You'd still have this disparate outcome, but nobody wrings his hands over this, so it's not as if they're just constantly up all night worrying. Men are five times more likely to be struck by lightning than women. I don't think lightning is sexist.

So it basically makes us look at social phenomena, which are very complex, like infants, really. I mean, it really infantilize us. Because when you're looking at, for example, why somebody's income is what it is, there are so many factors that go into that. First of all, you have to control for their geographical location, because if you're in a place that generally pays less and it happens that the cost of living is less, that's going to affect your income. Your age is going to affect your income, because the more experience you have, the higher of an income you tend to have. There are so many of these factors, that when you control for them, well, it turns out that the alleged gap isn't quite so large, after all.

All right, let's think about – I want to put you on the spot here with an objection that I think a good-hearted, reasonable progressive, who must exist, would have, which would be this: that during the Jim Crow era – now, it's true that Jim Crow involved the state. It's true that the state's hand was on that. But it's also true that, when we look at that period, we are seeing plenty of private institutions that had the choice to discriminate and chose to go ahead and discriminate. And so it was the case that for several decades, there was a book published

called *The Negro Travelers Green Book*. And if you wanted to travel from one state to another or were traveling cross country, you needed to have this book, because it would list for you places that, among other things, would offer you lodging. So that you wouldn't have to, let's say, stop your road trip at two o'clock in the afternoon because you found a place that would house you, and you figure, *I better not drive another eight hours and risk that the place I wind up in won't have any place that houses me*. That seems to the average person to be such a gross violation of just basic decency, if not indeed strictly speaking of violation of natural rights, that a lot of people say, *I'm willing to live with the disadvantages of anti-discrimination law and the occasional outlying case of a Hooters and a Christian Mingle, if it means people don't have to be subjected to that*. Now, is there a persuasive answer to that?

KARSTEN: Well, first, if they say, well, we accept the negative consequences of anti-discrimination laws, well, it seems that they're not aware of it, because we live in a society where the division is even increasing and the segregation is almost back to, in education at least, to the level of the 1960s. So of course, this is horrible when you're subjected to discrimination, but the thing is that how can we best deal with it? And if they say, we accept the negative consequences, well, I don't think they know these negative consequences. And those people don't seem to recognize that men are generally discriminated against too. For instance, there's a fitness center here not far from where I live, and it is ladies only. And you have golf courses that are ladies only or ladies-only courses. So they don't seem to worry too much about other discrimination so much, so their outrage there is quite selective, I think.

And of course, this is also a cultural thing. So the government, you know, one of the myths is that businesses willingly discriminate. Well, businesses generally don't want to discriminate. So I think, of course, the United States has a huge history of racial problems, of course, which we don't have in the Netherlands, and you cannot expect the society to change just by law automatically. And I think it would come to a better society where such books wouldn't be needed nowadays. I don't think that having any laws against it would really help because you can see that the division is increasing in a way, and now everything is becoming racist and sexist. So we should be very careful with that. And of course, there is this right of people to discriminate whenever they like, I mean, in a free country, at least. And we should be free to associate.

WOODS: Take a look at the example of Airbnb, which recently came under some scrutiny because it was alleged that people were less likely to open up their homes to people unlike themselves, basically. It was basically a less charged way of explaining it. And so the result of that was — well, I want you to tell us. What was the result of that? What do you think the likely consequences of that are?

KARSTEN: Well, it seems, yes, if you're now a member of Airbnb, you should sign a nondiscrimination agreement. So the thing is, if you cannot discriminate specifically, you will say, okay, maybe I will not rent out my apartment through Airbnb, and that makes it more difficult for everyone. Also, these marginalized groups, discriminated groups will find it harder to find a place to stay. And of course, already men are being discriminated on these websites already. For instance, take another site like Couchsurfing. Well, if you're a woman, you have a far bigger chance of getting a free place to sleep, and nobody seems to object to that. Why don't we? I mean, somehow in this world, suffering by men or discrimination of men doesn't seem to matter, where 80% of all suicides is male; homicide victims are 75%; combat deaths, 97%; industrial deaths and accidents, 93% men. So this is I think also a bit of a case of selective outrage, but also it shows that if you outlaw it, you will not see the negative

consequences. In that regard, it's almost like a broken window fallacy. You see only the apparent positive effects, but you don't see the hidden negative effects: that fewer people will rent out the apartment.

WOODS: One of your myths is affirmative action works. And the question I guess is: what do you mean by "works"? But also, it may require explanation how it could be that it doesn't work, in the same way that if I were to say welfare policies don't work: but they do work in the sense that if there's somebody who needs an extra hundred dollars a month, I hand them the extra hundred dollars a month via the government. So that works. So what do we mean by "works" when you say "affirmative action works" is a myth?

KARSTEN: Well, first, it stigmatizes a group, whereas only a small percentage maybe of that group is the beneficiary of affirmative action. Take, for instance, if you would say, okay, if you know that a university has a policy of affirmative action or preference towards black students, a medical university, then you don't know if your physician, who might be black, got their own his own merits or maybe through affirmative action. The same applies to someone who is piloting your plane. So that's a problem. It stigmatizes those who got there on their own merits. And secondly, the dropout rate among black students in the United States who have received affirmative action is twice as high as their white counterparts or their peers. So in that regard, there are certainly also unforeseen consequences.

WOODS: How about "anti-discrimination laws work"? Because there it does seem as if they work, right? I mean, you tell a business you cannot discriminate, and so they do generally stop discriminating. They don't put a sign in the window that says, "Only whites need apply," or whatever. That doesn't happen anymore, so it does seem as if they work. What do you mean when you say they don't work?

KARSTEN: Well, of course, if something is outlawed, it doesn't mean that something won't happen anymore. And if you cannot discriminate specifically or you cannot be open about it, you will be silent about it. And you'll say, okay, for instance, let's not hire certain groups, because within that group, we cannot exclude certain individuals we don't like. One example that I gave was with the Muslim lady who were a scarf. And so people are generally silent about it. They don't say, "Okay, actually, we do discriminate, but we're not open about it." The same applies to – you know, take for instance, if you would have a dating site in which it was forbidden to discriminate on religion or ethnicity. Of course, people would stop discriminating on that maybe directly or openly, but they would do it in a different way. They would not respond to certain groups or individuals, or they would say, okay, I will go to a different dating site where I am allowed to discriminate. So you see a lot of discrimination that is less explicit than it used to be. But you cannot measure that, but you can conclude it from how the human mind works.

WOODS: I'd like to read, if I may, a couple of passages from Sowell himself that relate to recent US history and what it tells us about anti-discrimination law and affirmative action. And he says that:

"In the period from 1954 to 1964, the number of blacks in professional, technical, and similar high-level positions more than doubled. In other kinds of occupations, the advance of blacks was even greater during the 1940s, when there was little or no civil rights policy than during the 1950s, when the civil rights revolution was in its heyday. The rise in the number of blacks in professional and technical occupations in the two years from 1964 to 1966, after the Civil

Rights Act, was in fact less than in the one year from 1961 to 1962, before the Civil Rights Act. If one takes into account the growing black population by looking at percentages instead of absolute numbers, it becomes even clearer that the Civil Rights Act of 1964 represented no acceleration in trends that had been going on for many years. The percentage of employed blacks who were managers and administrators was the same in 1967 as in 1964 and 1960. Nor do the institution of goals and timetables (meaning affirmative action) at the end of 1971 mark any acceleration in the long trend of rising black representation in these occupations. True, there was an appreciable increase in the percentage of blacks in professional and technical fields from 1971 to 1972, but almost entirely offset by a reduction in the percentage of blacks who were managers and administrators."

And then he goes on to talk about other groups where we likewise see similar long-term upward trends that had begun years before the 1964 act, and were not accelerated by it or by affirmative action. So he says, Mexican-American incomes rose in relation to those of whites between 1959 and 1969, but not at a greater rate than between 1949 and 1959. And then, moreover, Chinese- and Japanese-American households had matched their white counterparts and income by 1959, and by 1969, were earning one-third more. That's not the story we should hear. That's not what should have happened if the version of basically how society works that we hear from the social justice side were correct. That's my point.

KARSTEN: Yes. Well, correct. Yeah, there's many unforeseen consequences. For instance, you have the same thing with the Americans with Disabilities Act. After it was enacted, the act said that as an employer, you have to make reasonable accommodations for those with disabilities, and of course, this sounds very social, but what the result was that employers found it more risky to hire these people, because what does constitute "reasonable accommodations," for instance? So with these laws that are apparently well intentioned, these groups find it harder to get a job, because then they say, okay, well, I hire someone, and then the government tells me how I should deal with this person. And these laws are generally extended and stretched, so the requirements are stepped up, and it becomes more difficult to hire these people.

WOODS: Finally, do you think there is an aspect of this, leaving aside economics, but thinking more in terms of social cohesion, whereby anti-discrimination law plays a role one way or the other? Because I think some people feel like if we have these laws, it will create a more inclusive society and this will yield us happier outcomes overall, which sounds reasonable enough.

KARSTEN: Well, what we can see now in the United States — and please share with me if you if you disagree with it — I see a very polarized society. And the same is in the Netherlands, because it used to be that you were racist if your thought that blacks should sit in the back of the bus, or you were a sexist if you think women should be in the kitchen, that's the right place for them, if you would think that. And nowadays, you can be racist if you imitate an accent or you see group differences or you wear the wrong clothes or you don't wear the right clothes, or you do this, you do that. Your air conditioning is now racist, sexist. The British — you know, you can't make this stuff up. Anything can be sexist or racist. So this creates enormous division in society, because the activists, they say, well, black people cannot be racist because it's a matter of power instead of exclusion, and women cannot be sexist. And of course, well, what other groups will do, especially whites, maybe, and Asians, they say, okay, well, it's best and safest not to associate with these people, because I can never win. No matter what I do, no matter what I say, I'm always the perpetrator, the oppressor. And the

activists have divided the nation or the world into oppressors and victims, and the oppressed. And that doesn't foster an inclusive, brotherly society, I think.

WOODS: You mentioned the definition of racism these days having to do with people who think badly of other groups and who hold power. Now, that is a bait and switch, because that was not the way racism was described in the not too distant past. And as a matter of fact, the dictionary definition is pretty straightforward. You know, it's prejudice or discrimination directed against somebody of a different race. So that seems as if it could apply to anybody.

And so I just came across an article: "Your dictionary definition of racism is outdated trash." So now the dictionary — and now, I'm not saying that can't ever happen. I mean, the meanings of words do change over time. But I guess it now became — it's so obvious how there clearly is racism all around, but the people perpetrating it don't want it to be called that, so they've decided to change it and say, well, the standard that everybody kind of agreed upon no longer really applies to us. We can say anything we want to about any group whatsoever, and it has no effect. Now, I wonder if that means they would be willing to concede that if, let's say, Ugandans were driving Asians out of that country, if we'd be allowed to call that racism, because clearly the blacks had the power in that society, so therefore, would we call that racism? I mean, I would be interested to know. Or is it just that black people, no matter what they do and where they live, could never — who even cares, right? Why would you even want to — why would you even care what these people's shifting definition is all about?

So your book is *The Discrimination Myth*. How do people get it? Is it on Amazon?

KARSTEN: It is on Amazon. Yeah, it's in eBook and paperback, and it's only 100 pages, and you will be forever inoculated against egalitarianism, I think, if you read it.

WOODS: In addition to that, just think of all the conversation starters you'll have next time you're with your friends, thanks to Frank Karsten's book. This is said sarcastically, Frank, because people would lose all their friends if they talked about the things —

KARSTEN: Well, I haven't lost friends over this, by the way —

WOODS: Yeah, that's because you started off — no, no, no, that's because you started off with good people. That was the problem, Frank.

KARSTEN: [laughing] No, the thing is, even my progressive friends have said, "Well, I can't really find anything wrong with the book."

WOODS: Wow.

KARSTEN: [laughing] I mean, I'm just saying, though, this is how it works. I'm sorry. If you want — what my objective is, and your objective too, I think, is we want to minimize the level of prejudice towards people. We want to maximize the decisions we make on the basis of true information regarding another person. And how can we do that? Well, not if government intervenes. And unfortunately, there will always be discrimination, but what is the most economic, most sensible way to deal with this problem? And I think I put forward some good arguments in the book.

WOODS: Well, indeed, they're definitely worth reckoning with. I'll link to the book at TomWoods.com/1362. You also have a website for it?

KARSTEN: DiscriminationMyth.com

WOODS: DiscriminationMyth.com, you can visit that — I'll link to that, I'll also link directly to the Amazon page, all over at TomWoods.com/1362, as well as I'll be linking to our episode on democracy, where we took on that sacred cow, as well. Folks may enjoy listening to that, too. So Frank, I almost don't dare ask what your next project is, but I will look forward to it with great enthusiasm. Thanks, Frank.

KARSTEN: Thank you, Tom. It was a pleasure.