

The Economic Case for Inclusion

King Chapel

Cornell College

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Early in the fall semester, a famous journalist came to this sacred place and described our present age as one of *acceleration*. Yet here we are, together, intentionally, slowing down.

We are here to reflect upon and reinforce the ties that bind us, to engage both the intellect and the heart, and in the process create a more inclusive, **Shining College upon a Hill**.

I have been a part of the Cornell community for 13 years because it is authentic, open-minded, and big-hearted. Cornell College welcomes small town folks, suburbanites, and people, like me, from America's inner cities. Students from wealthy families and those with neither money nor family, dine at the same table. We are blessed by those who speak multiple languages, as well as those who struggle with English. We are enriched by the extraordinary talents of athletes, artists, and musicians. Christians, Jews, Muslims, Hindus, Buddhists, Atheists, and Wanderers – all are welcome. Disability, race, sex, sexual orientation, or gender identity, do not inhibit membership in the Cornell community. And all of your crisscrossing, intersectional identities – ***all those sides of you belong here***.

As an academic community, learning what is known and discovering what is not known anchors our lives. By learning, I mean more than the routine of taking classes, hearing lectures, doing homework, and sitting for exams. I mean more than relay race of syllabi. By learning, I also include the transformation of the self when fired by fresh ideas and called to action.

Where does this type of learning occur? Often outside the classroom and from each other.

Direct social learning runs deep and lasts long. It grows organically in clubs, in locker rooms, in studios, and dorms, often late into the night. In my day, back in Maryland, my friends and I built ugly shanties in the center of campus, and stayed there day and night for weeks drawing attention to the endless imprisonment of Nelson Mandela and discussing the power of non-violence. Peer-to-peer learning can be far more profound than any lesson plan a professor can devise.

My question to you: Do you allow that to happen? Do you open your mind to your friends or do you fake agreement just to get along? Do you have the guts to be wrong and change your mind? or does a crippling fear prevent you from putting your ideas on the line?

Anyone can have an opinion. Can you defend yours with facts? Are you prepared to discuss human rights with an international student who is not impressed with America's record in that domain? Can you explore the Gospel of Paul with a person whose gender is neither female nor male? Can you find common ground with someone who voted for the other side?

What I really want to know is: can you slow down long enough to walk in someone else's shoes?

Follow the Golden Rule and tolerance and inclusion will follow. Follow the Golden Rule and everyone will belong, *regardless of the weight of her birth privilege or the burden of his marginalization*. "**Everyone belongs**" means that our shared identity – as Cornellians – is not etched in stone, not immutable, not trapped in timeless memories. Instead "**everyone belongs**" implies that our community is dynamic, always adapting to successive waves of newcomers. "**Everyone belongs**" is a very high ideal, for a people who are self-governing, who are self-respecting, and who are unafraid of change.

Let me ask you – yes – or – no – is that us? Yes or no?

This wild idea, "**everyone belongs**" – one community, indivisible with liberty and justice for all. Cornellians, do you believe it? Yes or no?

So let's turn to the benefits and costs.

Many studies across the social sciences have explored the roles of ethnic and racial diversity on economic well-being. Some studies are situated in international contexts; others focus on US cities and states. A summary of the literature found that the principle economic gains of diversity arise from gains in the production of ***private*** goods and services.¹

What does that mean? An economy made of more heterogeneous members delivers better restaurants and bakeries, better sports and entertainment, better IT, better medical, and better lawn care services than economies with a more homogeneous population. Can you imagine the quality of play in the Green Bay franchise if the roster were limited to folks from Northern Wisconsin? That doesn't sound good. Can you imagine American popular music today without the fusion of sounds of the Caribbean, the Mississippi Delta, and the Appalachian Highlands?

How could Cornell College ever evolve if we gazed inward, if our students and faculty were not recruited coast to coast?

Heterogeneity of people and talent raises our game and make our companies and organizations stronger. Here's a business case study that make the point: The Nike Corporation's reluctant entry into the women's fitness market.² From 1972 to the mid-1990s Nike's women's shoes were simply smaller versions of the men's shoes. Nike shoes did not accommodate for differences in the bio-mechanics of female versus male feet. Further, Nike refused to embrace differences in sporting preferences, buying habits, and styles. "Put a pink ribbon on it and call it a day" was their approach. In the macho Nike corporate culture ***of that era***, entering the women's market risked diluting its hyper-masculine brand. Appealing to women consumers brought along a host of new obstacles in product design, production scheduling, and marketing. To enter the women's fitness market, Nike had to risk its brand identity and reshuffle its organization. The costs were certain, the payoffs were not. They moved ahead cautiously.

¹ "Ethnic Diversity and Economic Performance," *Journal of Economic Literature*, Alesina and La Ferrara (2005).

² "Nike's Global Women's Fitness Business: Driving Strategic Integration," Stanford Business School, Case SM-152, 2007.

A decade later, thanks mostly to a tenacious network of women managers, by 2006, the Women's Fitness division finally came into its own. By 2015, Nike's Global Women's Division generated \$5.7 billion in revenue.³ The value of inclusion bore fruit for this global giant.

By contrast to sports attire and other private goods, diversity can often complicate the provision of "**public goods**."⁴ These are goods and services provided to all members of society, typically by government. Researchers find that greater ethnic and racial diversity leads to greater disagreements over the creation of **public goods**. The researchers do not imply that diversity should be avoided or is inherently problematic. They simply point to the challenge of sustaining community norms and determining acceptable levels of public goods, as the community become more heterogeneous.

Consider law enforcement, "to serve and protect," one of the most foundational public services. Imagine with me how ferociously Chicago communities would reject "stop and frisk" or "preventive policing" policies if they were implemented uniformly across neighborhoods, and not as they are now, targeted disproportionately to "high risk" precincts.⁵ If policing practices impinged equally upon the rights of the upper classes as they do on the working poor and poor, as much on whites, as on African-Americans, then the Black Lives Matter movement would lose much of its force. That movement has shown the world that Americans are not equally policed, and a public **good** for some is a very dangerous **bad** for others.

A second public good near to our hearts is K-12 public education. [Raise your hand if you are a product of the public system, like me.] Research shows that state per child spending on K-12 education tends to fall as the share of the population that is aged 65 and above rises. That means the greyer the society overall, less money goes to public schools. Furthermore, as the **non-white** youth population grows relative to the elderly, support for public K-12 declines even more rapidly. In

³ <http://www.usatoday.com/story/money/2015/11/08/nikes-11-billion-dollar-plan-to-create-a-womens-fitness-empire/74740318/>

⁴ "Ethnic Diversity and Economic Performance," *Journal of Economic Literature*, Alesina and La Ferrara (2005, p. 15).

⁵ New media reports indicate that the number of street stops fell dramatically in 2016 compared to prior years. See, <http://abc7chicago.com/news/cpd-stop-and-frisks-down-80-percent-in-2016/1182604/>.

other words, older citizens are less inclined to spend on public goods that benefit younger generations, especially when the youth belong to a different race.

It gets worse! It turns out that the more *ethnically*, or *religiously*, or *economically* diverse are the younger generations, relative to the older ones, the less political support there is for public education across the board. So as America becomes browner and more unequal in income and wealth, the support for *public goods*, like public education is predicted to drop. That's a cost of diversity. The repercussions, as you can imagine, can scar generations.

The main punchline is that diversity is swell, it's marvelous, when comes to producing *private goods and services*, things you do not need to share with others, like a falafel sandwich or a blood test. But when it comes to *public goods and services*, diversity is often accompanied by political rancor.

The economic case for diversity and inclusion would be *stronger still* ...if we had a *slower, less manic, more honest, more empathetic* forms of politics. Our campus and our country desperately need a political culture built on shared narratives, shared ethics, shared economic aspirations, and, of course, on shared facts, not alternative facts.

We can do this at the campus level. On a small, intimate Midwest campus, we can have the open and honest conversations which the news media and political leaders and maybe even some members of our families seem incapable of having. A welcoming, residential, liberal arts community offers the physical space, the social good will, and the intellectual skills to practice building right **here** the type of world you want – **out there**.

To my mind, the costs of diversity – conflicts over public goods – arise not from an evil intent, but from a fundamental social tendency which sociologists call *homophily – love of the same*. It is the simple idea that people tend to like and associate with people like themselves. Birds of a feather flock together. Over time, connections among similar people accumulate and become entrenched, leading, for example, to racial segregation in housing. As Thomas Schelling (Noble laureate who passed away in December) showed in back 1969, when individuals have even a modest desire of having a neighbor similar to themselves, over time,

this can lead to persistent segregation and the end of mixed-race neighborhoods.⁶ Schelling's model suggests that loving people just like you, will often lead to a deeply fragmented society.

Yet – maybe because I work with young people – I remain deeply optimistic about this campus and this country's future. I am optimistic that even the selfie generation can discover that opposites attract. I sense in students a growing hunger for authenticity and a fatigue with the isolation that comes from being in one's own digital silos, of living in parallel worlds with people just like you. I am optimistic because I sense that young people today, perhaps more than previous generations, want purpose in their work and meaning in their relationships. You don't want to be a statistic; you want a life that oozes significance and, students, I admire that in you.

Let that hunger for connection and significance help you embrace the wide variety of people assembled on this Hilltop. Let that hunger for real connection enable you to take social risks you would not have otherwise taken. You can generate consensus across different people. Consider some of these ways: Take a person out to dinner whose politics are different than yours. The first person who insults or name calls has to pay the bill. Give a gift to a Muslim student on the Eid festival and discover what their faith means to them. Do that for any faithful person and you'll win a friend. If you there's an athlete in your class, attend one of his home games. Learn how your athlete classmates balance their heavy classwork with practice and game schedules.

Find out what's in the hearts and minds of people – not on a screen – but people you can touch. You can do this! You can **learn to trust** people who are different.

Cornell College, like America as a whole, is more multi-religious, multi-racial, and multi-ethnic than ever. In just 30 years, when you are 50 years old, the majority of Americans will not be Caucasian. Already, the fastest growing populations in the labor force are ethnic minority groups. Folks, becoming culturally open and culturally literate is not a nicety. It is a professional necessity.

⁶ Schelling's model is discussed in many places. Its direct linkage with *homophily* is discussed in Easley and Kleinberg (2010). See Schelling's Wikipedia entry for basic details on his extraordinary life and career.

To enable your growth in an ever diverse world, we need a guiding principle that will help us embrace difference while keeping our Cornell community whole.

Maybe we can start by upgrading the **Golden Rule**. Call it the **Platinum Rule**. The Golden Rule says “treat your neighbor how you want to be treated.” The **Platinum Rule says: *treat others how you think they would want to be treated.***

This is the mindset of observant immigrants, like my parents, trying to negotiate in a new land. This is the perspective of adults in business-to-business relationships. Put yourself in the client’s shoes first; understand the other person’s needs and perspectives. Then you’ll soon discover how to bring value to the relationship.

The Platinum Rule prioritizes empathy and understanding of others ahead of judgement of others. It can help us bridge our differences, in both our personal and professional lives. Follow the Platinum Rule and the economic benefits of inclusion will permeate ***both*** private and public goods.

Cornell College is not a digital or an imaginary community, where norms and standards of decency can shatter in milliseconds. We’ve got something good here and we want to grow it. Right here, ours is a real community, where ***everyone belongs***, is an idea held together across 150 years, across thousands of alumni and friends, living and thriving across the world.

So slow down, open up, and enjoy it!