Introduction to The Economics of Race and Stratification

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1 Introduction

Stratification Economics provides a nuanced understanding of factors that contribute to economic inequalities and disparities within societies, particularly those related to social identity groups. Beginning with the pioneering work of Darity (2001, 2005); Mason (2004); Stewart (2008), economists have advanced concepts that work precisely in the area that *homo economicus* typically neglects—group identities that are important in every culture and society. Groups competing with other groups for resources creates an environment where individual-level goals could be subsumed into group action for individual and/or group benefit. Any economic analysis of group-based inequality must consider the history, creation, and dynamics of group identity. This requires a framework that places primary emphasis on group identity and behavior as an important mechanism and vector for resource allocation.

No society is completely egalitarian, but the distribution of resources along lines of social identity does not inherently follow from basic economic theory. That social identity, which we generally presume to be unrelated to individual characteristics that could influence productivity, earnings, education, and other social indicators, is economically operative has been difficult to align with individual-based economic models. Stratification economics seeks to answer the basic question of why social identity matters for economic outcomes. In the specific case of the United States, and now extending to other areas of the globe, group identification along racial lines has formed a critical nexus for considering the scale and scope of inequities between groups. In other times and places caste (Imperial Japan, modern India), clan, religion, and tribal origin have been important sources of identity and conflict between groups over social, political, and economic outcomes. While originally motivated by modern differences in group outcomes within societies, stratification economics is now expansive in its temporal and geographic range.

Stratification economics today stands at an inflection point. First, research on inequality has revealed that individual-level differences cannot explain the persistent group based disparities we see in a number of societies. Second, new research on wealth inequality has led economists to consider the intergenerational effects of historical social inequalities defined by group identity. Third, traditional explanations such as labor market discrimination and/or differences in access to human capital and skill formation have shown that that these group differences are not totally nor primarily the result of singular discriminatory behavior. At th same time, there are few sources offering a high-level introduction to core concepts and topics and identification for new areas of research. This volume therefore seeks to serve both as a resource and guide map to the future of stratification economics.

2 What is Stratification Economics? The Group Identity versus the Individual

Stratification economics is a subfield within economics that explicitly centers the role of social hierarchies and cleavages—such as race, ethnicity, gender, caste, and class—in the production and persistence of economic inequality. Unlike traditional economic paradigms that often treat individuals as atomistic agents, stratification economics foregrounds the structural and institutional mechanisms that allocate resources, opportunities, and constraints unequally across socially defined groups. Conventional economic analysis treats disparities as the result of individual choices, differences in "human capital," or temporary market imperfections and frictions, while stratification economics posits that group-based inequalities are a fundamental and enduring feature of market economies. As opposed to group disparities being a temporary outcome of market failures or idiosyncratic frictions such an information asymmetries, stratification economics views such disparities as the equilibrium outcome of group competition for limited resources. Often, these are the result of political, institutional, and historical processes which gives some groups greater power and ability to shape the outcomes for themselves and others. In the broader society, these forces act to secure resources for members of the dominant group.

Stratification economics draws from interdisciplinary insights, particularly from sociology, political science, and critical race theory, to offer a more historically grounded and empirically robust account of group inequality. It provides a framework for analyzing how social hierarchies based on race, gender, ethnicity, caste, and other social markers are not only persistent but are actively maintained through economic and political processes. While stratification economics does not neglect individual level analysis, it does not view group-level outcomes as the natural process emanating from individual behavior. Indeed, even in traditional economic approaches the tension between aggregating individual level outcomes to group outcomes is apparent in models that lack a group identifying measure that would make such disparities theoretically meaningful. The existence of tangible and large group level inequality serves as one of the primary starting points for stratification economic analysis.

At the heart of the stratification economics framework are several major conceptual tenets. One is the understanding that individuals are not isolated, atomistic agents but are first and foremost members of social groups, and their behavior and economic choices are shaped by their group affiliations and relative group position. A second key tenet is that the economy is not a neutral playing field but is structured by and organized around social hierarchies and norms. This means that economic outcomes are not solely determined by market forces but are the result of an ongoing struggle for power and resources between different groups, and where the rules of the game can potentially be endogenous to the level of group inequality. Finally, stratification economics posits that group-based inequalities are not only unjust but are also often inefficient, leading to a misallocation of resources and a degradation of social and political institutions, ultimately limiting the overall potential of an economy.

Stratification economics takes identity as a central organizing property, yet views identity at odds with some traditional approaches to identity in mainstream economics (Akerlof and Kranton, 2000). As one salient example, economists have placed much more attention on labor market discrimination and tests of statistical versus taste discrimination while neglecting other forms of discrimination such as co-worker and consumer discrimination, limiting attention of discrimination to the extensive margin and emphasizing individual versus group/structural explanations for disparities (Becker, 1957; Rose, 2023; Small and Pager, 2020; Bohren et al., 2025). The reason for social distinctions between groups in societies is rarely functionalized in traditional economic analysis. The question is not whether groups in societies form, but what their purpose is when related to economic matters such as production, consumption, and the allocation of resources (Agesa and Hamilton, 2004; Darity and Mason, 1998; Goldsmith et al., 2007; McMillon, 2024).

The intellectual history of stratification economics is deeply rooted in heterodox economic thought and interdisciplinary scholarship. While mainstream economics traditionally traces its lineage to classical and neoclassical thinkers such as Adam Smith, Alfred Marshall, John Hicks, and others, stratification economics draws upon a more diverse and critical tradition. The structural approach finds a foundation in the work of classical economists such as David Ricardo and Karl Marx, who analyzed how class relationships and the distribution of resources fundamentally shaped economic growth and development. This is complemented by a social-behavioral work that draws on the insights of pioneering thinkers like W.E.B. Du Bois and Thorstein Veblen, whose concepts of the "psychological wage" and "emulation" highlighted the non-material motivations and social dynamics at play in economic life. Stratification economics considers the material value of group membership as a motivating factor in the creation and maintenance of group-based distinctions. By integrating these diverse perspectives, stratification economics builds a robust theoretical framework that recognizes the historical and social embeddedness of economic systems.

Stratification economics challenges the assumptions of neoclassical economics, which typically explains inequality through individual differences in productivity, preferences, or endowments. Neoclassical models that presume markets are efficient present disparities in income or wealth as reflecting meritocratic outcomes. In the cases where markets are inefficient, neoclassical economics often assumes that market competition will, over time, erode discriminatory practices because they are seen as inefficient and unprofitable. The lower returns to and profit from discriminatory behavior relative to their non-discriminatory counterparts lead to their dissolution. In contrast, stratification economics posits that group-based disparities are not merely incidental but are actively maintained through institutional practices, social norms, and policy choices that advantage dominant groups while marginalizing others. It rejects the notion that inequality is a natural or neutral outcome of market forces. Rather than being motivated by individual incentives, stratification economics recognizes that groups face constraints over resources and compete over them and attempt to gain material advantages from their distribution.

Stratification economics also diverges from behavioral economics, which focuses on cognitive biases and psychological deviations from rational choice theory. While behavioral economics focuses on understanding individual decision-making, it tends to universalize behavioral tendencies and often overlooks how social identity and group membership shape economic behavior and outcomes. Stratification economics, by contrast, emphasizes that economic actions are embedded in social contexts where power, identity, and historical legacies matter. It is less concerned with individual irrationality and more with the rational strategies that dominant groups use to maintain power and marginalized groups adopt in response to systemic disadvantage.

A key contribution of stratification economics is its insistence on group-based identity as a unit of analysis. Rather than aggregating individuals into representative agents, it examines how group membership—particularly in historically subordinated categories—affects access to capital, labor markets, education, and political influence. This approach allows for a more nuanced understanding of how inequality is reproduced across generations and how it is experienced differently across social strata. It also opens the door to consider policy interventions that are explicitly redistributive and reparative, rather than merely efficiency-enhancing. Stratification economics therefore has a considered focus on wealth and the intergenerational transfer of resources, which it sees as a central driver of persistent inequality. While neoclassical models often focus on income and earnings as a measure of economic well-being, stratification economics emphasizes the durable and cumulative nature of wealth disparities. It analyzes how historical and contemporary policies, such as redlining, property dispossession, and discriminatory lending practices, have systematically disadvantaged certain groups, limiting their ability to accumulate assets and pass them on to future generations. This focus on wealth highlights a feedback loop where disparities in assets and endowments are not merely a result of past inequalities but actively reproduce and deepen them over time, creating a self-perpetuating cycle of stratification.

Methodologically, stratification economics employs both quantitative and qualitative tools, often integrating historical data, ethnographic insights, and institutional analysis. It is particularly attentive to the role of path dependency, cumulative disadvantage, and feedback loops that entrench inequality over time. This perspective enables scholars to trace how past injustices—such as slavery, segregation, caste, or institutions—continue to shape present-day economic outcomes. It also highlights the limitations of policies that aim to equalize opportunity without addressing the structural roots of inequality. In sum, stratification economics offers a powerful corrective to dominant economic paradigms by centering the social structures that shape economic life. It invites scholars and policymakers to move beyond individualistic explanations and to grapple with the enduring legacies of group-based stratification. For those concerned with understanding and addressing economic inequality in its full complexity, stratification economics provides both a critical lens and a constructive framework.

3 The Economics of Race and Stratification

This volume brings together several of the most prominent practitioners in Stratification Economics to highlight the advantages and potential of stratification economic approaches to enhancing analysis of economic activity. These chapters present the intellectual history of stratification, formal theoretical models of stratification, the theoretical role of multiple identities in considering stratification economics alongside intersectional theory, empirical analysis of co-existent identities such as race and nativity, the implications of stratification economics to caste based inequalities, stratification economics and political economy, and global stratification, where groups are defined by nationality and compete on a global scale. The chapters in this volume were part of a conference held in 2025 to bring together leading scholars in stratification economics to reflect on the field and its history in addition to mapping out new areas of inquiry.

Part I of this volume considers the historical and theoretical underpinnings of stratification economics. We begin with an intellectual history of stratification economics. In their chapter "Stratification Economics—The Intellectual Tradition," Dania Francis and Samuel Myers, Jr. position stratification economics as an evolving framework that adapts the tools of neoclassical economics to examine the structural and intentional processes that generate economic hierarchy. The authors place stratification economics against the mainstream economic analysis of group inequality, paying particular attention to American Economic Association presidents, such as Francis Amasa Walker (a proponent of the race suicide theory and supporter of the reservation system for Indigenous Peoples) , Walter Willcox (who argued for the inherent inferiority of Black Americans to explain labor market disparities) , and John R. Commons (who believed "superior races" needed protection from competition with "inferior" races such as Black Americans). These examples illustrate how racial bias among many of the founders of modern economics was concurrent to the development of a neoclassical theory that often viewed race as an immutable identity and explained racial disparities as the result of individual deficits in "inferior" groups.

While the mainstream of the profession proceeded along this route, Francis and Myers note that Institutional Economics contained many important intellectual antecedents of stratification economics. Forerunners such as Thorstein Veblen and his concept of "conspicuous consumption," where behavior is driven by the pursuit of social status and prestige within a group, not purely individualistic, rational self-interest contained the key idea that group identity and behavior were important economic concepts with substantive import to economic analysis. Veblen's work is seen as locating stratification within the institutional structure of property ownership, which he argued had its roots in the historic domination of men over women. The Texas-Austin branch of institutional economics, led by Clarence Ayres introduction of the concept of dualism between technological progress and slow-to-adapt ceremonial behavior/institutions, is also an important influence. A unique, underappreciated link is drawn between the institutional economics department at the University of Texas and the hiring of MIT-trained Black economists—Samuel Myers, William Darity, Rhonda Williams, and Julianne Malveaux—who were influenced by institutional economist Michael Piore's model of dual labor markets.

The chapter further describes how stratification economics draws from concepts such as identity economics, which incorporate self-image and social norms into the utility function to explain seemingly irrational behavior that brings social acceptance. However, stratification economics goes further, recognizing that this conception often falls short of explaining why people form or adhere to certain identities in the first place. This leads to the idea that identity can be endogenous, such as through a self-fulfilling prophecy where one group's beliefs about a subaltern group lead the subaltern group to adopt those beliefs about themselves. Stratification economics adopts concepts from social dominance theory by noting that dominant groups capture and control an unequal share of resources and exclude other groups through exploitation and opportunity hoarding. The Lewis (1985) model, where the dominant group uses power to limit subordinate groups' premarket access to skills/credentials and then changes criteria or discriminates in the market stage to preserve hierarchy, informs stratification economics' strategic view of discrimination. The chapter concludes with a discussion of how economics is tied to the intellectual lineage of the Black intellectual tradition and critical race theory.

Mark Paul and Imari Smith explore the conceptual development of multiple identities in their chapter "Intersectionality and Stratification Economics: Converging Approaches to Complex Identities." While traditional focus in stratification economics has been on a given identity in the analysis, people hold multiple identities simultaneously. What does that pose for the continued development of stratification economics? Paul and Smith argue that to accurately capture the realities of multidimensional disparities, Stratification Economics requires an intersectional framework for identifying meaningful social groups and areas of group disparities. Intersectionality, a theoretical framework coined by legal scholar Kimberlé Crenshaw in the early 1980s, posits that social experiences and identities—like race, gender, and class—do not operate in isolation but concurrently to produce a singular, multiplicative effect of advantage and disadvantage. For instance, analyzing race and gender separately may miss patterns revealed by looking at the combined race-gender group. Since stratification economics' primary goal is to analyze economic differences based on uneven access to resources, intersectionality is essential for classifying groups that accurately reflect the complex social and historical identities that impact their economic opportunities.

Neoclassical economic models traditionally focus on the individual and often attempt to isolate the effect of a single identity facet by "controlling for" others—a methodology that fundamentally contradicts the idea that identities are mutually reinforcing. By integrating intersectionality, stratification economics can more clearly align its methods with its stated commitment to contextualizing disparities within sociohistorical contexts. In practice, stratification economics has long utilized intersectional concepts, both explicitly and implicitly, and the paper calls for a shift to explicitly align with the framework. Empirical studies by stratification economists have demonstrated that the effects of multiple identities on economic outcomes are multiplicative, not additive—meaning the penalties are not simply the sum of specific group penalties or advantages, but a unique, combined effect.

Fully integrating an explicit intersectional frame to stratification economics requires confronting several methodological challenges. First, stratification economics must abandon the neoclassical practice of "controlling for" individual facets of identity, as this opposes the core multiplicative nature of cumulative social identity. Second, researchers must avoid the fallacy of "counting disadvantage" (e.g., grouping Black men and White women because they have two disadvantaged statuses on the gender-race hierarchy), as this ignores the substantive, context-dependent differences between groups. Third, stratification economics must standardize its reference group designation, using the reference group purposefully to align the analysis with the goal of measuring the extent of inequality between groups. Addressing these challenges will deepen the understanding of economic, historic, and market dynamics and provide new methodological and empirical innovation in stratification economics.

The final chapter of Part I "Theoretical Foundations of Stratification Economics" by Brendan Brundage, Daniel McGee, and Daniele Tavani, reviews recent developments in the formal theory of stratification economics. The chapter highlights how economic models can illustrate the mechanisms that create and sustain group inequality. In particular, this chapter focuses on models of racial stratification. The review is built on three ideas from stratification economics. First, racism is modeled as rational behavior since social rewards are fundamentally rivalrous, leading advantaged groups to use prejudice and discrimination as strategies to build and perpetuate their privilege at the expense of others. Second, social groups, not just individuals, are central units of analysis, as collective interests influence individual motivations, especially in semi-permeable groups that offer material benefits to members. Third, the chapter emphasizes the inter-generational transmission of advantage and disadvantage through wealth, institutions, and power, which are all structured to maintain the existing racial hierarchy.

The chapter frames its discussion around four questions, two at the microeconomic level and two at the macroeconomic level, highlighting how formal models of stratification economics can be applied at various levels of analysis. The microeconomic questions concern what specific mechanisms are used to create advantages for socially dominant groups and, second, how do racial groups cohere so that individuals take actions that benefit the group, even if those actions are individually costly. The first micro question is addressed through the concept of strategic discrimination, which is defined as agents discriminating to reduce competition, divert benefits to themselves, or exploit the labor of marginalized groups. The second microeconomic question addresses the challenge of the collective action problem. For the advantaged group, strategic discrimination may be collectively beneficial but individually costly, creating a risk that agents will undercut discriminatory rivals, a feature which has been emphasized in the traditional economics of discrimination literature since Becker (1957). Identity formation, however, creates incentives for individuals to align with the group's discriminatory efforts, thus preventing the market unraveling of discrimination. Identity formation, often built on a shared experience of oppression or group advantage, reinforces group solidarity and creates both barriers to assimilation and from market incentives eliminating discriminatory behavior.

The macroeconomic analysis focuses on the aggregate consequences of discrimination and the channels through which inequality becomes persistent and group based. First, intergenerational models show that the transmission of wealth and institutional power allows the wealth gap between dominant and marginalized groups to grow over time, even if the gap in incomes remains constant. Second, systemic discrimination is further amplified by mechanisms like inter-sectoral spillovers, where discrimination at an early decision node, such as schooling, creates disadvantages that are carried forward to later decision nodes such as employment decisions.

Part II of this volume considers empirical approaches to stratification economics, highlighting the advantages of a stratification economics frame to analyzing inequality. In the chapter "Black Like Us? The Occupational Integration of Black Immigrants" Patrick Mason and Mwangi wa Gĩthĩnji consider the intraracial dimensions of a form of stratification that is rarely explored for Black Americans—nativity. They examine the extent of occupational integration between Black immigrants (first and second generation) and native-born African Americans and native-born Non-Hispanic white-only Americans in the United States. The study is motivated by the significant post-1965 increase in the foreign-born Black population—where first and second-generation Black immigrants account for nearly 20% of total Black population in the United States today. Black immigrants are a heterogeneous group with varied levels of selectivity and strategies for identity. Some African immigrants may choose to emphasize their ethnic distinctiveness to reduce exposure to racial discrimination, while others, particularly second-generation immigrants, may balance their ethnic identity with a Black racial identity as they integrate into America's social order. The degree to which racially similar immigrants may be assimilated into the national economy could be influenced by factors beyond national origin and language, such as wealth, class, education, and the economic and political conditions in both the home country and the United States.

Using the Duncan Index of Dissimilarity, they show that the occupational distribution of Black immigrants is generally less dissimilar to native-born African Americans than it is to native-born Non-Hispanic white-only Americans. However, there is significant variation across immigrant groups; African-French and African-Arabic immigrants exhibit the highest segregation from native-born Non-Hispanic white-only American men, with over 40% needing to relocate occupationally. Interestingly, dissimilarity increases between the first and second generations of African, Caribbean-English, and Haitian immigrants when compared to native-born African Americans. The study ultimately suggests that the integration of Black immigrants is not uniform and generational experiences lead to complex and non-singular patterns of assimilation. The implication being that consideration of immigrant effects in the economy must be contextualized to the increasing immigrant share of the Black population.

The next chapter "Stratification and Political Economy" by William Darity and David McMillon critique the popular argument that White racism is a form of self-sabotage and generates negative returns. This idea has been formulated in mainstream economics as misallocation of talent and resources to places other than their most productive use, moving economies away from the production possibility frontier and resulting in losses for the economy as a whole. Darity and McMillon argue that the economic inefficiencies that harm White Americans along with non-Whites fail to yield generative discussions of the persistence of racial inequality. This "self-sabotage" premise typically leads to incentive-free explanations for racism's persistence, which attribute it to psychological or cognitive errors, such as misinformation, flawed inferences (such as inaccurate statistical discrimination), mental pathology, or a deep-seated racial stigma that negates a presumption of common humanity. This chapter also challenge the notion that the White working class is simply being manipulated by elites into voting against its own material interests. They argue that these incentive-free accounts are insufficient because they imply that remedies should focus merely on correcting errors through empathy or information, ignoring the strategic incentives a stratification economics approach highlights that sustain racist beliefs and practices.

Developing this stratification economics framework further, the paper argues for incentive-aligned explanations that treat racism as a set of beliefs and institutions sustained by rational (or boundedly rational) incentives, including the extraction of material rents, the maintenance of political advantage, and the protection of relative status. This perspective reframes what is inferred as self-harm at the level of aggregate economic efficiency as a rational preference maximization for some White groups, who prioritize positional payoffs above individual material resources. The core insight draws on W. E. B. Du Bois's concept of the "psychological wage" of whiteness, where some Whites accept foregone material income in exchange for a relative racial status premium. The paper concludes that racism persists not because of error, but because it generates both material and psychological rents for strategically positioned White communities, meaning the appropriate policy corollary is to redesign institutions so that racial exclusion no longer confers any advantage, thus neutralizing or reversing those positional payoffs.

Moving beyond a focus on racial stratification, Ashwini Deshpande's chapter "Caste, Class, and Stratification" examines the nature and persistence of caste-based economic stratification in modern, globalizing India, a country that formally guarantees constitutional equality and implements an extensive affirmative action policy to address historical disadvantages for members of certain castes. Utilizing data from national surveys and censuses, Deshpande documents significant and persistent gaps between the broad administrative caste groups—Scheduled Castes (SCs), Scheduled Tribes (STs), Other Backward Classes (OBCs), and Upper Castes—across key socioeconomic indicators like education, occupation, income, and health. Crucially, the empirical analysis challenges the notion that class has superseded caste as the primary marker of disadvantage in contemporary India, demonstrating that caste-based disparities persist even within economic classes. This finding underscores that social identity continues to mediate economic outcomes independently of income or poverty status. The research highlights key, evolving dynamics of inequality, finding that while disparities in basic education have narrowed over time, caste-based inequalities in higher education have actually widened, especially for the most marginalized groups, the Dalits (SCs) and Adivasis (STs). Access to higher education is critical for obtaining high-quality employment, making this widening gap a key channel for persistent caste inequality. The paper further explores the intersectionality of caste with gender and religion. For example, the historical attempt to maintain caste purity necessitated control over women's sexuality and labor through practices like endogamy to maintain caste structure. The paper finds that the suggested trade-off between higher material conditions for upper-caste women and greater autonomy for Dalit/Adivasi women has vanished, meaning women from marginalized groups now bear the double burden of group and gender marginalization.

Finally, the chapter investigates the mechanisms of social reproduction that allow the caste system, despite being transformed, to remain durable in a modern democracy. These mechanisms include endogamy and the continued, though illegal, practice of untouchability, which has tangible negative consequences, even affecting early childhood development. The persistence of caste is linked to generational disadvantage, as these mechanisms lock in unfavorable life chances across successive generations. The Indian case study, with its combination of rapid economic growth (which holds the promise of widespread improvement in material wellbeing) and a complex affirmative action system (known as "reservation"), meant to address historical harms, provides a critical case for understanding how deeply entrenched systems of stratification adapt and persist with modern economic and political change.

In the final chapter, "Global Stratification Economics (GSE): A Primer - Definitions and Research Implications," Alan Aja, Mary Lopez, and Anita Alves Pena begin by defining the concept of Global Stratification Economics (GSE), which applies the principles of stratification economics to a global context. The authors argue that conventional global economic theories often fail to fully explain phenomena like wealth inequalities between and within countries because they lack the stratification economics framework's focus on power, identity, and group-based conflict. Global stratification economics aims to fill this gap by extending core concepts to consider international inequalities. In essence, GSE aims to consider how inequality between nations reflects some of the same features that exist within societies, the traditional focus of stratification economics. GSE is founded on the core tenets of stratification economics: that self-interested advantaged groups create and sustain their privilege at the expense of others, that the social group, which can now extend to national identity, can represent the collective interests and identity used to influence economic outcomes, and the intergenerational transmission of advantage and disadvantage can extend to nations as well. GSE extends these structural principles to analyze issues like North-South economic inequality, global value chains, developed and developing countries, and the enduring impact of colonialism.

At the micro- and meso-levels, GSE provides a framework to analyze the mechanisms of discrimination across international borders. For instance, it recognizes that identifying marginalized groups requires a context-specific, socio-historical approach, which might focus on the complexities of colorism in Brazil or the caste system in India. It applies the concept of strategic discrimination to global supply chains, where powerful firms may use 'Divert and Exploit' models to maximize their profits by forcing marginalized groups into low-wage, high-intensity labor. Moreover, the theory addresses how groups, both advantaged and marginalized, navigate complex issues of cohesion and solidarity in transnational contexts, such as maintaining identity against assimilation.

Expanding to the macro-level, GSE is essential for studying how inequality becomes systemic and persistent internationally. This involves examining institutional prerogatives of powerful global organizations like the International Monetary Fund and the World Bank, which the framework sees as potential channels for perpetuating colonial-era power structures. The intergenerational transmission of advantage is made visible on a global scale through massive wealth gaps between nations, the enduring economic impact of colonialism, and mechanisms like land dispossession in countries such as India, where legal reforms often fail to protect marginalized populations from losing culturally and economically vital resources.

Ultimately, the chapter argues that Global Stratification Economics offers a robust and comprehensive alternative to traditional models by prioritizing a structural, historical-institutional analysis of inequality. By focusing on global phenomena and conducting comparative case studies, GSE can provide richer, more nuanced explanations for issues like North-South resource distribution, global value chains, and the intersection of racial, gender, and financialized inequalities worldwide. The call is for GSE to be explicitly adopted as a lens to move beyond merely observing disparities toward actively illuminating the historical and political dynamics that create and maintain them.

4 Concluding Remarks

The volume presents a wide ranging scope that displays the power of stratification economics to address issues of inequality at all levels. As economic inequality has become a key focus of economics in the last decades, economists are in search for tools that can expand the breadth and depth of their work on these important issues. Understanding and leveraging the power of group identity as a social object that creates means of division and allocation is an important advance for the economic analysis of inequality. Equally important, considering how those social cleavages are created, maintained, and changed to suit new circumstances requires a framework that takes the power and material substance of social identity seriously. Stratification economics offers a cohesive framework that can be applied to questions of inequality in a variety of settings. This volume presents the state of the art and a meaningful path forward for a robust economic research agenda.

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