



**KENNESAW STATE
UNIVERSITY**

COLES COLLEGE OF BUSINESS
*Bagwell Center for the Study of Markets
and Economic Opportunity*

Commentary

Title:

*"Competitive Markets Eliminate
Discrimination: the Example of
Professional Sports"*

Author(s):

Burt Folsom, Visiting Professor of
Economic History
&
Michael Patrono, Senior Lecturer

August 2020

Two previous Commentary articles have focused on dispelling the myth that the current wage gaps that we see between white males and females or minorities in competitive markets are due to discrimination rather than differences in productivity or labor market preferences.¹ In the present article the voluntary integration of the three major U.S. professional sports of baseball, football, and basketball will be used as historically based examples of the power of competition in the marketplace to reduce discriminatory employment practices. What makes these professional sports (all capitalistic business enterprises) such a compelling example is that the integration of African-Americans into the “game” took place on a completely voluntary basis before the passage of the Civil Rights Act of 1964, when it was perfectly legal to discriminate in employment at will.

Jackie Robinson became the first black player in Major League Baseball when owner Branch Rickey of the Brooklyn Dodgers hired him for the 1947 season, a full 17 years before the Civil Rights movement culminated in law. Robinson won Rookie of the Year honors with the Dodgers, who edged out the Saint Louis Cardinals (which had not yet desegregated) to win the National League pennant and play in the World Series. By 1955, with Robinson and several other black players on board, the Dodgers won the World Series. The dramatic success of the Dodgers using black players triggered a competitive cascade where every team in Major League Baseball integrated by 1959 when the last hold-out, the Boston Red Sox, integrated. All of this transpired within 12 years of Jackie Robinson’s debut, even though baseball had been segregated for over 60 years.²

Again, this all took place before Civil Rights laws were enacted that made job discrimination illegal. In addition, there is no evidence that baseball teams integrated to further a moral point. Most all-white teams resisted the move to integrate until they started losing consistently to integrated teams. Passing up superior players based on race turned out to be uncompetitive, and apparently the teams and fans alike preferred to win with an integrated team than lose with a segregated all white one. The evidence is pretty conclusive that it was competition that integrated baseball.

The story in football followed a similar pattern to baseball, with the hiring of Kenny Washington by the Los Angeles Rams of the National Football League in 1946. At this time professional football consisted of two separate leagues, the National Football League (NFL) and the All-American Football Conference (AAFC). While the color barrier was broken by the Rams, the rest of the NFL did not immediately integrate. The AAFC took the lead here where six of the eight teams had signed black players by 1950. When the two separate leagues merged in 1950, the Cleveland Browns won the NFL championship with black running back Marion Motley leading the way (Motley was voted the league’s MVP that year as well). Attendance boomed for Cleveland with Motley and two other black players, Bill Willis and Horace Gillom, on the team.

By 1960 all NFL teams had integrated except the lone holdout, the Washington Redskins, which suffered a terrible season with only one win and 9 losses (and two ties) that year. In 1961, again refusing to sign a black player, the Redskins did even worse. Even Dallas and Minnesota, which were new franchises, won more games than the Redskins did. In 1962, the Redskins finally signed a black player, running back and receiver Bobby Mitchell, and he led the team to an

¹ See “Do Labor Markets Discriminate Against Women?” by Michael Patrono (<https://coles.kennesaw.edu/econopp/docs/Patrono-Commentary.pdf>) and “Why Competitive Markets Discourage Discrimination” by Michael Patrono (<https://coles.kennesaw.edu/econopp/docs/February-2020-Commentary.pdf>).

² For a fuller treatment of the impact of Jackie Robinson on baseball see: “What Segregation Did to the Detroit Tigers” by Burton W. Folsom <https://www.mackinac.org/V1997-10>.

improved 5-7-2 record. After this there was no looking back, and every NFL team had by now voluntarily integrated.³ Again, the process was painful and not very pretty, with several teams holding out against integration longer than others. It appears, however, that the humiliation of losing and the desire to win ultimately changed the minds of team owners, players, and fans alike. Competition had caused a voluntary integration of another sport before it was required by law.

The story in professional basketball followed a similar storyline. While professional basketball had officially integrated in 1942, five years before baseball did, integration did not proceed rapidly and most teams remained all white. In 1948 a game between the Harlem Globetrotters, the best black basketball team, and the Minneapolis Lakers, the champion white basketball team, changed the racial dynamic of the time and changed basketball forever. Most observers admired the showmanship and clowning of the Globetrotters, but believed that they could not compete against a serious white team. In the 1948 matchup the Globetrotters laid claim to being the best team in all basketball when they defeated the Lakers with a shot at the buzzer, winning by 2 points.⁴

By 1950, when the NBA was formed, integration of teams moved forward rapidly. In that year three black players were signed to teams, with Earl Lloyd being the first black player to play in the NBA. The athletic prowess of black players was obvious and white crowds turned out in large numbers to see them. By 1953 Don Barksdale became the first black player in the NBA All-Star Game. By the 1960's basketball was transformed by black athletes who picked up the pace of the game and introduced playing above the rim. In short order all teams were not only integrated, but black players made up a majority of the players. Currently, African-American players make up 80% of the league, even though they are only 13% of the U.S. population.

While the progress illustrated above did not come instantly or without controversy and rancor, it did move forward inexorably. Any team that held out against integration and did not take on high quality black talent found themselves losing games. Even decades ago, the desire to win and compete was apparently greater than the need to resist racial integration.

What lessons can we learn from the experience of these sports leagues, all of which integrated voluntarily before the Civil Rights laws required it? As we can see, if competition is the order of the day, organizations, whether sports teams or business enterprises, find that irrational prejudice and discrimination is costly. Of course, this would not be true in non-competitive environments where irrational discrimination can go unpunished, since the costs of discrimination can be hidden or passed on to others. Under non-competitive conditions the discriminator is not faced with the losses, either financial or sporting, and therefore has no incentive to change his behavior. From this discussion we can see that, however desirable, Civil Rights laws are neither necessary nor sufficient to achieve integration nor to eliminate prejudice in a competitive environment. If we, as a society, want to achieve a colorblind world we need to preserve competition where it currently exists, and extend it into areas where it doesn't.⁵

³ See: *Outside the Lines: African Americans and the Integration of the National Football League*, by Charles K. Ross, NYU Press, 2001, for a book length treatment of how sports laid the foundations for racial integration before the Civil Rights Act of 1964.

⁴ *How the Harlem Globetrotters Integrated the NBA*, by Ron Grossman, Chicago Tribune, February 14, 2015. <https://www.chicagotribune.com/opinion/commentary/ct-harlem-globetrotters-lakers-flashback-per-20150213-story.html>

⁵ For a more complete, scholarly treatment of discrimination see: "The Economics of Discrimination," by Gary S. Becker, University of Chicago Press, 1957, 1971.