

## Why Groups Succeed or Fail

*Thomas Sowell, Race and Culture: A World View, Basic Books, New York, 1994*

*Reviewed by Roger Sandall*

**C**HEAP labour? Is that why Indians were imported into Fiji? Not according to Thomas Sowell, who says there was nothing cheap about it anyway. 'The "cheap labour" cliché confuses earnings per unit of time and production costs per unit of output' (p.93). Instead, the advantage of imported labour was its clear superiority as human capital: more careful, diligent, reliable, skilled, and energetic than anyone to be found sitting around the lagoon. That's what made it preferable. And in this simple example two aspects of Sowell's analysis can already be seen: a no-nonsense approach to the ideologically skewed language of much economic discussion, and a determination to point out the real ways in which some races and cultures economically succeed, while others fail.

The word 'race' tends to put everyone into a potter. For Thomas Sowell (a leading black American scholar, and the author of many books on ethnicity and economics), a 'race' is just one of various 'ways of collectivising people in our minds' (p.xiii), in this case denoting a visibly different human group with different traditions; while 'culture', economically considered, consists of skills, work habits, saving propensities, and attitudes toward education and entrepreneurship: attributes which stubbornly persist through time. Many people won't like the implications of these usages. Too bad, says Thomas Sowell.

A glance around the world shows case after case of static, backward-looking cultures transformed by small groups of dynamic immigrants, the bearers of change and improvement. Hispanic culture is notorious for its 'puerile pride in indolence', its aversion to 'the stigma of dishonour' associated with the manual trades, its extraordinary delusions of grandeur (p.26). No spontaneous remission could be expected among men and women afflicted by this syndrome, so many Latin American governments deliberately sought out non-Iberian immigrants to fix things up. 'In Chile, German immigrant farmers turned a virtually barren wilderness into one of the agricultural showplaces of South America', their role being so influential 'that they and their children still owned three-quarters of the industrial enterprises in Santiago in the second half of the twentieth-century' (p.35). It was the same story in Brazil, where in the early 19th century 'even such items as doors, flour, sugar, furniture, and books were imported', the industry of the country being subsequently built up by German and Italian immigrants' (p.34).

This should have made everyone happy. But not so. While some were grateful, others were consumed with envy. Soon resentful charges of exploitation were being made: 'interlopers' were said to have 'seized control' of the nation's industries (which never even existed before the so-called 'interlopers' loped in), while 'middlemen' were seen to be everywhere 'taking advantage' of innocent victims.

Moreover, a self-serving imaginary retrospect was invented which explained the success of this or that group not in terms of their own talents and industry but because they were 'privileged', and had special 'opportunities' or 'access', while other groups failed because 'society' made them fail.

Of all the things that exasperate the normally mild-mannered Sowell, this seems to madden him most. Nine times out of ten, he argues, the real difference is group performance. But performance differences between 'racial and ethnic groups are ideologically embarrassing to those who wish to present group differences in income or occupations as reflecting differential treatment of groups by "society"'. So 'the whole issue of performance differences is often verbally pre-empted by confounding them with differential treatment, or initial good fortune, through the use of such words as "advantage" or "privilege"', a vocabulary which 'transmutes all performance differences *ex post* into externally imposed "disadvantages" *ex ante*. Any group "under-represented" in desirable occupations or institutions is thus said to be "excluded" — regardless of what the facts may be' (p.151).

Sounds familiar? Sowell's discussion of the universal and uncomprehending hostility toward 'middlemen' is particularly revealing. Even the prisoner in a POW camp who managed to obtain cigarettes and matches his fellow-prisoners could not obtain, and who charged for services rendered and risks taken, was seen as morally contemptible. 'His function, and his hard work in bringing buyer and seller together, were ignored' (p.56). Stories like this almost make one despair of human nature.

Connoisseurs of Australian political life will find themselves smiling at Sowell's discussion of those loquacious cultures which assume that you can talk your way into economic prosperity, and that knowledge, skill, thrift and industry are all just incidental. A preoccupation with politics, Sowell rightly says, can become a substitute for productivity. The names he offers in this connection are those of Idi Amin and Adolf Hitler; but less exotic examples come to mind.

The main thing to notice, he claims, is that the most directly effective economic measures available to government are all negative: 'government may use its power to forbid, coerce with minimum wage laws, confiscate earnings, punish entire cultures and classes for their success' — as in the case of East Africa's Indians and Malaysia's Chinese. But 'goals which depend upon the creativity, skills, thrift, work habits, organisational abilities, and technological knowledge' (p.118) of the population at large are not within the power of officials to do much about. And precisely because of this, where words are felt to be more important than deeds, the volume of political exhortation tends to rise steadily.

There are large issues here — much larger than those Sowell chooses to address. For the doctrine that words are more important than facts, and that the manipulation of meaning enables you to bypass reality, is now the staple intellectual fodder found in large parts of our universities. That's what postmodernism is all about. When the new class of academic quackers joins hands with the old class of Hibernian orators, oh boy! More seriously, perhaps, what Sowell has to say about the folly of government-subsidised 'ethnic identity' politics, citing the catastrophic

examples of Sri Lanka and parts of Africa (and we have yet to see what will unfold in once placid New Zealand) should be read by anyone concerned with this aspect of our national life.

Much of this book is a running indictment of the superficiality, myopia, and misrepresentation of what Sowell calls 'prevailing social science doctrine' (p.x). For this reason it should be required reading for all social science students. But it isn't perfect. Every second or third sentence is punctiliously documented, referring to notes at the end, which makes reading it a clumsy business. Repetition is common: a nodding editor allows similar passages about Circassian slaves to recur within a matter of pages. Granted that Sowell's goal was not 'to offer some grand theory explaining cultural differences' (p.xii), his argument nevertheless seems at times too historically specific for its own good. Comments on the disdain of warrior elites for economic activity hang in the air as if this had not already been given an evolutionary framework long ago by Spencer and Veblen — and even by Popper in *The Open Society and its Enemies*, whose emphasis on the sociological transition from 'tribalism' to 'civilisation' contains something similar. And perhaps it might have been mentioned that, in India, warrior disdain for trade and commerce became incorporated into outright caste prohibitions.

Lastly, while much that Sowell says about the positive value of so-called 'dead-end jobs' (p.82) is true of the last century, the time-frame of contemporary expectations and rewards makes such remarks seem out of touch today. Are the men who spend their lives walking through the dark access tunnels of the New York subways, where a population of derelicts lies among filth, refuse, and syringes, seriously supposed to see themselves making a 40-year sacrifice in this foul underworld so that their children can move one rung up the social scale? Hardly anyone thinks this way any more. Maybe they should, but they don't.

But these are minor gripes. With a clarity and candour all too rare in modern academic writing, *Race and Culture* discusses the economic winners and losers among different ethnic groups in terms of their own persisting cultural values, on every continent, in every situation, from the earliest civilisations to the present time. Much of what Sowell says throws a lurid light on the multicultural fantasies popular in Australian and New Zealand social and economic policy-making today.

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