

## A Scientific Approach to Race Relations

By Dan Aronoff

**T**homas Sowell is an economist and senior research fellow at the Hoover Institute at Stanford University. He has written extensively on the interrelationships of race, ethnicity and economic achievements in America. His work has been very controversial because he has analysed the situation in cause-and-effect terms and arrived at conclusions that call into question the most prevalent theories on the subject. In his words:

"Race makes a difference, in economic transactions as in other areas of life. There has been a tendency to pass over this unpleasant fact, or else to deal with it in purely moral terms. It needs to be dealt with in cause-and-effect terms as well . . .".<sup>1</sup>

Sowell is a black man and though this fact has absolutely no bearing on the objectivity of his analysis, it is an important point to keep in mind when considering the viciousness with which some of his opponents attack him. His arguments have rarely been addressed by his opponents, but his person is constantly being attacked.

I have discussed Sowell's work with numerous academics concerned with community relations. Their responses range from "Uncle Tom" and similar abusive expressions to more sober rejections which seem to be based on Sowell's cold-bloodedness, as though it were a lapse of taste to apply economic theory or empirical research to race relations.

While admitting that Sowell made some good points, one scholar told me he couldn't stomach an approach which didn't impute social outcomes to intentional actions. When I cited statistical evidence, he said that "people are not numbers". When I described some of the conclusions of economic theory, he said: "the real world is more complicated than textbooks".

Sowell has labelled this attitude the "animistic fallacy". He has contrasted it to the analytical approach of the sciences in which causal relationships are sought regardless of the motivations or intentions of anyone. On this point, he asserts.

"Perhaps the simplest and most emotionally satisfying explanation of any observed phenomenon is that it happened that way because someone wanted it to happen that way. This applies not only to social phenomena but to natural phenomena as well. Primitive peoples explained the movement of leaves on a tree by some spirit or God who wanted the leaf to move, had the power to make it move, and so it moved . . . Social phenomena may also be explained either animistically, from the intentions of the individuals involved, or in terms of the mutually constraining complex of relationships whose results form a pattern not necessarily similar to the intentions of any of the individuals involved".<sup>2</sup>

Sowell links his rejection of animism to the analyses of Adam Smith and Karl Marx:

"Smith had no faith whatever in the intentions of businessmen, whom he characterised as mean and rapacious, but argued that the characteristics of a market economic system would lead to beneficial results which were no part of the intentions of those acting within the system. Karl Marx, of course, had a far less benign view of the results of a capitalistic system, but he - like Smith - analysed the results in terms of the presumed characteristics of the system, not the apparent intentions of the individual capitalists .... Engels sweepingly rejected [the animistic] approach with respect to social phenomena in general, 'for what each individual wills is obstructed by everyone else, and what emerges is something that no one willed' ".<sup>3</sup>

The importance of this Smith-Marx attitude for Sowell's analysis of social phenomena cannot be overestimated. Sowell has been accused of denying that racism exists even though he has expressed his view of the matter by saying "I do not expect racism to disappear any more than I expect oxygen to disappear". The single most frequent

justification for government intervention on behalf of blacks in the US is based on the idea that the economic effects of racism must be mitigated by forcible redress. Yet Sowell has maintained that discrimination cannot account for differences in economic achievement, and that government intervention, even where it is explicitly and honestly undertaken with the aim of helping a particular group, cannot be presumed to have beneficial consequences for that group. Neither the intentions of governments nor the motivations of other economic agents have the designed effects on the position of any particular group.

### **Traditional Explanations for the Low Incomes of Blacks**

There have been many explanations for the low incomes of blacks in the US. By far the most common is the claim that racial discrimination is responsible for substandard economic performances. Yet, despite the voluminous literature on the subject, it is very difficult to find any hypotheses that are internally consistent, definitionally explicit, or empirically testable. More often than not there is a vague notion that blacks have been treated unfairly and a general observation that, on average, blacks have lower socio-economic status than whites. When it comes to imputing causal factors to these observations the tenor of the debate can degenerate into an ideological shouting match. One side may say that blacks are poor because they are 'stupid' and the other responds that blacks are poor because they are disadvantaged' and adds that the former are a bunch of bigots.

It is rarely made explicit just what is meant by 'stupid' or 'disadvantaged'. Is a group 'disadvantaged' merely because they earn less than the average level of income, without reference to their internal cultural or attitudinal characteristics? Can their 'stupidity' be measured objectively and are their test scores in any way related to their socio-economic position? These questions normally remain unaddressed, though they would seem to be important.

A related error occurs when defining the extent that discrimination affects economic success. One would expect that treating

discrimination as a causal factor would require that there be testable implications of the theory. For example, if discrimination by skin colour were deemed to be a crucial factor, then it would be fruitful to compare the experiences of a wide variety of groups who had different skin colour from the local majority. Yet one of the most celebrated studies of the economic effects of racial discrimination in the US begins by simply defining "discrimination" as all intergroup differences in economic prospects, but never testing the premise itself. "All intergroup differences in cultural orientation toward education, work, risk, management, etc . . . , are simply banished from consideration by definition".<sup>4</sup>

Sowell points out that this type of analysis treats as axiomatic what ought to be testable. The phenomenon to be explained, the statistically low incomes of blacks, is "explained" as resulting from racial discrimination, and this, in turn, is defined as "below average earnings for a particular group". The theory is clearly empty. There is no observation that could possibly contradict it.

Another problem frequently encountered when conducting empirical tests of hypotheses is that if some crucial variables haven't been specified, it is likely that the measured effects of those variables which have been specified will be exaggerated. The ability to obtain statistically significant results for theories about the effects of racial discrimination on black earnings can be explained by a decision to regard only a few variables as crucial and then conducting the tests on this basis.

Other 'explanations' that have received attention include the hypothesis that black social pathologies and economic misfortunes are primarily a result of the slavery experience or, alternatively, of their present physical surroundings. There is also a theory that blacks are systematically barred from getting jobs in those sectors of the economy where promotions and upward mobility are most prevalent.

Several other explanations have been offered, and all of them have at least some empirically confirming instances. But

practically all of them are contradicted by the evidence at some point.

Sowell's achievement is twofold. He has refuted rival theories and he has offered a consistent theory which better conforms to the evidence.

### **Refutations of Alternative 'Explanations'**

Before discussing Sowell's own theories, it is worthwhile to briefly recount his refutations of various other theories.

1. The claim that racial prejudice is responsible for the low incomes of blacks is contradicted by the experience of other ethnic and racial minorities and also by subgroups within the black population.

Racial prejudice did not stop the Jews from rising to the top of the socio-economic ladder in the US. Nor have Anglo-Saxons, in the absence of racial prejudice, been able to earn above the national average income.

The most obvious difficulty which blacks face, and which no other ethnic minority in the US faced, is the enduring legacy of slavery and racism by skin colour. It is not clear, however, that either of these factors can account for the low incomes of blacks.

For Japanese Americans, differences in skin colour and the experience of internment camps (an experience which virtually wiped out their total financial resources) did not prevent them from attaining a relative income second only to the Jews in the very next generation. Skin colour differences or bondage have not prevented blacks whose ancestors were free persons of colour at the time of emancipation from slavery, or recent West Indian migrants to the US, from attaining the national average level of income.

Thus, a history of persecution and racism by skin colour is simply not a convincing explanation for the below average incomes of most blacks. It is not at all clear what are the economic consequences of the psychological traumas undergone by alienated and persecuted groups. Jews faced the longest and one of the most brutal histories of persecution of any group in history, yet they

often seem to have developed an unusually keen ability to take advantage of economic opportunities.

2. The social problems of blacks are often traced to their legacy of slavery and sexual exploitation. Single-parent homes, high crime rates and large families are all indications of a culture where immediate gratification is the norm and individual responsibility is a problem. Insofar as these pathologies are common to all groups newly entering an urban environment, the blacks are no exception: "The incidence of broken homes among blacks is about 30 per cent ... but among Irish in New York at the time of the First World War, family break-ups were much higher - 50 per cent of their families had broken homes".

The similarity of experience of the blacks and the Irish, as well as the low rate of family break-ups among blacks from the West Indies in the US, refutes the argument that black family instability is primarily a result of the slavery experience.

Social reformers who claim otherwise ignore the fact that single-parent homes are a relatively new phenomenon in black history. They are probably more an attribute of urbanisation and specific welfare-state policies. Groups that have no history of slavery - like Chicanos and Puerto Ricans - seem to exhibit the same pathologies while other groups that do come from a slavery background - blacks from the West Indies - do not.

3. Observed social pathologies of low income groups are often attributed to their physical surroundings. Yet these pathologies cannot be permanent since every low income ethnic minority in America has eventually risen on the socio-economic ladder. (We also have the experience of urban renewal to show that social maladjustments go deeper than mere physical surroundings.) This progress cannot simply be attributed to "society" - which grudgingly grants new rights or partial acceptance to a particular group. If members of a group were regarded as pariahs in one generation but are fully accepted in the next, some credit ought to be given to their own internal cultural and attitudinal transformation.

"The gradual acculturation of the nineteenth-century immigrants likewise raised their tastes and lowered their rates of crime and disease. Many of their descendants now live in middle-class suburbs and often wonder how black or Hispanic ghettos can be so terrible, when in fact those of their ancestors were far worse".<sup>6</sup>

4. Genetic explanations for racial inequality are equally dubious. If genetics could really account for income differences, then black West Indians would not have achieved higher incomes relative to all other blacks. Genetic explanations of intelligence and income inequality often ignore the cultural attitudes and motivations which may cause one group to score higher or lower on IQ tests at a given time. Even aside from questions about the tests themselves, a reshuffling of the IQ rankings of American ethnic groups within a period of half a century casts serious doubt on the theory of genetic determination of intelligences.

The average IQ of American Negroes has generally been around 85 compared to a national average of 100, but this is not unique. Numerous European immigrant groups had similar or lower IQs as recently as the 1920s. Moreover, the internal IQ patterns of American Negroes suggest strong environmental influences. Northern Negroes have consistently scored higher on IQ tests than have southern Negroes and while there have been theories that "selective immigration" led the genetically more able blacks to move north, it has been shown that the better quality of northern schools caused the same individuals to have higher IQs after moving north. Furthermore, high IQ Negroes are predominantly female, in contrast to the national sex pattern among high IQ persons, and several studies have shown females in general to be less affected by environment than males.

The fact that every poor group has scored low on IQ tests says nothing about how those groups eventually moved up the socio-economic ladder (or how their IQ scores suddenly began to rise).

5. The belief that government intervention beneficial to racial or ethnic minorities is almost a dogma. Sowell has demonstrated

that it is fallacious. Policies designed to halt or hasten the progress of particular groups (short of slavery) have usually failed.

Blacks have made substantial progress since the Civil War, not always as a result of government policy. There is little evidence of any correlation between political progress (or retrogression) and economic progress (or retrogression). In black history, political and economic progress has varied more or less independently (until recent years). From 1890 to 1920, blacks suffered political repression yet made substantial economic gains. In the 1930s blacks scored political gains under Roosevelt's "New Deal" but declined economically relative to whites. From 1953 to 1960, blacks scored political gains but suffered economic retrogression relative to whites. These facts seem to indicate that black economic progress is far more closely related to general economic conditions than to specific governmental policies. When labour markets were tight, as they were during the two world wars and in the 1960s blacks made the most rapid economic progress. Since the early 1960s numerous government efforts have been made to advance blacks, but the results of these endeavours are difficult to distinguish from the effects of education, geographic redistribution and changing white attitudes.

For low income ethnic groups, attempting to raise themselves out of poverty, it may be more important to have a stable (and minimal) governmental framework than to risk the possibility that changes in government policy will work against their interests. The government has changed the rules of the game for blacks in virtually every generation. In light of the historical unpredictability of government policy towards minorities, it may be significant that the most dramatic ascents from poverty to affluence occurred among groups, such as the Jews, Chinese and Japanese, which did not attempt to use political expedients to secure economic gains.

"At particular historical junctures governmental policy may be beneficial to particular ethnic groups. It is the long-run reliance on political action that is questionable in view of the unpredictability of political trends in general ... in politics 'overnight is a lifetime'

... Whatever the merits or demerits of particular government policy, nothing seems surer from history than that those policies will change".<sup>7</sup>

### **Discrimination: Fair & Unfair**

In order to analyse the effects of racial discrimination, we must define what is meant by discrimination. Discrimination in the pure sense reflects tastes and preferences that individuals have and which guide the choices that they make. Racial discrimination in the market-place will occur when some individuals have a "taste for discrimination", when their preferences are such that discriminatory behaviour toward a particular group or person is viewed as a good. The extent to which the good is consumed will depend upon its price, which will be different in different types of market.

Sowell points to three types of discriminatory behaviour which may be exhibited in a market.

1. The offering of different transaction terms to individuals differing objectively only by group membership, not by any of the criteria commonly used otherwise.
2. The offering of different transaction terms (including no terms at all) to individuals subjectively perceived as differing in the relevant criteria, but so perceived only because of group membership used as a basis for presumptions about behaviour.
3. The offering of transaction terms which differ on the average among individuals from different group backgrounds. Individuals may be judged honestly and accurately as individuals but if the groups themselves differ in the relevant criteria, there will be differences in results.

Much of the debate over government policy toward blacks centres on whether blacks face discrimination of the first two types or, of the third (which is benign).

The debate is in many ways irrelevant. Sowell has shown that the first two types cannot account for the persistently low incomes of a particular group in a competitive market. The keystone of his

argument is that the extent of discriminatory behaviour that actually occurs is dependent upon the penalties or 'opportunity costs' faced by the discriminator. Since there is always a monetary loss incurred by indulging in racial discrimination in a free market, then unless every member of society had the same discriminatory preferences (including blacks themselves) the under-utilised or underpaid black labour could be utilised by firms, businesses or individuals who did not share the same taste for discrimination. The indulgence in discriminatory behaviour by a certain group of people will create profit opportunities for others (in the case of job markets, this includes the option of self-employment). For this reason, in a competitive free market system, the costs of racial discrimination are higher than under practically any other conceivable arrangement.

" . . . there are costs to the discriminator, as well as to the victim, and the magnitude of those costs affects the extent to which subjective prejudices produce overt discrimination. Foregone opportunities to make money - as employer, landlord, seller, lender etc - put a price on discrimination. Economic competition means that the less discriminatory transactors acquire a competitive advantage, forcing others either to reduce their discrimination or to risk losing profits, perhaps even being forced out of business. This, in turn, means that in less competitive situations, economic principles would predict that more discrimination would exist, because its costs would be less".<sup>9</sup>

There is striking empirical confirmation for this hypothesis. Throughout American history, the most discriminatory employment practices were exhibited wherever markets were least competitive and the penalties for indulging in racial prejudice were mildest. Public monopolies, unionised industries (especially where minimum wage laws were in effect) and government bureaucracies have been the most blatantly exclusionary in terms of hiring practices.

Discriminatory levels in colleges, universities, and the government itself were, in past eras, greater than in competitive industries at the same time. For example, as



of 1936 there were only three black PhDs employed by all of the white universities in the US whereas 300 black chemists alone were employed by private industry. In government, blacks were only 1% of non Postal Civil Service workers in 1930. A classic example of discrimination in public utilities were the railroad occupations, where blacks were generally over represented in the 19th century before federal regulation and widespread unionisation, and then totally excluded from most railroad occupations afterwards. According to Sowell:

"When railroads were unconstrained profit maximisers, the opportunity cost of discrimination was high. Later, as a regulated utility, high union pay scales created a chronic surplus of applicants, and the costs of discrimination were virtually zero".<sup>10</sup>

Minimum wage laws have the effect of pricing out of the market less productive and/or less experienced workers while raising the income of incumbent practitioners. They reduce the cost of discrimination by prohibiting individuals from bidding lower than the market wage rate in order to secure a job. The effect of such laws is devastating to a group, like blacks, who face discrimination and who are comprised of a disproportionately large number of inexperienced or unskilled workers.

In 1948, when the first minimum wage was legislated in the US, black teenage unemployment stood just under 10% and it was lower than white teenage unemployment. Today, after nearly 30 years of escalating minimum wage rates, black teenage unemployment has increased by five times and is more than twice as high as white teenage unemployment.

It is no wonder that white unions in South Africa have been supporters of minimum wage laws and equal-pay-for-equal-work laws for blacks. *The New York Times* reports that: "Right wing white unions ... have complained to the South African Government that laws reserving skilled jobs for whites have broken down and should be abandoned in favour of equal-pay-for-equal-work laws ... The conservative building

trades made it clear they were not motivated by concern for black workers".<sup>11</sup>

Government licensure is another area where discriminatory practices abound. For example, the licensing of taxicabs in many major cities has created a situation where government agencies can decide who is able to operate a cab by either awarding licenses directly or by artificially raising their price through limiting their number, which effectively puts them beyond the reach of most poor people. The taxicab business is one where capital and skill requirements are relatively low. Yet in New York and Boston, license fees sell for \$42,000 and \$25,000 respectively. The situation is similar in most other large cities. The percentage of blacks owning and operating taxis is minuscule compared to their relative proportion of the population in these areas. There is one exception. In Washington D.C. fee requirements are only \$200 for anyone who wishes to operate a taxi. As a consequence, black taxicab ownership is very high relative to the black population there.

Of course, those industries not subjected to competition swing most widely in the direction of the political climate whether it is discriminatory or preferential toward a particular group. It is not surprising that, in the past 20 years, the government has made great strides in hiring and promoting blacks. Nor will it be surprising if in 20 years time, the pendulum swings the other way. It would be devastating if government so dominated economic life that it was able to prevent many black people from finding a livelihood. Perhaps the most striking confirmation of the effectiveness of the market in penalising racial discrimination is provided by the experience of illiterate black sharecroppers in the South following Emancipation. Walter Williams has noted:

"One need not rely on modern examples alone of how the free market benefited blacks. After the Civil War, while there was much hostility towards freemen, historical evidence shows that black sharecroppers and tenant farmers received the same terms of exchange from planters that their white counterparts received. Attempts of white planters to form a conspiracy against them to prevent the freeman's wages from rising in

response to market conditions met with failure".<sup>12</sup>

What emerges is that:

1. Racial discrimination in a market economy will rarely, and certainly not over a long period of time, prohibit the advance of a group subjected to discrimination.
2. Government intervention lowers the cost of discrimination and employment laws prevent individuals from undercutting others in the market for jobs and this may be the cause of a persistently low socio-economic position for a particular group.
3. The same approach can be used in analysing consumer markets and capital markets and similar conclusions concerning the effects of intervention are obtained. Sowell has produced a mass of evidence to support his position in both cases.

### **Three Black Histories**

If racial discrimination and market processes cannot account for persistently low black incomes, the explanation must be sought elsewhere - in the internal structure of the group, and government intervention in the market. As Sowell has stated:

"Once having waved aside all differences between people ... many social analysts are then left with no real explanation of intergroup differences in income, occupation, residential pattern or other socio-economic outcomes. Only evil intentions, discrimination, racism, "exploitation" - are left as possible explanations. The general existence of sin among human beings virtually ensures that examples can always be found of bad behaviour toward particular groups. The cause-and-effect question, however, is: to what extent are the various groups' economic conditions a function of others' sin?".<sup>13</sup>

Before proceeding any further, one basic myth must be dispelled. The myth consists in an exaggeration of the extent to which blacks fall behind the rest of the population in average income. Black families earn 62% of the national average income. However, certain subgroups within the black population actually earn more than the

national average income. When comparing average incomes of various groups we are confronted by a heterogeneous array of income characteristics. The 'national average' is not something that represents a norm in any way, rather it is a statistical artefact arrived at by aggregating all of the various categories.

Moreover, when adjustments are made for statistical categories such as age, occupation, education, quality of education and geographical distribution, the disparities in income between low income ethnic groups and the national average declines. For example, the median age of a Jewish American person is 46, that for a black is 22. We would expect the average incomes of Jews to be higher than blacks even if blacks were by and large more economically successful than Jews - a person will earn more when he/she is middle aged than when he/she is at the beginning of his/her working life. In fact, when adjustments are made for age and other factors, the income disparities are greatly reduced.

Income disparities do still remain and Sowell has offered an explanation as to why they remain and also why different subgroups of the black population - West Indian immigrants and descendants of Free Persons of Colour - do uniformly better economically than other blacks.

Sowell has divided the black population into three subgroups: American Negroes (i.e. descendants of American slaves), West Indian immigrants and descendants of Free Persons of Colour. He claims that differences in their current performances can be traced to different cultures and historical experiences. In more general terms, Sowell has interpreted the experience and performances of all of the various ethnic groups in America as crucially influenced by their particular historical backgrounds. He reasons that individuals optimise their behaviour relative to their environment and when the environment is changed and the criteria for optimal behaviour altered, individuals will adjust their behaviour accordingly. However, groups will adjust at different rates depending upon how closely their previous environment approximated the characteristics of the new environment.

Thus, among those groups that migrated to the urban centres in the US, those - notably Jews - who had lived in urban settings for generations abroad, made progress in America relatively quickly. Other groups, like the Irish and the descendants of the emancipated American Negro slaves, who migrated from rural areas, where they were in a caste position from which no one expected them to rise, without an intellectual tradition or commercial experience, found the transition to an urban environment traumatic. Such groups tended to rise more slowly than others.

### **American Negro Slaves**

The largest component of the American Negro population has consisted of those blacks emancipated by the Civil War and their descendants.

This group arrived in America as slaves until emancipation in 1863. The main devices used to control the slave population were forms of psychological domination. The slave owners didn't have the military means to dominate the slaves by force of arms alone. This meant that any demonstration of initiative or individual responsibility on the part of the slave population was systematically deterred by threat of punishment (or worse) from slave masters. One result was that blacks were ill-equipped for independent economic existence following Emancipation.

Yet when the economic progress of freed men and their descendants, relative to where they started from, is compared to the progress made by other groups, the blacks do not fare so poorly. It has been only two generations since blacks began a large-scale immigration out of the rural south to the urban north, and when their progress in the urban centres is compared with the progress of other immigrant groups from similar backgrounds, blacks seem to be doing no worse than any of the others:

"The incidence of poverty, crime, disease, broken homes and substandard educational performance among blacks follows a well-established pattern among American minority groups, beginning with the

European immigrant groups of the 19th century".<sup>14</sup>

### **Free Persons of Colour**

The legally free Negroes constituted 10-14% of the black population in the US before Emancipation. Many of them were descendants of slaves who had been freed by their masters. This group, whose very existence posed a threat to the slave system in the south, were systematically expelled from the regions where slavery was most prevalent. They tended to migrate - often under threat of force rather than preference - to urban and northern regions. Hence, while the slave population was overwhelmingly rural and illiterate, the Free Persons of Colour were urban and, relative to the slave population, highly literate. It is not surprising that the descendants of the Free Persons of Colour have done far better than other blacks. Sowell points out that:

"Much of the later cultural contrasts between the established Negro elite and the under prepared black migrants to the cities had its origins in this difference between their respective ancestors. Many of the outstanding Negroes of the post-Civil War period and early 20th century were descendants of Free Persons of Colour. Whites who pointed to these individual successes and asked 'Why can't the others do it?' were usually unaware that the other blacks were at an entirely different point in their social evolution".<sup>15</sup>

### **West Indian Immigrants**

Since the Second World War there has been a large migration of West Indian Negroes into the US, almost all having arrived in abject poverty. Yet West Indian Negroes in the US have long had higher incomes, more education, higher occupational status and proportionately far more business ownership than American Negroes. Both their fertility rates and their crime rates have been lower than those of native blacks.

The different backgrounds of the West Indians makes them a test case of the explanatory power of colour, as such, in analysing socio-economic progress in America, as opposed to the cultural traditions



of the American Negro. Their history also provides a test of beliefs of particular aspects of slavery which constitute the most crippling continuing handicaps as far as socio-economic advancement is concerned.

Some people have argued that slavery is a cause of the current low incomes of blacks, but West Indian Negroes experienced a more brutal form of slavery than did American Negroes. Some have argued that employers can spot those blacks who are from the West Indies because they have distinguishing accents and that the West Indian blacks are better educated than native blacks because of the superiority of the British educational system and are more desirable employees to have. However, if we isolate second generation West Indian immigrants, who have no externally distinguishing characteristics and who were educated in the American school system, we find that second generation West Indians have higher incomes than Anglo-Saxons, and a higher percentage of people in the professions.

The explanation of biological differences (white ancestry) such as have been invoked to explain the greater achievement of mulattos, cannot apply here, for West Indian Negroes have a higher proportion of African ancestry than American Negroes. Neither discrimination nor genetics can offer any obvious explanation for the very different income and occupational achievements between West Indian and other Negroes. 'Selective immigration' has sometimes been offered as an explanation - assuming that the more able people migrate to the US. However, this explanation doesn't withstand scrutiny.

The magnitude of outmigration from the West Indies to various parts of the world is so great that 'selective' is hardly an appropriate description. Moreover, the small, better educated, high-income elite of the West Indies is overwhelmingly either white or mulatto and these groups don't migrate.

Sowell claims that the particular form of slavery in the West Indies better prepared the descendants of those released from bondage to succeed in an urban commercial environment.

Owing to the disproportionately small number of whites in the West Indies and the general impoverishment of the islands, the slave system differed from that in the US in ways which proved crucial to the future economic advance of the West Indians who migrated to America:

1. Slave escapes and rebellions were more feasible in the West Indies because of the numerical superiority of the slaves and, therefore, the slaves weren't psychologically crushed by a sense of the futility of resistance to whites.
2. The West Indian plantation couldn't draw upon a larger white society for its economic needs and, in fact, members of the enslaved black population grew their own food individually and sold their surplus on the open market. Slaves were assigned private plots to grow their own food, so West Indians had generations of experience of individual rewards for individual efforts, at least in a part of their lives, and some experience of managing their own affairs.
3. The virtual absence of a white working class guaranteed that blacks in the West Indies couldn't be restricted to the most menial jobs as were blacks in the US, or many of the more skilled and responsible positions would have gone unfilled.

Sowell observes that:

"The history of West Indian blacks in America suggests that what was most morally reprehensible about slavery - brutality, overwork, sexual exploitation - may have been less causally important as factors in later group development than such features as regimented dependence (faced by American slaves) as contrasted with economic incentives and market incentives".<sup>16</sup>

Sowell's careful separation of scientific analysis from moral indignation, and his remarkable honesty and courage in the teeth of conventional dogmas<sup>17</sup>, have enabled him to produce a well-reasoned case for a libertarian approach to community relations. He has mustered a lot of solid evidence to show: 1) that hostile discrimination is not very effective at holding back particular

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groups; 2) that, nonetheless, well-intentioned legislation like minimum wage laws, rent control and state welfare payments do have some injurious consequences for groups like US blacks; 3) that genetic explanations for the fortunes of different groups are not very convincing when considered in context; 4) that much of the relative position of a group can be explained by its own internal characteristics, which in turn owe a lot to the group's institutional history; and 5) that disadvantaged groups generally progress best in a free market.

1. Thomas Sowell, *Race and Economics*, pv.
2. Sowell, *Knowledge and Decisions*, p97.
3. *Ibid*, pp98-99.
4. *Ibid*, p343.
5. Sowell, *Race and Economics*, p 134.
6. Sowell, *Markets and Minorities*, p81.
7. *Ibid*, p 124.
8. *Ibid*, pp 19-20.
9. *Ibid*, p26.
10. *Ibid*, p48.
11. *New York Times*, quoted in *Policy Review*, Autumn 1977, p17.
12. *Ibid*, p29.
13. Sowell, *Markets and Minorities*, p 126.
14. "Three Black Histories" in Sowell (ed), *Essays and Data on American Ethnic Groups*, p39
15. *Ibid*, p11.
16. *Ibid*.
17. For a gripping autobiographical fragment, see Sowell, *Black Education: Myths and Tragedies*.

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