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Summary Article: **Sowell, Thomas (1930-)**

From *The Wiley Blackwell Encyclopedia of Race, Ethnicity and Nationalism*

economy

ethnicity

inequality

labor

race

Coming from the history of economic thought, Thomas Sowell has written trenchantly on the economics and politics of race. His many writings include sharp criticisms of the attempts of governments to regulate employment markets with the aim of reducing racial inequalities.

Thomas Sowell is a senior fellow in public policy at the Hoover Institution, Stanford. He is well known in the United States for analyses characteristic of the Chicago School of Economics, and for conservative political commentaries. Born in 1930, Sowell grew up in very difficult circumstances, first in North Carolina and then in Harlem. After service in the US Marine Corps, he read economics at Harvard and Columbia, specializing in the history of economic thought.

At the age of thirty, Sowell became a summer term intern in economics within the US Department of Labor. He was set to work on sugar production in Puerto Rico. In *A Personal Odyssey*, an autobiography that covers the years 1930–2000, Sowell explained that the Department ran a program setting minimum wages. Employment in the Puerto Rican sugar industry was declining. Governmental regulation appeared to be responsible for this, though statistics that might have settled the issue were hard to obtain. For Sowell, this “was the beginning of the erosion of my faith in government programs ... I had remained a Marxist ... but now my experience in Washington began a process of changing my mind.”

Sowell burst onto the academic stage with his 1975 book *Race and Economics*. In a trenchant analysis of the economics of production, he showed the significance of differences in human capital. Though, under slavery, much of the African Americans' human capital had been at the disposal of slave owners, whenever they secured the opportunity to compete with white workers they made advances. The rate of their subsequent progress depended upon the state of the national economy and upon differences between public and private sector employment. Sowell has expanded these arguments in some of his thirty-seven books; they range over many topics, including IQ testing, the constraints imposed by geographical environments, late-talking children, and baseball.

The human capital of ethnic groups is an economic dimension of their culture and is therefore associated with their environment. If some of their members migrate to a new country the value of the skills and dispositions they bring will depend upon the opportunities the new environment offers. Particularly in his global review *Race and Culture* (1995), Sowell describes some of the ways in which group differences persist and their implications for the formation of human capital. The differences may sometimes be complementary, and Sowell contends that other writers have minimized their significance.

In *Markets and Minorities* (1981), and elsewhere, he has shown the power of cost–benefit analysis as explaining behavior sometimes presented purely in racial or ethnic terms. In the United States, whites could more easily discriminate against blacks in the public sector because they did not have to pay the costs of doing so. Black advances were achieved because black potential employees were offering employers more valuable services, and because employers were looking for the best bargains in the labor market. Ethnic background mattered less than the value of what was on offer.

The number of blacks in higher-level occupations was increasing before the passage of the 1964 Civil Rights Act. Did “affirmative action” do more than continue an existing trend? In *The Economics and Politics of Race*, the book that best expresses his contribution to the field of racial and ethnic studies, Sowell (1983: 200–201) noted that as a result of government regulation the less fortunate blacks grew worse off economically, while those already more fortunate rose rapidly. The proportion of black income going to the top fifth of blacks increased, while that going to each of the bottom three-fifths all declined.

This book was a signal corrective to much writing in the field. It highlighted the conflicts between economic and political approaches, maintaining that the economic challenge was to make the existing human capital more widely available so that the less fortunate could produce more and earn more. The political challenge was to redistribute the fruits of human capital although the resulting policies reduce incentives to acquire human capital and devalue its significance.

Economics analyses the costs and benefits of actions irrespective of their motivations, but politics may not. Ten years earlier James E. Meade, a Nobel Prize-winning economist, offered one resolution of this opposition when he wrote that in his ideal society every citizen would act selfishly in the market place but altruistically at the ballot box.

Sometimes economic forces overcome political resistance. Sowell recalls that when, in antebellum Virginia, white workers refused to work alongside black slaves they were simply replaced with more blacks. Later, competition led to changes in sharecropper contracts that whites disliked, while, in the twentieth century, its effects were exemplified when professional sports that had excluded black athletes from baseball, football and basketball teams were obliged to stop discriminating against their employment.

Sometimes political pressures restrain the realization of economic opportunities. This is the theme of Sowell's *Affirmative Action Around the World* (2004), in which he takes the peculiarly US conception (first used in 1961 but given federal backing ten years later) as designating governmental policies in south-east Asia and elsewhere that restrain the opportunities for persons of immigrant ethnic origin to compete with those who consider themselves the original owners of the land. The economic forces win in the end, as was demonstrated by the surrender of the politics of apartheid in 1994, but their victory may be long in coming.

Sowell's writings are so well argued, and so clear, that the reader may not notice the silences in his account of the politics of race. How did the abolition of slavery come about, and why did the popular US conception of race become important only after abolition? Did not politics inspire an international movement against incitement to racial hatred and racial discrimination? The social sciences move on. Since Sowell's book of 1983, the concept of social capital has been elaborated in ways such that another sociology of race may soon find a place beside Sowell's economics of race.

SEE ALSO: Affirmative Action; Regents of the University of California v. Bakke; Reverse Discrimination

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MICHAEL BANTON  
University of Bristol UK

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