

the benefits of behaving in accordance with other individuals' expectations" — "not because it is backed by the power of some strong institution." He suggests, without much discussion, that the incentives of reciprocity can protect individual rights better than any governmental system. This line of argument should have been developed in more detail, for as it stands, Benson's conclusion is hardly compelling.

Under the U.S. Constitution, the government may conduct a "reasonable search" if an independent magistrate agrees that the police have "probable cause" to believe that a particular citizen has committed a particular crime. U.S. citizens cannot stop or delay a search by challenging the government's finding of probable cause. A private police investigation, by contrast, could be thwarted by lack of consent, giving guilty persons the opportunity to destroy evidence of the crime and their participation in it. A woman, for example, could truthfully report that she had been raped during a party at a millionaire's compound. Under customary law, her private investigators might be met at the perimeter of the compound by the millionaire's own police, who explain that they have no intention of allowing a search of the premises while the festivities are still going on, but that they might allow a search the next evening. The point here is that there may be unacceptable costs (that is, solvable crimes going unsolved) associated with private police investigations.

While Benson concedes that private systems of law would suffer imperfections, he argues that in terms of "relative performance," there is simply no contest. It is unlikely that the *Enterprise of Law* will lead many readers to share Benson's conviction on this point because certain problems are not addressed adequately. But it is very likely that this book will leave many readers with the belief that the contest between public and private systems of law is much closer than they had originally thought.

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Who Prospers?

How Cultural Values Shape Economic and Political Success

Lawrence J. Harrison

New York: Basic Books, 1992, 247 pp.

We live in an era of cultural egalitarianism; supposedly all cultures are equal, and cultural values do not matter. Ironically perhaps, our time is also marked by demands for special racial and ethnic rights, which threaten to balkanize America. Thus it is refreshing that Lawrence E. Harrison's new book risks political incorrectness and declares that culture does matter. Who can seriously deny that a society's prevailing attitudes toward self-responsibility, learning, work, entrepreneurship, achievement, the future, and trust of strangers heavily influence its economic success? The finest work on economic development—fron. such

writers as Peter Bauer, Thomas Sowell, and Julian Simon—has long reflected the fact that cultural attitudes play a decisive role in determining the rate of material progress.

Harrison, who also wrote *Underdevelopment Is a State of Mind*, looks at the economic turnaround in Brazil, Spain, Taiwan, South Korea, and Japan in an effort to learn how culture encourages or impedes economic progress. For Brazil and Spain he finds that the progress-resistant Ibero-Catholic culture had to be overcome by contact with more progress-prone outside influences, especially through immigration. It was only when Spain and Brazil ceased to be isolated from the Protestant and Confucian work ethics that they prospered.

The discussions of Taiwan, South Korea, and Japan are more complex because of the cross-currents of Confucianism and the mitigating influence of Taoism. Confucius's ethical system combines esteem for learning, hard work, and one's progeny (the future) with a disdain for commerce and an admiration for authority. Taoism lauds frugality and individualism. Harrison theorizes how the progress-prone elements were accentuated and the progress-resistant ones diluted, leading to the phenomenal success of Taiwan and South Korea and of the Chinese everywhere but in China itself. He attributes those cultural metamorphoses to contact with the United States.

When Harrison discusses Japan, there are potential problems. He accepts the view that the Japanese psyche is founded on the Japanese approach to child rearing, which, "strongly rooted in Confucianism, emphasizes the child's membership in a group—initially the family—and tends to suppress individualism." Yet for Taiwan and South Korea, he credits Taoism with being "an individualistic protest against the hierarchical communitarianism and snobbery of Confucianism." That apparent contradiction could lead readers to conclude that for Harrison the same cultural value can be either progress-prone or progress-resistant depending, tautologically, on whether the people in question prospered or not. Even in the same country, he states, "the strong group emphasis and suppression of individualism characteristic of Japan have probably cut both ways with respect to innovation." (Curiously, according to Harrison, Japanese child rearing is "strongly permissive" as well as anti-individualist.)

Harrison also examines the economic performance of certain ethnic groups in the United States: the Chinese, Japanese, Koreans, Mexicans, and blacks. The first three groups have prospered, writes Harrison, because of their Confucian work ethic. Of course, it is also true that the people who uprooted themselves and moved to a strange culture were already determined to succeed. He reports that two-thirds of blacks have entered the middle class, and argues that the last third has lagged behind because of the lingering culture of slavery and Jim Crow. This prompts a question Harrison never takes up: Why didn't the one-third escape that culture the way the two-thirds did? Charles Murray provides an

answer in *Losing Ground*—that the Great Society welfare programs created perverse incentives and stifled decades-long black economic progress—but Harrison gives this thesis barely a glance. In discussing how to elevate the black underclass, Harrison sensibly discards cultural relativism (going by the name of multiculturalism) as a counterfeit value. But his case for extending affirmative action for a limited time is sentimental and unpersuasive.

Harrison's real concern is America's Mexican population. Recent immigrants, legal and illegal, have come here to escape poverty, but have not rejected Iberian culture, he writes. Two and three generations later, they have not assimilated as fully as other groups have. Mexican-Americans, he alleges, are net consumers of government services. Thus, for Harrison, such immigration drags down the American economy. In fact, many studies show that generally immigrants, especially illegals, pay vastly more in federal, state, and local taxes than they get in government services. Harrison's only evidence is Michael Dukakis's profligate Massachusetts welfare state.

If Harrison is concerned about the Hispanics' failure to acculturate, he might have aimed his fire at the government programs that encourage their isolation by helping them to remain monolingual—in the name of bilingualism! (Orwell would have been amused.) Harrison's unsubstantiated case that immigration has helped cause America's economic "malaise" stems from his demonstrably false proposition that "population growth is a principal contributor to pressure on the environment." Julian Simon has refuted that claim. The problems associated with immigration are actually attributable to the welfare state. It would be better to dismantle the welfare state than to deprive foreign citizens of the chance to prosper and ourselves of the vitality of new immigrants. By advocating government measures to determine the size and character of the population, Harrison demonstrates the central planner's mentality and a failure to appreciate the dynamism and serendipity of the open-ended liberal order.

Harrison fears that America is losing the cultural values that made it prosperous. He blames much of this on the media's and academia's disdain for business. But paradoxically, he thinks the decline is principally the result of our affluence. (If he is right, he should favor immigration.) A more likely culprit is the ethos of the interventionist state and the loss of the vision of liberty that once united a culturally diverse America. (The "melting pot" is more legend than fact.) Today most people expect government to solve problems they never would have looked to government to solve a mere 30 years ago. Decades of propaganda about the benevolence and competence of the state have redefined the word "crisis" to mean that which only government can address. And today everything is in crisis.

Other problems in the book include Harrison's devotion to an "equitable" distribution of income (by which he seems to mean "equal") and

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his fondness for foreign aid. Harrison prefers a more equal income distribution to a less equal distribution, but he never says why or specifies the optimum distribution or explains how government can become involved in this matter without subverting the work ethic he elsewhere praises. He credits U.S. foreign aid with creating prosperity abroad, but seems oblivious of the substantial literature that questions the wisdom of giving bureaucrats taxpayer largess with which they can expand their public sectors.

Nevertheless, *Who Prospers?* affirms the importance of cultural values supportive of personal dedication to purpose, of entrepreneurship, and of economic progress. It is a worthwhile contribution.

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