

And with the "causes" of poverty there are many cures which reflect a moral emphasis — and some self-interest as well. One finds education offered as a panacea — by the educators. When the Campbell Soup Company tells us how great it is to have soup for lunch, we tend to take that with a grain of salt. Yet when educators tell us the very same thing about their product, we seem to think that they are public-spirited citizens trying nobly to solve our social problems.

Thus a whole legend has grown up around the history of the Jewish immigrants who came here poor and rose to affluence, supposedly through education. Now of course high income groups do tend to have high levels of education. They also tend to engage in high levels of travel and entertainment, and own large homes. Yet no one would argue that travel, entertainment, or housing is the path one takes from poverty to affluence. A detailed

study of the occupations of Jewish immigrants showed that they rose to affluence first, and then were able to afford to send their children to college. This is even more clear in the case of the Japanese immigrants on the west coast. Most of the Japanese were farmers as late as 1940, and most of them spoke very little English. But they were prosperous nonetheless. They owned many businesses, in California and the state of Washington. With this prosperity, they were able to send their children on to college, and then their children became better educated. The education was not the cause of the rise.

Another cure for poverty is political reform. If you read many histories and hear many discussions of social issues, you get the idea that people are no longer in rags or hungry today because various noble reformers refused to accept such conditions and worked to alleviate them. Meanwhile, it was merely coincidental that the gross na-

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Noncauses, Noncures

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tional product rose by five or six times over that same span. But if you really want to know why it is that the poor of the 19th century were in rags and those of the 20th century typically are not, it is because a man named Singer perfected the sewing machine, putting factory-made clothing within the reach of great masses of people for the first time in history. Prior to that time, either homemade or secondhand clothing was the standard dress for most working-class people. (In addition to clothing the working class, secondhand garments also spread disease throughout the whole society as they were passed around.) Most working-

class people in the 19th century could not afford the luxury of having shoes that were made differently for the right foot than for the left foot, until Singer made that economically feasible. In most parts of the world outside of the United States, working people could not afford shoes at all. In addition to Singer, there was something called the sweat shop on the lower East Side of New York that made that possible.

The fallacy of political reform as a solution to perceived social ills is that it ignores process and focuses only on results. The most fundamental problem in political decision-making is that we

cannot vote for a result; we can only vote for a process. We can hope for the result from that process. Some 50 to 60 years ago, prohibitionists felt that they were voting for a process which, they hoped, would eliminate the drinking of alcoholic beverages. They discovered the hard way, of course, that no such thing was possible. All sorts of other consequences resulted, including a tremendous increase in organized crime, under whose influence we are still suffering. You cannot make political processes and market processes parallel by saying, "We vote with our dollars for this; why can't we vote with our ballots for that?" When we vote with our dollars, we vote for results. We go into a showroom, and we look at the Chevy or Plymouth and decide whether we want to have it. We do not vote for the process by which it was produced, because we do not know, and we are not required to know, what that process was. When we vote in politics we vote for a process, with hope that

the end result of that process will be the things we want to have. If the market mechanism has failed to produce the "optimal" result, it is by no means clear that political processes will succeed in its stead. Unfortunately it is usually a very short step from saying that the economic process will not decide an issue correctly to saying that the political process will. But, of course, the fact that you have proven that a fish cannot fly does not prove that a rhinoceros can.

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