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Heiner Rindermann (2018) *Cognitive capitalism: human capital and the wellbeing of nations*. Cambridge, UK: Cambridge University Press, xvi + 576 pp, USD 44.99 (paperback)

Fritz Söllner¹

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First things first: Heiner Rindermann is not your average, left-leaning, politically correct social scientist. On the contrary, he does not shy from asking controversial or politically incorrect questions—and from giving equally controversial and politically incorrect answers. Suffice it to give two examples: He complains that “it is taken for granted that animals have distinct races but for around four decades this has not been the case for humans” (p. 318); and he maintains that there are “easy to observe ethnic differences in life outcomes due to ethnic ability differences” (p. 398). Thus, it comes as no surprise that he passionately defends academic freedom and unbiased scientific inquiry against the pernicious influences of prejudice, political correctness, and *zeitgeist*.

Rindermann is a renowned German educational and developmental psychologist with over one hundred papers and a couple of books under his belt. In his latest book, *Cognitive Capitalism*, his magnum opus (so far), he presents the results of his extensive research into the role of cognitive ability for, inter alia, cultural, political and economic development. In particular, he sees it as the main determinant of the wide differences in wealth and well-being between nations.

His argument runs as follows: Cognitive competence, which comprises intelligence, knowledge and the ability to use this knowledge, is becoming ever more important in the modern economy, which is becoming ever more complex and knowledge based. Thus, higher cognitive competence will, on average, increase economic growth and well-being: directly, by the work force being more competent and better qualified and by the intellectual climate being more conducive to invention and innovation; indirectly, by its positive influence on the quality of institutions (such as government, the legal system or the system of education). Cognitive competence itself is the result of both evolution (i.e. the influence of genes on intelligence) and culture—the latter being broadly understood as including worldview, value system, customs and norms. Bourgeois culture with its emphasis on education, knowledge, diligence and rationality is presented as the archetype of a culture furthering cognitive development—and as one of the main causes of the comparatively high levels of cognitive competence in Western countries.

✉ Fritz Söllner
fritz.soellner@tu-ilmenau.de

¹ Department of Public Finance, Ilmenau Technical University, Ilmenau, Germany

On the other hand, Islamic culture is seen as a typical example of a culture hindering cognitive progress.

Evolutionary and cultural factors are interrelated. Marriage customs, for example, may influence the quality of the gene pool; in particular, intermarriage will lead to lower intelligence in offspring. In this context, some of the author's more controversial ideas are to be found—when he identifies certain typical combinations of cultural and evolutionary factors which he goes on to link to certain ethnic groups or races. However, his argument does not depend on the concept of race (or, to use a less controversial term, sub-species); it works perfectly well by referring to, on one hand, individuals and, on the other, cultures. It depends only on intelligence being (at least in part) heritable and on the existence of different cultures—both of which assumptions seem to be rather uncontroversial. Not only are wealth and well-being determined by evolution and culture (through their influence on cognitive competence), the former also affect the latter: Wealth tends to reinforce the cultural traits which were responsible for the creation of wealth in the first place. Therefore, a virtuous circle is possible: Bourgeois virtues increase cognitive competence, which accelerates economic development, which, in turn, makes these virtues still more attractive. But a vicious circle may come into being, too: Negative cultural influences (think of intermarriage or disregard for education and learning) lead to a low level of cognitive competence, which leads to low-quality institutions and economic stagnation or decline, which in turn leads to a still more fatalistic, irrational and tradition-bound worldview.

The author bases his arguments on a wealth of empirical evidence and statistical data. What is more, he also tries to quantify the influence of the factors which figure in his theory. In chapter 11, he presents several models with which he tries to explain the persistent international differences in wealth and well-being. He finds that cognitive ability is *the* crucial ingredient in the development towards modernity and high standards of living. Comparing the two “background factors”, to wit, culture and evolution, the former turns out to be more important, but the latter has a significant influence, too. In chapter 13, he uses his models to make predictions about economic growth and the development of cognitive abilities in the long run. His results do not bode well for the West. Average cognitive competence (as measured in IQ points) will decline and, therefore, Western economies will fall behind those of their competitors. Responsible for this development are misguided migration policies, negative demographic trends (with the less competent outbreeding the smart and productive members of society), and an increasing disregard (nay, even contempt) of Western bourgeois virtues. Even if you are skeptical about the reliability of long-term predictions (as I am inclined to be), you may still find value in seeing where present trends will lead us to, if they were to continue unaltered. But what is to be done? In the last chapter of his book, Rindermann proposes policies for improving cognitive competence and thus countering the decline he foresees. Not surprisingly, his focus is on education and migration policy.

This short and, by necessity, superficial summary of Rindermann's theses cannot even begin to do justice to his book. It is a scholarly achievement of the first rate, a veritable *tour-de-force* through intelligence research and many related fields, and a convincing proof of the value of interdisciplinarity. Rindermann not only draws upon psychological research but also upon the results of economics, political science, sociology, history, and biology. The wide reading, the open mind and the catholic interests of the author show themselves on every page; and the reader will find valuable insights and interesting observations on almost every page. Like the open-minded researcher that he is, he also presents and discusses other approaches and opinions critical of his own work—always insisting on the

prevalence of unbiased scientific argument over political or ideological prejudice (which, alas, one finds only too often in the social sciences).

The relevance of Rindermann's work for economics is obvious. In fact, every economist who is at all interested in the process of economic development and the factors that play a role therein will neglect it at his peril. Scholars of public choice, in particular, will find his discussion of political and economic institutions illuminating. Rindermann shows that there is a significant positive correlation between the quality and stability of these institutions on the one hand and the level of cognitive competence on the other. Causation, he argues, runs both ways: Higher levels of cognitive competence lead to more efficient and more sophisticated institutions (e.g., the rule of law, democratic government, meritocracy, well-defined and well-protected property rights); and these institutions, in turn, tend to promote the cognitive development of the people using them.

Rule of law supports meritocratic principles. In a predictable social world, problems can be solved and aims be reached by effort, by the use of intelligence and good formal qualifications, rather than by coercion, family connections and bribery. By favoring meritocracy throughout society, and this includes the educational system, rule of law tends to support the development of cognitive abilities (p. 248).

Of course, economic and political institutions have figured prominently in the work of economists ever since Adam Smith. Rindermann, in the last chapter of his book, discusses (albeit rather superficially) the approaches of economists ranging from Adam Smith to Hayek, Fogel, North, Becker, Landes and McCloskey, and freely acknowledges the intellectual debts he owes them. Nonetheless, he points out—and rightly so—that hitherto the crucial influence of intelligence, its interplay with cultural and institutional factors, and the roles of heredity and ethnicity have been largely neglected in economics. If institutions were all there is, why, he asks, is it not possible to make poor countries wealthy by simply transferring “good” institutions to them? He goes on to say that institutions, such as democratic government, only work well, if certain conditions are fulfilled—conditions related both to cognitive competence and its “background factors” (p. 486). A similar point has been made forcefully by Dennis C. Mueller in his *Reason, Religion, and Democracy* (2009), but he, too, did not take cognitive abilities explicitly into account. Rindermann thinks that this is a mistake because, according to him, they constitute the “missing link” between institutions and economic and political outcomes.

In the final chapter Rindermann puts forward his policy recommendations. Most are commonsensical and are in line with what you would expect after having read this book. But, although knowing much of the relevant economic literature, the author is not an economist and it shows in some of his proposals (e.g., those about welfare policy and institutional reforms), when he seems to be jumping to conclusions instead of arguing as carefully as has been his wont in the previous chapters. However, this criticism does not apply to his stance on migration policy. In this case, his proposals are well argued and they not only follow directly from the results of his own research, but are also corroborated by the conclusions reached by prominent migration economists (such as George Borjas or Paul Collier): You want to pursue an economically rational migration policy, which puts the interests of your fellow citizens first? Then, carefully select would-be immigrants according to their cognitive competence and their cultural background; and do not mix up immigration and refugee policies.

The arguments of Rindermann are indeed crucial for these policy recommendations. Proponents of open borders and free migration often claim that letting in masses of ill-qualified migrants would not be a problem because, after all, their qualifications could

be improved by training and education. But, of course, as Rindermann shows convincingly, qualification measures are no panacea. If you cast the seeds of knowledge on barren ground, not much of cognitive competence will sprout. This is a point that migration economists, to the best of my knowledge, have not made yet (at least not explicitly)—but it is a point that has to be made. Economists must no longer, as it were, beat around this particular bush; even if the truth is inconvenient or controversial, it is the duty of scientists to speak it.

Whether or not you agree with Rindermann, his arguments deserve to be heard, to be discussed, and, of course, to be criticized. What they certainly do not deserve, is to be ignored or to be dismissed for reasons of political (in)correctness.

Besides the aforementioned problems with Rindermann's policy proposals, there are two other shortcomings. Firstly, the author relies on hard data to make his argument, but also uses a lot of anecdotal evidence to illustrate it—much of which is from his own experience gathered on travels far and wide. These anecdotes are entertaining and make for a lively reading, but I did not find each and every one of them plausible and convincing. Then again, as they only serve for the purpose of illustration, this is not much of a problem. Secondly, and more importantly, Rindermann's command of the English language is not on a par with the high level of his scholarship: There are a lot of Germanisms, some grammatical mistakes, some spelling mistakes (e.g., "wellbeing" instead of "well-being"), and quite a few unusual, even quaint, expressions that a native speaker would never use.

For example, the author very often speaks of "burgher" in the place of more appropriate words like "bourgeois" or "citizen". But the word "burgher", if it is at all used today, has a very specific historical connotation which, I am sure, the author did not intend to make use of. Having said this, I hasten to add that, nevertheless, the book is definitely readable. The author succeeds in getting his arguments across and there is really no danger of them being misunderstood. Of course, the literary buck always stops with the author—but, in my mind, the publisher has to bear at least part of the blame. Rindermann, in his preface, thanks the people at Cambridge University Press—but I am not sure that they really deserve a lot of gratitude. They ought to have polished the language or, at the very least, seen to it being polished—a duty which they shamefully neglected. It is a pity that this easily avoidable weakness has not been avoided. Therefore, the reading experience is not as good as it might have been and, more importantly, readers might be put off or might take Rindermann's arguments less seriously than they deserve—because there is always the danger that arguments couched in unusual or awkward terms will be disregarded or underestimated. I strongly recommend (potential) readers to put up with—or, if possible, to overlook—the linguistic defects of this book. What little effort is needed, will be richly rewarded by a trove of stimulating ideas and valuable insights.

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Reference

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