

***Success and Luck: Good Fortune and the Myth of Meritocracy,*  
by Robert H. Frank. Princeton: Princeton University Press, 2016.  
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Since the 1970s, Cornell economist Robert Frank has been writing highly readable, engaging academic and popular articles and books, including a Sunday column for the *New York Times*, that creatively address the empirical, analytical, and normative dimensions of two central, well-recognized questions in business ethics: When and how does ethics pay for firms and individuals? And when and how does egoism harm society, and sometimes egoistic firms and individuals? In his most recent book, *Success and Luck*, on the role of good luck and whether its fortunate recipients respond to it with becoming gratitude or less-than-becoming denial, Frank continues his exploration of these central questions. In this book he also explores two other key questions that are the obverse of the first two and that have long preoccupied him, but that have not been widely recognized as central in business ethics: When and how is Adam Smith's invisible hand model right in linking self-interest with social benefit? And when and how do non-egoistic, socially-oriented motivations harm society?

The first four chapters of *Success and Luck* are predominantly positive in their orientation, in that they aim at persuading the reader of the importance of luck in human affairs, rather than in spelling out the normative arguments related to how we should think about luck that are central to the final four chapters. The first two chapters focus on stories. Some are dramatic—such as Frank's own lucky survival from a tennis court heart attack, and a rock musician's unlucky crushing by a giant falling hay bale as he drove down an English country lane. Others—such as Frank's own lucky success at getting papers accepted at a crucial juncture as a junior faculty member and the lucky success of Bill Gates in getting the contract for the IBM PC's operating system—are designed to illustrate the relevance of luck in careers and business as well as in personal affairs. In the next two chapters, the focus becomes academic. In chapter 3, Frank discusses how the effects of luck are multiplied by increasingly widespread winner-take-all markets (a subject of an earlier book by Frank, co-authored with Philip Cook [1995]) that allow the best in fields ranging from accounting to opera singing to computer software to enjoy huge rewards compared to competitors who are nearly as good. In chapter 4, he turns to the central piece of original economic empiricism in *Success and Luck* (we will turn later to the book's psychological empiricism): a simulation study, summarized more fully in one of the appendices, that shows how the winner of a tournament with a large number of contestants typically is not the contestant with the highest level of skill plus effort, even when the contribution of luck to winning a given contest is relatively small. So, for example, in a tournament with one hundred thousand contestants and a low .01 luck factor in each round, the contest winner will be someone other than the highest skill/effort contestant 68 percent of the time.

In the normatively-oriented chapters 5 through 8 of the book, Frank's unusual ranginess—his ability to tease out the positive as well as the negative consequences of homo economicus for himself and other living things, as well as his ability to illuminate both counterintuitive negative consequences and counterintuitive positive consequence of socially-oriented human nature for the socially motivated and for the rest of us—is on display. In chapter 5, he gives egoism its due with a nuanced, ambivalent reflection on how denying the role of luck in one's success, much as it counters reality and contributes, in his view, to undesirably stingy public policy, is functional not only to individuals but arguably also to society, in that it stimulates individually and socially beneficial effort less likely to come from those of us with a more realistic view of the role of luck. There is value, in other words, to the conservative denial of luck's role in success as well as to the liberal insistence on it. In chapter 7, he focuses on the downside of a particular kind of social motivation, the concern for relative position, that he has explored in numerous works; the argument, which is similar to that in his previous book *The Darwin Economy* (2011), is that wasteful expenditure cascades associated with the desire to be ahead of one's peers can be countered, to the benefit of all, by a change from an income tax to a progressive consumption tax.

The repetition in chapter 7 of the expenditure cascade point found in Frank's last book and elsewhere in his oeuvre recurs in *Success and Luck*; much as the book's focus on luck is novel for Frank, many of the arguments and some of the anecdotes are not. *Success and Luck* is thus less of a value-add for readers already familiar with Frank's work than for those who are not. For those of us who are, the occasional repetition of familiar points is leavened by Frank's sprightly style and his consideration of fresh points related to his central arguments; for example, he responds thoughtfully in *Success and Luck* to concerns, which I recall having in reading *The Darwin Economy*, that allowing public policy to be influenced by concerns over relative position, as Frank believes we should sometimes do, impermissibly rewards envy and jealousy. In his discussion of this issue, and elsewhere, Frank resists simple ideological pigeonholing. Much as he is on the liberal side of the spectrum, and favors highly progressive rates on consumption, he does not favor an increase in income tax rates for high earners. On tax policy as on other issues, readers who want simple ideological conformity will find Frank frustrating, while readers who appreciate resistance to the dogmas of one's own side as well as to the other sides' dogmas will be more appreciative.

No book by Frank would be complete without original psychological/behavioral economics empiricism. In chapter 6, he reports on a study he and an associate conducted showing that people who had linked good things that had happened to them with good fortune donated more of their take from the experiment to charity than those who had associated the good things with their own skills. In the final, culminating chapter, he describes a study that, in keeping with one major strain in his work, considers how ethical conduct may be more advantageous to ethical people than one might think. Specifically, he examines how a business leader who modestly attributes much of his success to good fortune and others' work is evaluated more favorably on certain dimensions by respondents than one who conceitedly attributes

his success to his own virtues. In his description of the survey, and of the rest of the studies in *Success and Luck*, Frank gives all of us who teach business ethics useful, engaging material that creative readers can readily adapt for classroom use.

Beyond its value as a source for pedagogy, an entertaining read, and a provocative political argument, *Success and Luck*, and Frank's extensive body of work as a whole, should be taken seriously by business ethicists at both methodological and substantive levels. Methodologically, Frank naturally and persuasively bridges the normative-empirical divide that has, with the rise of empirically-oriented business ethics, become an ever more pressing issue for the field. Watching him walk the tightrope can and should help the rest of us to do better in that regard. Substantively, his close attention not only to the long-standing questions in the field as to whether and how ethics pays, and whether and how egoism harms egoists as well as society, but also to the non-standard yet highly important questions of how egoism in certain forms can be helpful to society, and how social motivation in certain forms can be harmful to society, is exemplary.

If business ethics is not to be a blinkered, cloistered field, non-standard as well as standard questions about ethics, egoism, society, and policy need to be reflected upon and thought through in an open-minded, passionate, insightful way. The person who does so best has a good claim to being considered our best business ethicist, even if he or she is not considered by most of his or her readers, or by himself or herself, to be a business ethicist at all. Robert Frank, in this reviewer's judgment, has a very good claim, much as he would not advance it himself, to being considered our best business ethicist. He would, in any case, certainly be the person one would want to go to for a modest, pleasant demurrer that, in the spirit of *Success and Luck*, attributes his prowess in our field to good fortune.

#### REFERENCES

- Frank, Robert H. 2011. *The Darwin Economy: Liberty, Competition, and the Common Good*. Princeton: Princeton University Press.
- Frank, Robert H., and Philip J. Cook. 1995. *The Winner-Take-All Society: Why the Few at the Top Get So Much More Than the Rest of Us*. New York: Free Press.