A Smart Solution to the Diversity Dilemma

Jason Richwine
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It was not the kind of message a Harvard seminar expects to hear. *Ethnic diversity causes a lot of problems*, our guest speaker told us. It reduces interpersonal trust, civic engagement, and charitable giving. It causes us to disengage from society, like turtles shrinking into their shells, reducing our overall quality of life. The more diversity we experience in our lives, the less happy we are.

I came to Harvard to study public policy in the fall of 2004. All of the first-years like me had to take a special seminar class where we would discuss the philosophy of science and the nature of good research. The best class days featured established scholars who would come to present their own papers, which were real-life examples of good research.

The guest speaker who came to discuss diversity was political scientist Robert Putnam, who is something of a celebrity in academic circles. With the publication of his 1995 article "Bowling Alone," Putnam helped bring the issues of social trust and civic participation to the forefront of social science. His article became a popular book, also called *Bowling Alone*, in 2000. Written for a general audience, the book chronicled the rapid decline in civic engagement that had taken place in the United States since 1950, and argued that communities without strong social ties are less happy and less successful. The article and the book garnered Putnam numerous media appearances and spawned reams of response articles in academia.

Putnam began by telling us about one result he encountered that was thoroughly upsetting to him—the more ethnically diverse a community is, the less social capital it possesses. When a person lives in a diverse community, he trusts *everyone*less, including those of his own ethnic group.

So how did Putnam come to conclude that ethnic diversity is so problematic? The answer begins with the notion of "social capital," which Putnam defines in simple terms—"social networks and the associated norms of reciprocity and trustworthiness." Social capital turns out to be an exceptionally valuable commodity. Building complex networks of friends and associates, trusting others to keep their word, and maintaining social norms and expectations all grease the wheels of business by enabling cooperation.

But the value of social capital goes well beyond economics. Many of the activities from which people draw the most deep and lasting satisfactions are stronger and more prevalent in areas with high social capital. People living in these places tend to have more friends, care more about their community, and participate more in civic causes. Where social capital is greater, Putnam says, "children grow up healthier, safer, and

better educated; people live longer, happier lives; and democracy and the economy work better."

After *Bowling Alone*, Putnam's next step was to determine why some communities have more social capital than others. To find out, he helped organize a large nationwide survey of social capital indicators that sampled about 30,000 people from a broad array of cities, towns, and rural areas. By collecting demographic information about the individuals and the places they lived, Putnam hoped to gain insight into what makes for a trusting and neighborly community.

When he spoke to my class in 2004, Putnam had started to analyze the survey data, but he had not yet published any findings. He began by telling us about one result he encountered that was thoroughly upsetting to him—the more ethnically diverse a community is, the less social capital it possesses. When a person lives in a diverse community, he trusts *everyone* less, including those of his own ethnic group. In describing the behavior of people in diverse areas, Putnam told us to imagine turtles hiding in their shells.

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Putnam walked us through how he came to his conclusion. At first, it was just a simple correlation. Looking at his list of the most trusting places, Putnam found whole states such as New Hampshire and Montana, rural areas in West Virginia and East Tennessee, and cities such as Bismarck, North Dakota and Fremont, Michigan. Among the least trusting places were the cities of Los Angeles, San Francisco, and Houston. The most trusting places tended to be homogenously white, while the least trusting places were highly diverse.

Putnam told us he had been fairly certain the correlation would go away once other factors were taken into account. But it didn't. He entered a long list of control variables into regression analyses that predict elements of social capital such as neighborly trust and civic participation. Many factors—especially younger age, less education, and higher poverty and crime rates—seem to damage community relations. But none of these factors could explain the robust, negative relationship between ethnic diversity and social capital. Sounding almost defeated, Putnam told us that ethnic diversity is not merely correlated with certain community problems—it causes them.

After finishing his presentation of the data, Putnam began a class discussion. He asked us whether we thought that all relevant scientific findings, no matter how disagreeable, deserve a public airing. Perhaps he was just trying to get us to think about difficult issues, but Putnam seemed genuinely conflicted himself. His concerns were rooted, understandably, in his personal politics. A man of the Left, he told us that he was deeply worried about being seen as advocating some form of "ethnic cleansing," or being associated with the far Right in general.

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Whether he really valued our advice or not, I remember stating my own view, which is that democracy and freedom are built on the assumption that ordinary people can and will process important information. Self-censorship reminds me of Plato's philosopher-kings telling "noble lies" to the unwise masses. If we take self-government seriously, then important information should be made available to all.

I'm not sure whether Putnam agrees with me, but he did finally publish some of his findings in a 2007 article. Though he began the article with some questionable reassurances that diversity offers long-run benefits, he pulled no punches in regard to its many "short-run" costs. He warned in particular that immigration makes the United States and Europe more diverse every year, and that incorporating immigrants into our communities would be one of the central challenges of the 21st century.

The public reaction to this was surprisingly quiet. Some reporters summarized the findings, but the issue quickly disappeared from the pages of newspapers and magazines. Among academics already familiar with Putnam's work, there was perfunctory agreement that our society needed to work harder to foster community, but few new ideas were ever offered. Anecdotally, most scholars outside of Putnam's field, not to mention the general public, have never even heard of his most recent findings.

Higher IQ people appear to be more morally sophisticated, altruistic, and forward-looking. They exhibit higher levels of civic participation, more strongly adhere to middle-class behavioral standards, and cooperate more readily.

Consider how surprising this is. Achieving diversity, especially ethnic diversity, is an explicit goal of virtually all major corporations, universities, and government agencies. The U.S. Supreme Court has declared that diversity is a "compelling state interest" that overrides legal prohibitions on race-based school admissions. Top politicians routinely utter some version of the phrase "diversity is our strength" in speeches. Our immigration policy even features a "diversity lottery" that randomly offers green cards to foreign nationals whose primary qualification is that they come from exotic countries. Two years after Putnam wrote publicly about diversity's problems, and at least five years since he has been presenting his findings informally, nothing has changed. We still treat diversity as an unqualified good.

The sensitivity of the topic probably discourages an honest conversation about the problems of diversity, but it is difficult to come up with solutions when we do not talk about the problem. So let's have the discussion, considering all the evidence. Eventually, we should work toward an objective accounting of diversity's strengths and weaknesses. The results could tell us how much (if any) further ethnic diversity is worth pursuing.

My goal here is a more modest one, which is to explore how we can use immigration policy to make future diversity, whatever level we choose, more manageable. I am going to assume that some amount of immigrant diversity is valuable or inevitable, or both. Given that assumption, our goal should be to carefully select diverse immigrants who do the least harm to social capital. If immigrants could possess certain characteristics that tend to increase social capital, then the impact of ethnic diversity could be at least partially mitigated.

People in less intelligent populations will be less willing to set up networks for potential long-term payoffs, make personal investments in the community, and follow basic norms of behavior with the expectation of future reciprocity.

I intend to focus on one such important characteristic—how smart the immigrants are. Intuitively, it is not a stretch to believe that smarter people are better at organizing networks and understanding the long-term benefits of cooperation, and a burgeoning academic literature confirms that intuition. IQ, a construct that psychologists use to estimate general intelligence, has been separately linked to elements of social capital, such as sophisticated ethical thinking, altruism, planning for the future, political awareness, adherence to informal community standards of behavior, and cooperation for the greater good. Despite this research, the direct link between intelligence and social capital has been drawn only in a handful of technical articles. It is time to bring the IQ-social capital link out of the academic journals and into the policy debate. Doing so could help us deal realistically with the problems Putnam has identified.

The social attitudes of citizens are the building blocks of social capital, and IQ plays a role in shaping many of them. For example, psychologists have developed measures of moral reasoning that overlap substantially with IQ. When confronted with a moral dilemma, a person operating at the lowest level of moral reasoning would consider only his own self-interest. As moral reasoning becomes more sophisticated, people tend to give more consideration to community welfare, and to apply abstract principles to resolve moral dilemmas. Because of the cognitive demands of such reasoning, smarter people are much more likely to transcend simple self-interest in their ethical thinking. People who do so are likely to be better neighbors and better citizens.

Intelligent people are also likely to be more altruistic, which could help form tighter bonds within communities. In one recent study, researchers presented a group of undergraduates with a series of situations in which they get one amount of money and a stranger gets another amount. Then they had the undergraduates rank their order of preference for each situation as the amounts of money change. Altruistic people were defined as those who preferred less money for themselves in order for a stranger to receive a higher amount. The most altruistic people scored nearly 8 points higher on an IQ test than the least altruistic people.

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Another trait important for maintaining social networks is the willingness to plan for the future rather than live for the moment. Last year, two Yale psychologists systematically reviewed the best studies of the relationship between IQ and “delay discounting,” which means acting impulsively. The typical experiments surveyed by the authors involved a series of hypothetical offers of cash (or some other reward) made to participants with known IQ scores. Each offer would consist of a lesser reward in the present versus a larger reward at some future date. The authors of the survey concluded that higher IQ people are almost always found to be less impulsive.

It makes intuitive sense that smarter people should be able to internalize future rewards more easily. They are probably more future-oriented because they can better manipulate their surroundings, whereas incompetent people exert less control on their future, making it murky and unknown. Whatever the cause, the impulsivity of low-IQ people has serious implications for social capital. People in less intelligent populations will be less willing to set up networks for potential long-term payoffs, make personal investments in the community, and follow basic norms of behavior with the expectation of future reciprocity.

We have seen that smarter people tend to be more ethically sophisticated, altruistic, and future-oriented. All of these traits are theoretically useful for creating social capital, but are smart people actually better citizens and neighbors in practice? For real-world evidence, we should turn first to civic participation, a major component of social capital. Various survey data indicate that IQ is an important and independent predictor of voting, membership in various social organizations, daily newspaper reading, and tolerance of free speech rights. It is clear that smarter people tend to value and participate in the political process more.

Outside of politics, a revealing behavioral link between IQ and social capital comes from *The Bell Curve*. Many people remember Richard Herrnstein and Charles Murray's controversial bestseller for its discussion of racial differences in IQ, but the book was mainly about the ways in which a person's intelligence helps to shape his attitudes and behaviors.

One of the behavioral measures the authors examined was something they called the middle-class values (MCV) test. People pass the MCV test if they do *all* of the following—graduate from high school, avoid jail, stay married to a first spouse, maintain employment, and wait until marriage to have children. There are no formal laws against illegitimacy, divorce, or idleness, but there is a stigma against these behaviors among middle-class people. People who pass the MCV test are obeying social norms whose strength depends not on law enforcement but on social capital. They are following an implicit social contract. In Herrnstein and Murray's words, middle-class values reflect "ways of behaving that produce social cohesion and order."

Herrnstein and Murray divided people into five cognitive classes based on their performance on an IQ test. Among people in the highest cognitive class, 74 percent passed the MCV test, but just 16 percent passed in the lowest class. This relationship between IQ and middle-class values remained strong even when the authors compared people who grew up in the same household environments.

The last and most important behavioral link between IQ and social capital is cooperation. Garett Jones, an economist at George Mason University, recently authored a clever study of prisoner's dilemma games played on college campuses. The game usually involves two people who could achieve the best overall payoff through cooperation, but who are each tempted to betray the other for a greater personal gain. The catch is that both players betraying each other results in the worst possible outcome for each. It is easy to see how selfishness and suspicion can ruin the chances for cooperation in this scenario.

Prisoner's dilemma games have been played as experiments on college campuses to test all sorts of hypotheses over the years. The key insight made by Jones is that average SAT scores for each college are known, and the SAT is a good proxy for IQ. Jones correlated the proportion of students who cooperated in the prisoner's dilemma at each college with the average SAT score of the college.

He found a substantial and robust correlation. To illustrate, schools with SAT scores around the national average of 1000 cooperated about 30 percent of the time when faced with the prisoner's dilemma. Top-flight colleges with average SAT scores around 1450 cooperated about 51 percent of the time. The study strongly suggests that groups with higher levels of intelligence are better at cooperating, and cooperation is one of the most important elements of social capital.

In summary, higher IQ people appear to be more morally sophisticated, altruistic, and forward-looking. They exhibit higher levels of civic participation, more strongly adhere to middle-class behavioral standards, and cooperate more readily. This evidence, taken as a whole, confirms that intelligence and social capital are strongly related.

Some clear policy implications follow. What we want are immigrants who are most likely to be cooperative, trustworthy, and concerned about the welfare of the community. No one has any simple, reliable way of ascertaining whether an individual possesses these qualities. But we do have a simple, reliable way of measuring another quality that is correlated with them—cognitive ability, as measured by an IQ test or an educational credential. The smarter our immigrants are, the more likely they are to trust and cooperate, and the less likely they are to subtract from our existing stock of social capital. Selecting immigrants for intelligence (or a proxy indicator like education) could lessen the negative impact of ethnic diversity on American society.

This proposal works especially well in the broader debate over immigration. Many economists have advocated that the United States de-emphasize family preferences in favor of skill-based selection, much as Canada and Australia have already done. Though few people ever describe "skill" selection as a search for people with high IQs, immigrants with advanced degrees and sought-after talents are usually quite intelligent.

Skill selection is a desirable way of addressing the problem of ethnic diversity because it is already a policy option on the table. More intelligent (or educated) immigrants would be more productive workers, and they would also have a much less objectionable social impact on the United States due to their enhanced ability to cooperate. Putnam's concerns about deteriorating social capital form another argument for immigrant skill selection.

When Robert Putnam came to my class five years ago, he presented some surprising and provocative results. But even more surprising is that his findings, public for at least two years, have generated so little substantive discussion among policymakers. The challenge that ethnic diversity poses to 21st century communities is significant, and meeting that challenge requires robust public discussion and debate. That discussion should include not just how we deal with the diversity of our current population, but

how we can ensure future diversity causes as little harm as possible. Selecting intelligent immigrants is the smart way to begin.

Jason Richwine is National Research Initiative fellow at the American Enterprise Institute.