

# Book Review: Success and Luck: Good Fortune and the Myth of Meritocracy by Robert H. Frank

[blogs.lse.ac.uk/lseviewofbooks/2016/06/28/book-review-success-and-luck-good-fortune-and-the-myth-of-meritocracy-by-robert-h](https://blogs.lse.ac.uk/lseviewofbooks/2016/06/28/book-review-success-and-luck-good-fortune-and-the-myth-of-meritocracy-by-robert-h)

*What role does luck play in economic success? In **Success and Luck: Good Fortune and the Myth of Meritocracy**, Robert H. Frank argues that the wealthy tend to underestimate the role that chance plays in acquiring status and money, and explores how this consequently discourages support of taxation. While this short read could draw upon other discussions of luck to bolster its key claims, this is a convincing and engagingly written work, writes Dan McArthur.*

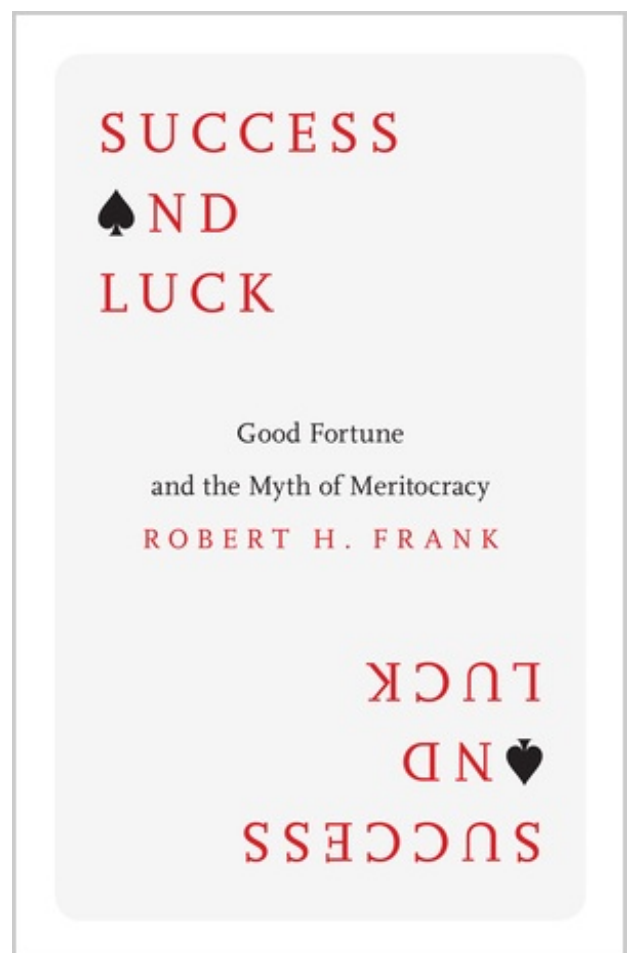
**Success and Luck: Good Fortune and the Myth of Meritocracy**. Robert H. Frank. Princeton University Press. 2016.

Find this book: 

Consider the owner and founder of a successful business. Did they make it all on their own, through hard work, dedication and talent, or did luck play a role in their success? Hard work and talent might be needed to identify an untapped market or a revolutionary business model, but our businessperson still required luck of several kinds. They were lucky that another entrepreneur didn't get there first, or that an established company was unable to muscle in on their business. However, they were also lucky to be born in an affluent society where they could be educated for free in publicly funded schools, and where governments have invested in the roads on which their products are transported and in a police force to prevent their wealth from being stolen.

In *Success and Luck: Good Fortune and the Myth of Meritocracy*, Robert H. Frank argues that wealthy people fail to appreciate the central role that luck plays in their success, and are thus unwilling to support taxation to fund public infrastructure that benefits everyone. Frank is an economist at Cornell University and a columnist for the *New York Times*, and is well known for popularising the idea of the 'winner-take-all society'.

*Success and Luck* is written in a clear, engaging and personable style, not least because it is littered with anecdotes and stories illustrating the huge effects that tiny chance events can have. I found examples from Frank's own life especially compelling. These include two near-death experiences – a heart attack and a windsurfing accident – as examples of how tiny contingencies can quite literally have life and death implications. The book also discusses more systematic evidence of the role of luck, such as the effects of the month in which someone happens to be born on their chances of becoming a CEO or a professional athlete. More generally (as Branko Milanovic argues), at least half of the variance of incomes across the world is explained by two factors: the mean income per capita and level of inequality in the country in which an individual happens to live. Being born in the right country has a huge impact on the success you can expect to have.





**Image Credit: (Ana CC 2.0)**

For Frank, luck is especially important to economic success in the era of ‘winner-take-all markets’. This term refers to a situation where transportation and communications technology increases the competitiveness of markets and, in doing so, allows the producers of the best products to capture the entire market. One of Frank’s examples is the way in which local accountancy firms have gradually been superseded by franchised services, and then by tax software. Where once the best accountant in a given town would have served only the richest customers in that particular town, now the producer of the best tax software can sell their product across the world.

In winner-take-all markets, there are more people competing to provide the best product, and the winner can take the entire prize themselves. Frank argues that under such circumstances, ability and effort are important, but so is luck. He uses mathematical simulations to show that, as contests get larger, luck becomes more important in determining the outcome, and the winner of the contest is less likely to be the most ‘skilful’ but rather the luckiest.

Drawing on behavioural economics and psychology, Frank discusses some of the cognitive biases that lead successful people to fail to appreciate the role of luck in their success. It seems to be harder to delay gratification and self-motivate if you believe that luck, rather than effort, plays an important role in your life. But overlooking the role of luck makes successful people more hostile to paying taxes. For Frank, in the US at least, this unwillingness to support higher taxes is seriously damaging physical and social infrastructure, including the roads, railways and public education on which the entire population depends. This under-investment in public goods is harmful even to the most successful members of a society, because they also benefit from public goods. The analogy he uses is that it is better to drive a \$150,000 Porsche on well-maintained roads than a \$333,000 Ferrari on a road full of potholes.

Frank’s solution to this chronic underinvestment depends on his view that consumption is shaped by *frames of reference*. What people consume is shaped by norms and expectations that depend on what those around them are consuming. In Frank’s view, consumption choices are socially shaped to the extent that if you taxed everyone more (above some minimum threshold), people’s happiness would not change much because they would maintain their relative position in the income hierarchy. He argues that his proposed solution to chronic under-investment – a progressive consumption tax – will not actually harm the rich very much, because the consumption of all of the rich is scaled down – the richest person can still afford the house with the best view, and the second richest person can afford the house with the second best view.

*Success and Luck* is a short book. There are some really interesting aspects of luck that Frank doesn't discuss. For example, the philosophers [Bernard Williams](#) and [Thomas Nagel](#) have argued that the central role of luck in people's lives can seriously challenge common-sense beliefs about morally holding people to account for their actions. Another issue worth exploring is [the role of beliefs about luck in attitudes towards poverty](#): people are much more supportive of welfare payments aimed at people who are seen as being in poverty through no fault of their own.

One possible criticism of the book is that Frank assumes that people need to be talented and hard-working, as well as lucky, to be successful. This may understate the role that social background can play in getting access to prestigious jobs and opportunities – both the class-, race- and gender-based advantages of '[looking the part](#)' [4] as well as inheritance and nepotism. However, if the job of this book is to convince our hypothetical entrepreneur to support higher taxes, then Frank has pitched his arguments pretty well.

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**Dan McArthur** is a PhD student in the LSE Department of Sociology and the LSE International Inequalities Institute. His research investigates the relationship between economic inequality and the stigmatisation of people in poverty in public opinion. Dan holds an MSc in Sociology from LSE, and a BA in Philosophy, Politics and Economics from the University of Oxford. His broader academic interests include the study of social class, comparative political economy, the philosophy of social science and sociological debates about immigration and multiculturalism. [Read more by Dan McArthur](#).

*Note: This review gives the views of the author, and not the position of the LSE Review of Books blog, or of the London School of Economics.*

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