

Evolutionary Psychology

www.epjournal.net – 2010. 8(2): 189-193

Book Review

Primate Economics 101

A review of Stephen A. Marglin, *The Dismal Science: How Thinking Like an Economist Undermines Community*. Harvard University Press. Cambridge, MA, 2008, 359 pp. US\$ 37.00 ISBN 978-0-674-02654-4 (hardback), US\$ 22.95 ISBN 978-0-674-04722-8 (paperback).

Joseph Henry Vogel, Department of Economics, PO Box 23345, University of Puerto Rico-Rio Piedras, San Juan, P.R. 00931-3345, USA. URL: www.josephhenryvogel.com.

Gamaliel Lamboy, Department of Economics, PO Box 23345, University of Puerto Rico-Rio Piedras, San Juan, P.R. 00931-3345, USA. Email: glamboy@yahoo.com.

Fernando Tormos-Aponte, Department of Economics, PO Box 23345, University of Puerto Rico-Rio Piedras, San Juan, P.R. 00931-3345, USA. Email: fernandotormos@hotmail.com.

There are many ways to read a book, some of which are unwanted. Stephen A. Marglin anticipates that *The Dismal Science* (2008) may lend itself to an evolutionary reading and he discourages any such attempt. “I would strongly caution against putting too much faith in any assumption about human nature. What we know about human nature relative to the claims that are made about human nature is about the same as the relative weight of your little finger and the weight of your body” (p. 38). Paradoxically, Marglin prefaces that remark with an emphasis on the “pre- or nonmodern in all of us.” Over the next 300 pages, he does not once brook the obvious question of why “pre- or nonmodern” behaviors would be so resilient. Instead, he examines the century-old building of the “Church of Economics” whose faithful may now rise to the bait of the book’s subtitle, *How Thinking Like an Economist Undermines Community*. The incensed churchgoer may rejoin: Is the Harvard professor just swapping one set of cherished tenets, viz. “sovereign preferences” and “radical subjectivism” for another, “malleable preferences,” “mutual dependence,” and “path dependency?” Enter an uninvited guest: evolution. To the extent that it can explain the origins of malleable preferences, etc., a synthesis of *The Dismal Science* with evolutionary psychology not only justifies the swap but may also suggest new streams for empirical research.

The Dismal Science debuted in 2008, five years after Sarah F. Brosnan and Frans de Waal published the results of controlled experiments on inequity aversion among capuchin monkeys (*Cebus apella*). The title of their article was “Monkeys Reject Unequal Pay” and the

venue, *Nature*. Picked up by the media with much fanfare, the story would have been almost impossible to miss. In other words, Marglin is ignoring evolutionary psychology despite its relevance to his thesis. For example, de Waal has documented diverse cultural norms among the bonobos (*Pan pansicus*) over an illustrious career at the Arnhnem Zoo and Yerkes Primate Center. His award-winning *Our Inner Ape: A Leading Primatologist Explains Why We Are Who We Are* (2005) relates Marglin-type “path dependency” and “mutual dependence” in riveting vignettes about captive bonobos. But like humans, the “malleable preferences” of the bonobos are not boundless and the similarities suggest homologies: “primate experiments show how cooperation breaks down if *benefits* aren’t shared among all participants, and human behavior likely follows the same principle” (italics ours, p. 245). Synthesis is a two-way street and from Marglin’s discussion about the Amish and their rejection of insurance, the economist-reader can glean the following hypothesis for the primatologist-practitioner: human experience shows how cooperation breaks down if *costs* aren’t shared among all participants, and bonobo behavior likely follows the same principle. If the curiosity of the primatologist is not sufficiently piqued to devise some clever experiment about monkeys rejecting social arrangements with unequal burdens, then it falls upon the economist to go to the zoo. Keith Chen at Yale University is doing just that. His trailblazing work was featured in *Forbes* (Fisher, 2006) with reports of money use and prostitution in capuchin monkeys, apparently the favored genus for such controlled experiments.

Many more such experiments can be imagined by synthesizing *The Dismal Science* with *Our Inner Ape*. A model is *The Evolutionary Bases of Consumption* (2007) in which Gad Saad synthesizes several hundred published works and suggests multiple research streams about consumer preferences (for a review, see Vogel, 2008). Not fully explored in Saad’s *tour de force*, is the behavior of human groups as manifested in institutional norms. So, when *The Dismal Science*, *Our Inner Ape*, and *The Evolutionary Bases of Consumption* are read together and accompanied with relevant YouTube clips, a canon emerges which we will call PRIMATE ECONOMICS 101 (warning for legislators in the Lone Star State: lots of clips of same-sex sex among bonobos).

The first lesson of rhetoric is to identify the audience. Who is the public for PRIMATE ECONOMICS 101? The answer is implied in the course number: undergraduate students. Make no mistake. We are not holding our breath that any such course will appear anytime soon in the economics curriculum. *N.B.* Both Saad and Marglin are not in Departments of Economics. To use Marglin’s nomenclature, students lack “agency” (p. 62) and the Church will systematically disregard their preferences. Witness, for example, the conspicuous absence of ECOLOGICAL ECONOMICS from the curriculum despite mass extinction, climate fluctuations, ozone depletion, and so on. The hope for PRIMATE ECONOMICS 101 lies in other departments where professors need not choose between the “foundational assumptions” of economics (Marglin, p. 265) and excommunication. Inasmuch as “economics” would be in the proposed course title, the non-economics professor would probably have to justify the intrusion on the economists’ turf. As Saad points out, “academics are Darwinian beings who succumb to coalitional and affiliational thinking, territorial defense, and adherence to dominance hierarchies” (p. 274). We suggest that the syllabus state “reasoning-by-analogy” as part of the course objective, followed by an excerpt about interdisciplinarity from the official mission of the university. The administrator with a sense of history may recall that Charles Darwin and Alfred Russel Wallace analogized natural selection from having read Thomas Malthus’ *Essay on the*

Principle of Population. Both Darwin and Wallace were the age of the median college student today, i.e., a twenty-something-year-old.

What analogies will occur to undergraduate students from a synthetic reading of *The Dismal Science* and *Our Inner Ape*? Can simple word substitutions lend themselves to the type of hypothesis testing and research streams suggested in *The Evolutionary Bases of Consumption*? The first author of this review (a professor of economics) put that question to the second and third authors (undergraduate students). What emerged from the discussion were two research streams, sufficiently broad to resonate across a wide readership but narrow enough to test empirically.

(1) Contracts

Marglin identifies a hole in the economics and law literature and spends a bit more than one page developing the caption “Why Are Contracts Incomplete?”: “Various authors emphasize different reasons, ranging from bounded rationality and the associated inability of the contracting parties to specify all the relevant contingencies, to uncertainty and transaction costs that make it either impossible or suboptimal to write a complete contract” (pp. 168-169). He fills the hole by distinguishing between “algorithmic and experiential knowledge,” a point earlier developed in the criticism against “the modern ideology of knowledge...that privileges the algorithmic over the experiential, an ideology that elevates knowledge that can be logically deduced from what are regarded as self-evident first principles...not only is algorithm privileged; it is the sole legitimate form of knowledge” (p. 46). Experiential knowledge allows one to verify quality which cannot be captured algorithmically through contract clauses. *Our Inner Ape* would suggest a different explanation, viz., dominance hierarchies where authority refers to power and not expertise. Dominance is the overriding motor of decision-making among individuals in bonobo society and de Waal writes “...What if the higher authority came first and attempts at equality later? This is what primate evolution seems to suggest. There never was any chaos: we started out with a crystal clear hierarchical order and then found ways to level it” (p. 87).

Ignoring the social status among the parties of a contract is discordant with the general thrust of *The Dismal Science*. The desire of the alpha individual to maintain his or her position can explain the incompleteness of contracts; leaving things undefined preserves hierarchy. Seen thus, Marglin’s example of university tenure decisions seems a particularly poor one: “In an ideal world, the conditions for being granted tenure would be specified in advance in minute detail (quantity and quality of publications, teaching performance, prominence in the profession, etc.). In practice this is impossible to do, and so the criteria are left fairly vague.” Even before Google Scholar, journal impact factors, and the National Survey of Student Engagement, substitutes existed which could establish criteria for tenure (e.g., print volumes of *Science Citation Index*). With the advent of Google Scholar, etc., one would think contracts *could* become quite complete. The hypothesis is that they won’t because the dominance hierarchy would be threatened from day one of the tenure-track appointment.

As for word substitutions in the context of the above hypothesis, it is disquieting that perhaps only one word need be substituted for the following passage from *Our Inner Ape* to become à propos. We put it in brackets: “Even if rare, observations of such power struggles also give the lie to the idea that bonobo [academic] society is purely egalitarian. Tensions are by no means absent, males are highly competitive, and females can be as well. Rank seems to pay off in a big way” (p. 69).

(2) Authority

De Waal writes “the persuasive power of logic is surprisingly limited” (p. 197). With a few words substituted, a corollary can be generated: the persuasive power of exposing fallacies is surprisingly limited. Indeed, it is so limited that the word “fallacy” does not even appear in the index of N. Gregory Mankiw’s *Principles of Economics*, the textbook so disparaged by Marglin (pp. 5, 182). Only marginally better is the more rigorous *Economics* by Samuelson and Nordhaus (pp. 5-6); they cite just three fallacies even though 42 can be easily retrieved from a popular Internet site about fallacies (Nikzor Project).

One fallacy that coheres with a synthesis of *The Dismal Science* and *Our Inner Ape* is the appeal to authority: “a frequent method of attempting to support a conclusion..[by] cit[ing] some person, institution, or writing that asserts that conclusion” (Salmon, 1984, p. 97). Although acceptance of judgments by legitimate authorities lies at the heart of Marglin’s point about experiential knowledge, the fallacy is about acceptance from *illegitimate* authorities. Analogizing with the bonobos, one suspects that omega humans are more likely to commit the fallacy than are the alphas. Anecdotes come to mind and seemingly separate issues unite: the Iraq war and climate change. At the behest of alpha-posturing George W. Bush, Tony Blair accepted an appeal to illegitimate authority (foreign intelligence from the US, knowingly based on forged letters about Niger uranium) while Bush, almost in tandem, steadfastly rejected Blair’s appeal to legitimate authority (Intergovernmental Panel on Climate Change). The cost of the ongoing war is trillions of dollars (Blimes and Stiglitz, 2008) and the cost of climate change, “on a scale similar to those associated with the great wars and the economic depression of the first half of the 20th century” (Stern, 2008, p. xv). Surveying disasters foreseen by legitimate authorities, *New York Times* editorial observer Adam Cohen finds that “[t]here is no...simple answer today for why so many warnings are ignored” (2010, A22). Ah, but there is and carefully crafted hypotheses about dominance hierarchies and the fallacy of authority are worthy of Mankiw’s pithy definition of economics: “the study of how society manages its scarce resources” (p. 4).

What would be a simple hypothesis testable with a laptop computer and an Internet connection? An unintended experiment is ongoing at most universities where rationality supposedly rules and shared governance is a fundamental principle. Many university websites host blogs to vet a variety of issues. Do high-ranking administrators adopt solutions from low-ranking faculty and even lower-ranking students with or without attribution? Synthesizing *The Dismal Science* and *Our Inner Ape*, we strongly suspect *without*. The right answer cannot come from the wrong person.

References

- Blimes, L. and Stiglitz, J. (2008). *The three trillion dollar war*. W.W. Norton Press: New York, NY.
- Brosnan, S.F., and de Waal, F.B.M. Monkeys reject unequal pay. *Nature*, 425, 297-299.
- Cohen, A. (2010). Cassandra, the ignored prophet of doom, is a woman for our times. *The New York Times*. April 18.
- De Waal, F. (2005). *Our inner ape: A leading primatologist explains why we are who we are*. Riverhead Books: New York.
- Fisher, D. (2006). Primate economics. Feb. 14. Available at: http://www.forbes.com/2006/02/11/monkey-economics-money_cz_df_money06_0214monkeys.html.

- Mankiw, N.G. (2001). *Principles of economics*, 3rd ed. Thomson/South-Western: Mason, OH.
- Nizkor Project. (2010). Available at: <http://www.nizkor.org/features/fallacies/>. Access on April 19, 2010.
- Saad, G. (2007). *The evolutionary bases of consumption*. LEA/Psychology Press: Mahwah, NJ.
- Salmon, W.C. (1984). *Logic*, 3rd ed. Prentice Hall: Englewood Cliffs, NJ.
- Samuelson, P. and Nordhaus, W.D. (2005). *Economics*, 18th ed. McGraw-Hill Irwin: New York, NY.
- Stern, N. 2008. *The economics of climate change: The Stern review*. Cambridge University Press: UK.
- Vogel, J.H. (2008). *A better metaphor*. A review of Gad Saad, *The evolutionary bases of consumption*. *Evolutionary Psychology*, 6, 125-128.