



Book Review

Metaeconomics: tempering excessive greed

To provide context for this review of Gary Lynne's book *Metaeconomics: Tempering Excessive Greed*, I will note that I am a psychologist who has proposed a subself (or multiple self) theory of the mind (or as it is called in departments of psychology, theory of personality). What would a psychologist make of Lynne's book?

My first surprise was reading, in Lynne's review of previous work in economics, how many economists and other scholars have proposed the distinction between acting in self-interest and acting in the interest of others (greed versus empathy in Lynne's terminology). It is indeed high time that someone has reviewed the disparate proposals and united them in a formal model, as Lynne has done.

Unlike many of the others he reviews, Lynne has personally conducted research to test his dual motive theory. To give just one example, in examining the motives to recycle, [Kalinowski, Lynne and Johnson \(2006\)](#) explored how much people would pay extra to buy recyclable products. In general, it is important to test theoretical ideas by doing empirical research, as Lynne has done.

Lynne's thesis is thought provoking. Let me give some illustrations. In his chapter on recycling choices, Lynne provides an example of how we can apply his metaeconomics. The different recycling behaviors motivated by self-interest versus other-interest were clear. But, consider what happens in real life. Assuming we have both motivations, do we compromise and recycle *somewhat*, but not maximally? Lynne seems to draw this conclusion in his set of indifference curves (in Figure 4.1). However, perhaps we act on greed on some occasions and act on empathy at other times. A superficial look at the life of Bill Gates's life comes to mind, where he seemed to be motivated more by self-interest in the earlier part and more by other interest in the later part. Moreover, if the dual motivations create a conflict in the mind, perhaps the person will make no decision (like the donkey who cannot decide which of two buckets of food to approach and dies of starvation). For recycling, but not necessarily for all decisions, not deciding will probably mean not recycling.

Lynne notes the parallel between his two subselves (greed and empathy) and the two trends proposed by the psychiatrist Andras Angyal (the trends toward autonomy and homonomy). For [Angyal, 1965](#), these two trends were only part of the picture; they form the healthy system principle. The unhealthy system principal¹ also has two patterns, the patterns of vicarious living (the hysteric personality) and non-commitment (the obsessive-compulsive personality). Therefore, as

we might fault classical economics for assuming that people are rational, so we might also fault metaeconomics for assuming that people are psychologically healthy. Could we not expand metaeconomics to incorporate pathological subselves? Leading individuals in business are not immune from psychopathology. A prime historical example is Howard Hughes, but casual observation suggests many people in any country are psychologically disturbed.

Lynne cites Abraham Maslow, someone I knew personally.² Maslow proposed five basic needs: physiological, safety, belonging, esteem and self-actualization. Behavior motivated by physiological and safety needs is clearly self-interest, but behavioral choices might differ depending which of these two needs is operating. Lynne's distinction of two selves raise the question of whether, thinking of Maslow's hierarchy of needs, recognizing five subselves might be useful. For esteem needs, Maslow did distinguish between self-esteem (which hints of self-interest) and esteem from others (which hints of other interest). What about self-actualization? It sounds like a self-interest motivator, but self-actualization might well involve taking an interest in others.

Both physiological needs (for example, hunger) and safety needs (such as avoiding danger) are self interest needs, but the physiological needs take precedence over safety needs, according to Maslow. Therefore, to satisfy a need such as hunger, we would sacrifice safety. The same might be true for other-interest objectives, that is, two other-interest objectives may conflict, and one empathic objective may have to give way to another.

Lynne does propose that two subselves (greed/empathy) may not be sufficient (p. 111). He uses Transactional Analysis³ to propose two self-interest subselves, the adaptive Child and the free Child, two other-interest subselves, the critical Parent and the nurturing Parent, and two compromising subselves, the algorithmic Adult and the rational Adult. Lynne also hints that self-interest and other-interest may be operating in the unconscious (p. 143).⁴

Lynne applies his thesis to people's voting behaviour, to financial policy at the micro and macro level (from greed and cronyism in Wall Street to the financial collapse in 2008), to food policy (issues such as sustainability, conservation, and food safety), to health policy (vaccinations and the behaviors of people during the corona virus pandemic, such as panic buying), and to other issues.

[Moldoveanu and Stevenson \(2001\)](#) argued that the possibility of a multiple self, which they believe is necessarily incoherent and internally conflicting, poses problems for the economic conception of rational humans making decisions based on the information that they have. In contrast, psychologists have been more accepting of the possibility that a multiple self may be capable of rational thought. Using the parallel of a

¹ Angyal called this the neurotic system principal, but others have applied it also to psychoses.

² I was Maslow's teaching assistant in 1966.

³ See [Berne \(1961\)](#).

⁴ Lynne uses the term *subconscious*.

group of subselves making a decision as analogous to a group of people in a committee making a decision, [Lester \(2010\)](#) argued that it often happens that group decisions are better than individual decisions.

Lynne's book, as I have indicated, is stimulating in that it provokes many ideas in the reader's mind. Lynne draws together similar ideas proposed by others and contrasts them with his own, provides a mathematical presentation for those so inclined, and provides an excellent starting point for the future elaboration of these ideas.

References

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