ELRR

Review Article

The Economic and
Labour Relations Review
2015, Vol. 26(2) 332–338

DOI: 10.1177/1035304615583613
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Paul Frijters with Gigi Foster, *An Economic Theory of Greed, Love, Groups, and Networks*. Cambridge University Press: Cambridge, 2013; xvii + 430 pp.: 9781107678941.

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We economists are busy as bees writing journal articles. Such diligence is hardly surprising given that, thanks to Business Deans' journal quality lists and Research Excellence rankings, journal articles are usually more highly regarded and rewarded by our departments than are books, at least in the short term. We seemingly fail to recognise, however, that such a strategy only produces spare parts that too few researchers actually use to build a machine. Thus, we need people who can take on the task of bringing order to things and in doing so generate new insights. Such is the achievement of Frijters and Foster in this book. We should also not forget that many important ideas and insights developed by Nobel laureates in economics have actually appeared in books rather than articles. Hence, although 'big data' may rightly have become a buzzword and the 'credibility revolution in empirical economics' is truly underway, I am convinced that the next largest challenges ahead of us are theoretical.

In fact, in explaining this book's development over time, Foster emphasises that it was built on the tractable theory, 'the basic intellectual framework' (p. xii), provided by Frijters, to which she added 'glue, polish, some rejigging here and there, and above all a new source of energy to help put the pieces into place' (p. xii). Although such modesty is commendable, in reality, Foster's liberal arts education and her ability to move effortlessly between disciplines and thought processes have enabled her to flesh out this book's skeleton with the required meat. Such clarification of author roles is warranted because the work is credited to Frijters 'with' (rather than 'and') Foster. Nevertheless, it is Foster who has helped to find the right voice for the work. For example, in the preface she gives the following counsel: 'My best advice to you for coping with its messages on an emotional level is to allow yourself to love, and to retain your belief in a few benign falsehoods. Without them, you are not truly human' (p. xiv). As the great Cervantes suggested, '*Demasiada cordura puede ser la peor de las locuras, ver la vida como es y no como debería de ser*' (Too much sanity may be the worst form of madness – to see life as it is and not as it should be).

On the book jacket, Jeffrey Williamson suggests that 'Paul Frijters offers a unified theory of human behaviour' that is in 'the grand tradition of Gary Becker', a comparison which surprised me because in my opinion Gary Becker was not driven by the 'grand design' that motivates Frijters. Rather, Becker, a master at spelling out and applying the

principal attributes of the economic approach, seems much more interested in using an economic approach to understanding human behaviour in a variety of contexts and situations, while Frijters endeavours to assemble all the puzzle pieces identified and developed in his mind to achieve an overall picture or perhaps better – a narrative. He is, thus, more of a soul mate to thinkers like Kenneth Boulding or John Kenneth Galbraith. Admittedly, Becker and Frijters share one important trait: unlike most economists, neither shies away from unconventional topics. Similarly, both scholars employ a minimal number of economic tools (concepts) to explain a large number of social phenomena, and both seem convinced that the economic approach is applicable to all human behaviour. Thus, Frijters, writing with Foster, stresses that '[t]he challenge in writing this book has been to incorporate [economic concepts] in such a way that they do not lead to the loss of what has been gained in mainstream economics by ignoring them' (p. 30). This strategy permits a certain level of control over dangers and pitfalls; however, sailing into uncharted waters may sometimes require new conceptual habits that are difficult to find. The authors also correctly avoid laundry listing myriad different theories when tackling major questions of love, power, groups, networks and greed. Until now, only good philosophers – and not social scientists – have been successful in bringing order to these major questions because the defining quality of an exemplary philosopher is to have only one single theory.

This tradition of narrowness also applies to topic; most researchers to date focus their books on single aspects of these challenging issues. Frijters and Foster, in contrast, have tried something that should be encouraged more – linking the topics together. If society wishes to develop informed decisions, more weight should be given to such attempts. Therefore, I agree wholeheartedly with the views expressed in the last chapter:

> The combatant nature of academic debate usually means that concepts have to be explained and defended one at a time. I nonetheless take the opposite approach in this book. Love, groups, power, and trade networks together, when added to the mainstream economic view, explain so much more than any of them individually that I believe it is more useful to judge them as a cluster rather than individually. (p. 341)

Thus, Frijters and Foster faced not only the challenge of handling major topics such as love and power but also the task of putting them neatly together to form a cohesive story. This book begins with a well-crafted introduction and preview, which points to such aspects as symbolic expenses that are long overdue for treatment in mainstream economics. In particular, I advise (particularly young) researchers to take a look at the 'Task Ahead' section, which deals with changing how we communicate scientific findings. We do indeed need to increase accountability and transparency by encouraging better communication and disclosure of how scientists reach their insights and conclusions. We should also not obscure all the tracks and blind alleys not followed because these often harbour most of the secrets of scientific success. I also recommend that readers test Frijters and Foster's simple heuristic for thinking through problems and understanding dynamic social situations. In particular, they provide the reader with good exercises on important topics such as taxpaying or voting behaviour, symbolic expenses and environmental regulations. Thus, I see the proposed heuristic as a good tool for collecting and filtering information very quickly when trying to understand new

https://doi.org/10.1177/1035304615583613 Published online by Cambridge University Press

settings and environments, particularly in newly experienced cultures. Not only is this application a natural avenue for the authors' future research – one on which they are already working – but the use of heuristics in general is likely to become ever more important in the context of global information overload.

As to the topics themselves, we economists are well trained to understand the power of greed. But love is a different story. Are we not all experts in love, but do we really understand what love is? Other than Kenneth Boulding (1981), whose *Preface to Grants Economics: The Economy of Love and Fear* has fallen into obscurity, I am unaware of many economists who have tried to shed light on this phenomenon despite the field's general interest in altruism (for exceptions, see also McKenzie and Tullock, 2012; Skidelsky, 2014). Rather, with little regret, they tend to leave it to philosophers, anthropologists, sociologists, or social and evolutionary psychologists to set the tone. Or perhaps the entire topic is truly best left for novelists and poets to carve their marks, etching our hearts with profoundly emotional and subjective experiences. If only they would not constantly confuse love with amorousness. In reality, the lady killers or true Don Juans like Chateaubriand were not the ones that paid attention to the ladies: Chateaubriand was not the man who loved women but rather the man that women loved. Bad-tempered, surly and not particularly handsome, according to Ortega y Gasset (1939), his devotion to a woman lasted only a couple of days. Nevertheless, women who had fallen in love with him in their 20s were still enchanted by this effortless little genius when they were 80.

Frijters and Foster define love 'as caring about the thing or person regardless of any observable reward', implying that 'one truly loves one's children if one feeds them, clothes them, hugs them, educates them, and invests in them, even if one detests all of these activities and even if the children never give anything back' (p. 74). This definition is not too far away from Boulding's concept of the one-way transfer or 'grant', whose importance in social life has been largely ignored by social scientists in favour of two-way transactions. This interpretation naturally links love to a form of unconditional loyalty, and a major strength throughout Frijters and Foster's entire book is the use of stories as examples (e.g. love stories such as love for our partner or our children, the loyal soldier, love of a fan or the faith of a hermit).

At the centre of the love chapter is the Love Principle: 'Love derives from the attempt of the unconscious mind to bargain with something that is believed to be capable of fulfilling desires and that is perceived to be too powerful to be possessed by direct means' (p. 87). This principle implies that love is not a *direct* choice. Rather, the authors see the unconscious mind as a cold, greedy calculator that makes an implicit deal with an expected reward, hoping to satisfy its desire and refusing to love what can be acquired by other means such as power. In the end, therefore, the foundation of their love concept is egocentric: the unconscious mind invests in love when domination is not an option, while the conscious self becomes the slave of such a previous decision. The unconscious is prone to believe in reciprocity and thus will 'implicitly believe that the entity to which [it is] giving [its] love will reciprocate' (p. 88).

The Love Principle situates itself in the long debate between *eros* (need-love, the desire to receive from others what one needs to be happy) and *agape* (gift-love, the wish to give oneself in service to the other) (Brümmer, 1993: 110) by merging the two together. From this perspective, the conscious mind, rather than being a passive observer, helps to

https://doi.org/10.1177/1035304615583613 Published online by Cambridge University Press

assess the power of a person or idea, which must be strong enough to capture its attention. Thus, it acts as a filter, which makes sense mechanically in that consciousness is 'limited to a rather small fraction of mental process' (Bateson, 1972: 136). Moreover, part of understanding a bounded rational human being is to understand attention as a principal function of emotions (Simon, 1983). Nevertheless, although attention is a dominant force for amorousness, it is less clear how important it is for love. Hence, amorousness can be seen as an anomaly of attention or a temporary dotingness that pervades the senses (*sorber los sesos*; Ortega y Gasset, 1939). The question therefore arises of why love should be initiated by the unconscious rather than the conscious mind. Frijters and Foster's answer is the need to preserve self-esteem: 'If we knew we were submitting to something because we could not dominate, our self-esteem would be hurt' (p. 138). They also emphasise that 'love is not a direct choice. Love can only indirectly be chosen by the conscious mind' (p. 87). Yet is love as they see it not in essence a direct choice even when its core emerges subconsciously from the depths of the soul?

Overall, I admire the authors' efforts to tell a story that allows exploration of the most interesting but also most challenging questions: Why does love emerge? What is the start of love? What gives this person the advantage over a set of other individuals? What is the process of preferring and refusing? At the same time, drawing heavily on evolutionary psychology and neuro-scientific arguments, the authors provide an interesting discussion of certain fundamental aspects of how love fits in with evolution, basic desires, and basic mental and psychological processes. Based on an impressive application of such scholarly thought, this discussion offers deeper intuitions about and explorations of the circumstances in which loving relationships are formed. It fails, however, to probe one key aspect related to the authors' core argument: the link between the unconscious and conscious mind. Admittedly, science is still a long way from fully understanding consciousness, which remains a holy grail despite significant research efforts within the last 30 years. The knowledge base is, however, adequate for an entire subchapter on the human brain although, at the risk of nit-picking, I must point out that the authors miss some obvious links that would have helped with their narrative. There is evidence, for example, that intense romantic love is linked with ventral tegmental area (VTA) activity, which is part of the reward system situated in the 'reptilian' brain core, below both cognitive processes and emotions. Thus, it comes from the wanting and craving part of the mind (see, for example, Fisher et al., 2005). Nevertheless, I empathise with Foster's comments in the preface that in tackling major questions, it is impossible to pay homage to everything that could be shown to support the various lines of argument.

Instead, Frijters and Foster use their Love Principle to develop some out-of-sample predictions with which to test the validity of the principle itself, with power consistently at the centre of the analysis as 'an aphrodisiac, capable of drawing love' (p. 126). With a casual empiricism, they refer to Kissinger 'who in answering a query by Chairman Mao as to how he could gain access to beautiful women when he was fat and not very attractive said, "Power is the ultimate aphrodisiac"' (p. 126). Nevertheless, although power may have an impact on (sexual) attraction, its impact on love is less clear, especially given the powerful counter-example of Napoleon. Not only did women not love him, they felt uneasy, displeased and awkward in his presence although he was not an ugly

man. Even the excess of attention that the passionate young general lavished on Josephine did not prevent her cheating on him with the first dancer that came along and responding to his gifts with '*Il est drôle, ce Bonaparte!*' (Ortega y Gasset, 1939). I share Frijters and Foster's view that basic science struggles to understand under which circumstances loving relationships are formed. Helen Fisher, in her TED talk "Why we love, why we cheat," tells the story of a graduate student who was madly in love with another graduate student who was not in love with him. Being aware of Helen's and her colleagues' research, he tried to trigger the brain system for romantic love by inviting her to join him on a noisy, exciting Beijing rickshaw ride in the hope of driving up her dopamine levels and making her fall in love with him. She had a fantastic time, but once she alit from the rickshaw, she threw up her hands and exclaimed, 'Wasn't it wonderful? And wasn't that rickshaw driver handsome!' Although the Love Principle recognises that 'individuals are more likely to initiate love when more emotionally active', in this case, the manipulator's attempt to create circumstances that would make his love interest more emotive (p. 106) seems to have backfired, suggesting that love still has a magical element. It is not surprising, therefore, that the oldest verse forms, *cantus* and *carmen* (a spell, prayer or incantation) involve magic, with the Spanish term *encanto* (to enchant) derived from the magical *incantatio* (Ortega y Gasset, 1939).

The chapter on networks and markets is straightforward without major surprises. It offers good insights into how economists approach this topic by conceptualising a network as the sum of the contacts of individual economic agents. The authors rightly rely on common sense observations because of the difficulty in measuring contact making, a barrier to providing direct empirical evidence that the data science era may help remove. Frijters and Foster do, however, try to elaborate on network dynamics, an aspect missing in many network contributions, which to date have relied too much on the structure of things and not enough on the process itself. As biology has taught us, isolating structure from process is impossible. The case studies presented are well chosen (e.g. Eastern European economic transition and its comparison to China), and it is good to see a discussion of how the creation and destruction of business networks are related to long-term growth and short-term cycles. Unlike many economists in today's specialised world, these authors are able to switch efficiently back and forth between a micro and macro perspective throughout the entire book. Placing contacts at the forefront also necessitates a discussion of such important aspects as how to create the habit of trust and the problems of exchange. The strength of their approach is the relation of networks to emotive groups, which allows links to be drawn between network characteristics and individual and group incentives to produce a causal chain. Nevertheless, using the network construct to predict and understand social dynamics or the political or economic consequences of, for example, innovations and interventions is still in its infancy (for a useful discussion, see Jackson, 2014).

The aim of the chapter on groups and power is, in the authors' words, to 'develop a framework for how individuals relate to groups, how groups form, and what the connections are between political power and group entities' (p. 145). The chapter is thus a good illustration of how Frijters with Foster approach a topic (by 'start[ing] from lived reality or higher order phenomena'; pp. 146–149). Their taxonomy of group archetypes is logical, with level of self-interest, reciprocity and power at its centre. They also discuss what

https://doi.org/10.1177/1035304615583613 Published online by Cambridge University Press

types of actions enhance intragroup and intergroup loyalty and provide examples for the different groups. One key point they make is that 'purely selfish actions can lead to good outcomes at the aggregated level' and that 'many "good" historical decisions were taken for selfish reasons' (p. 170). This book also provides a solid understanding of power. I particularly like that they move quickly from individual power to group power, in which individuals operate in groups, and power includes both outcome and process characteristics that are shaped by existing structures (p. 64). Although the exploration of power has attracted such great minds as Bertrand Russell, Max Weber, Jürgen Habermas, Talcott Parsons, Noam Chomsky, Georg Simmel and Michel Foucault, it remains a fuzzy phenomenon. Interestingly, although I agree with Frijters and Foster that, in general, economists have failed to examine power in much detail, two major contributions on this topic were actually made by economists: John Kenneth Galbraith (cited by Frijters and Foster) and Kenneth Boulding. Both Galbraith and Boulding tried to bring order to the issue by classifying power into different parts: condign, compensatory and conditioned (Galbraith) or threat, economic and integrative (Boulding). Boulding, however, cared more about developing a systematic structure and was particularly interested in system dynamics, a challenging aspect that still requires work and can be linked to Frijters and Foster's contribution.

Economists who care about external validity need to understand power, networks and love or loyalty. The world is not frictionless: individuals have different levels of power, so to understand how organisations or countries work, we cannot neglect such concepts as love and loyalty. Rather, economics students need to be trained to see the world and how it works. This book can help them towards that goal. The beauty of this book, however, is observing the authors in action. Frijters and Foster are the opposite of lazy thinkers and do not compromise when tracing their narratives and describing or predicting phenomena of interest. Moreover, they are proud of applying logical empiricism, one of whose intellectual fathers, Ernst Mach, aimed at developing a comprehensive and non-contradictory *Weltanschauung* that must also leave its mark on social science. Nevertheless, we should not forget that Ernst Mach threw up his hands at the very idea of the atom, exclaiming, 'Have you ever seen one?' (Holton, 1996: 79). At the same time, placing the unconscious in the centre of their Love Principle removes Frijters and Foster from the Cartesian tradition, in which consciousness is dominant. Rather, to trace out what they have sketched requires the skills of a deep-sea diver exploring hidden caves, unseen territories, deep cracks and immersions, lurching ever deeper to find the origin of love. This book also offers a key quality that is hard to learn, namely, good intuition. In the end, as social scientists we are storytellers, and this book attempts to tell a concise story. Central to this narrative is the idea that

> … humans have an almost unshakeable propensity to believe that anything they cannot directly control, but which they nevertheless believe to be capable of doing something useful for them, is amenable to a bribe. This belief extends to entities that are unseen and might not even exist. (p. 30)

Every storyteller, however, needs an audience, and in the end it is up to the broader audience to have the last word.

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