

Book Review

Metaeconomics. Tempering Excessive Greed, by Gary Lynne

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Book details

Metaeconomics. Tempering Excessive Greed

Gary Lynne

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Gary Lynne offers a clear and easy to read book, containing very little math but a few graphs on metaeconomics which are more complex than what you see in an intermediate microeconomics class or text. It makes use of economic theory, the psychology of humans, and related topics including neuroeconomics/neuroscience. It is often difficult to integrate two subjects, let alone three or more, but Lynne explains metaeconomics using economics and other disciplines and it seems as if it is one large discipline.

Adam Smith “previewed” the basic argument of Metaeconomics. Tempering Excessive Greed, on page 1 of his book, *The Theory of Moral Sentiments* (1759), where he said that “How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it. . . That we often derive sorrow from the sorrow of others, is a matter of fact too obvious to require any instances to prove it. . .” And, similar to Smith the author recognizes that self-interest is primal, while empathy is less primal but essential nonetheless. The selfish part of our nature has been the focus of economic theory since Smith. What interests us in the fortune of others is the empathy part of our nature, the part which is concerned with others. Put together, selfish and empathy is what dual nature theory is about. Metaeconomics, a.k.a., Humanomics, is about expanding economics to include the empathy part of our nature. Synonyms are self(-interest) and other(-interest), ego and empathy, selfish and selfless, person and people, person and community. The author argues that doing so can temper excessive greed, and save capitalism from itself. On page 1 the author says that metaeconomics is

essentially about too much emphasis on either the market or government.

I as a reader have trouble with the term “excessive greed.” Most people I know are greedy for something: publications, high student evaluations, money, sex, love, and not much can be done about that. Wikipedia qualifies Greed as “an uncontrolled longing for increase in the acquisition or use of material gain (be it food, money, land, or animate/inanimate possessions); or social value, such as status, or power.” I put greed into google and the first thing which came up is that greed is an “intense and selfish desire for something, especially wealth, power, or food.” Why especially, wealth, power, or food. Wealth and power are often associated with each other, but food? I take this list to be things which the author doesn’t approve of in the form of an intense and selfish desire.

Most of us, almost all of us, are and greedy for something.

The book is divided into three parts; the theory of metaeconomics, the applications of metaeconomics, and the conclusions. According to the author the book integrates economics with evolutionary biology (especially marketing), psychological economics, and behavioral economics including experimental economics. It integrates neoclassical and neoinstitutional economics. As our common home to humankind’ Spaceship Earth is one of the main images presented in the book. Unlike most economic authors, Lynne expresses emotions when speaking of his wife. It is in a section titled “Metaeconomics for the Grandchildren;” the subsection is “For my wife of 50+ years.”

A good deal of metaeconomics includes dual motive theory (DMT). A leading author of DMT is Gerald Cory. Cory’s

research and the theory of the triune brain which includes dual motives of ego and empathy are discussed in chapter 1. Explaining the differences between ego and empathy is discussed at great length in table 2.1 which takes up five entire pages. Another oversimplified version of “left and right,” “progressive and conservative” is table 5.1. These and the material in the Conclusion contain way too much partisan/oversimplified political philosophy. For myself it takes away from the text. The theory of DMT in graphic form is in chapter 4. It includes a rather complex version of indifference curve and budget line analysis. The graph shows the ego path and the empathy path. These graphs are more than simply intermediate microeconomics; at least in any intermediate class or text I am aware of. Happiness is discussed in chapter 5. It includes the research of Simon, Katona, Harvey Leibenstein, and Nelson and Winter. Adam Smith is presented as a behavioral and metaeconomist. Metaeconomics is presented as an aspect of behavioral economics. And why not? Both are critical of neoclassical economics. Both make use of DMT as a way of getting away from Economic Man. Both include some “spiritual” aspects of life in the form of sympathy and empathy.

The topics of the applications are interesting. The explanations are clear. The Conclusion chapters contains for my taste much too much partisan politics, and saving capitalism which includes a lot of talk about fascism. The political comments are basically that Democrats/Liberals/neoinstitutionalist economists are long term oriented and they care about others and the planet. Conservative/Republicans/neoclassical economists are selfish caring only for the short run. Long run concern requires that you care about spaceship earth, which they don't. Overall, the book is very helpful in explaining metaeconomics, and its relation to behavioral economics, and neoclassical economics. Gary Lynne is to be congratulated for adding this to the literature.