

The Altruism Challenge for Economists



In times of crisis, familiar old wisecracks about economists like: 'if you're so smart why aren't you rich', 'ask two economists for an opinion, you get three' and 'economists can tell you tomorrow why the things they predicted yesterday didn't happen today' often go the rounds again, accompanied with feelings of Schadenfreude, as the Germans say. Many have not forgotten the arrogance of the nineties when there was a strong feeling of having things under control and the so-called new economics were finally realizing a stable economic growth without recessions. Economists may have indeed developed more and more sophisticated models; nevertheless, they somehow missed major shifts in economic reality.

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We do not need to go as far as Ewald Engelen is suggesting in *Vrij Nederland* (a weekly magazine) a few weeks ago, and do away with economics altogether, but it is appropriate that economists should use the crisis as a catalyst to reflect on their profession with appropriate humility. In this pause it could be worthwhile to adopt an introspective attitude. Apart from being absorbed by models and rankings, are economists maybe also fundamentally biased in their worldviews? Indeed so, I was inclined to think after reading the subsidy request of the Asset Travel International Experience (being the secretary of the subsidy committee). With a seldom seen sincerity, it was argued that students of economics are more selfish than other students. And by going to Vietnam they intended nothing less than to get the participants acquainted with altruism.

In Asset's request, reference was made to a 2008 article by the Italian professor Alessandro Lanteri, who sums up the negative literature directed against the economics profession as a veritable 'moral trial'. Surprising? Maybe not. Since its origin the profession has been criticized for countless reasons among which that it is false, useless, or even harmful. Perhaps the longstanding hostility is a reflection of economists having different opinions from the rest of the people, not only when it comes to strictly economic matters. Where does this difference come from? Do those who have faith in the power of self-interest gravitate to economics?

Are people who think narrow self-interest makes sense more likely to become economists? In other words: is there a process of self-selection into the discipline? The dominant explanation is indeed that the origin of the greater selfishness is self-selection and not the training that people undergo. For example, researchers have observed differences between freshmen, who did not have enough time to be indoctrinated by economic teachers. Selfish people voluntarily enroll in economics. In short: economists are born, not made.

Taking this seriously means that the altruistic challenge requires no less than a new mindset for the economic students joining the International Experience and that in a period of three weeks. But Lanteri criticizes the strength of the self-selection explanation. In spite of the broad support for this explanation, he argues in his article that any good description of what this amounts to or the ways it plays out is lacking. So there remains ample room for further inquiries to see whether corrections in the supposed selfishness of economic students are possible. His conclusion is that there is no need to stick to the dichotomy of the two explanations: the self-selection of selfish individuals on the one hand and the indoctrination of cynical expectations or rational choice on the other. Instead, he argues that from high school onwards there are a plurality of explanations that may capture the observed differences between economists and non-



economists. Some economists may be selfish and self-select into the discipline; others, joining the ranks, may adjust their decisions to those of the stereotypical economist. Individuals behave in consonance with their identity, which is largely shaped by their role and by the social expectations that role carries.

The most cynical view is that economists are trained that 'greed is good'; call it the ideology of the influential Ayn Rand. Consequently, the other extreme has to be bad: "Altruism," according to Rand, means "the placing of others above one's self, of their interests above one's own." This account is consistent with standard dictionary definitions of "altruism," such as "unselfish regard for or devotion to the welfare of others." But Rand departed radically from conventional wisdom in pinpointing altruism as a pernicious doctrine that is incompatible with individual rights and a free society. "Altruism," she declared, "is incompatible with freedom, with capitalism and with individual rights".

Recently, Ayn Rand and many of her followers (e.g. former FED-president Alan Greenspan) are discredited as being cynical free market utopists who are responsible for the economic crisis. The time is ripe for reappraisal of altruism, not only as a virtue, but as a real challenge. Not just a challenge, but even a competitive challenge. As is the case for five social networks (LinkedIn, Twitter, Facebook, MySpace and Digg). Take a look at LinkedIn and we can see what is at stake: raise funds and awareness for global poverty through ordinary individuals who choose to make a difference. The competitive element will appeal to economists.

And now what about our economic students going to Vietnam? When economists are becoming aware of their unflattering stereotypes, and even more so in times of economic crisis when these stereotypes are under attack, training in altruistic behavior

can be relevant. If economic students are used to framing decision-contexts as a market place, because that constitutes the social norm to follow, they can be trained to act differently, given that the social norm shifts to awareness of global poverty and contribution to even out inequalities in a very unequal global situation, as it is stated in the motivation letter for the International Experience of Asset in Vietnam. In this letter, it is also argued how this training in altruistic skills can be realized. First, the improvisation capability is challenged by tuning in with the limited means at hand. Second, in experiencing a completely different way of life they hope to develop empathy and compassion; good teamwork, alternative ways of communication with a majority of non English speaking people and open mindedness towards a culture with very different values. Asset Travel sets the bar high for participating in this altruistic adventure. Is it a pure altruistic challenge? No, there are other arguments. The exotic appeal of the destination seemed to be a precondition for wanting to engage in this voluntary work. More specifically, climate, security and attractiveness were in favor of choosing Vietnam above India. But nevertheless, let us take this seriously as a real altruism challenge. To tune in with the LinkedIn Altruism Challenge: "The steps you take today will enable someone in need to walk on their own feet tomorrow".



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