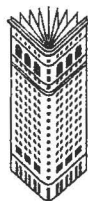


# BOZO SAPIENS

WHY TO ERR IS HUMAN

Michael Kaplan and Ellen Kaplan



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## ONLY THE FAIR DESERVE THE GRAPE

Here's another snapshot from the busy world of the capuchin monkey, proving that you don't even need to wear clothes to have a strong sense of the norm: at the Yerkes National Primate Research Center in Atlanta, a group of brown capuchins have taken up our daily habits of work, pay, and expenditure.<sup>59</sup> They are by nature a cooperative lot, sharing both tasks and food. But when it comes to rewards, they have a keen eye for the deal. Grapes are good; cucumber slices less so. Give a female capuchin a cucumber slice for her hard-earned token, having also given her neighbor one, and she will settle down to eat it, albeit not with much zest. Do the same after having given her neighbor a *grape* and she is likely to fling the cucumber at you.

It's never just about the cucumber, is it? Kaplan's Law (Ellen, as a genuine grandmother, has the right to make such laws) says that of the three things we work for—money, the interest of the job, and the respect of our peers—any *two* will do. Just one is not enough. No salary will be enough to compensate for a life of contemptible busywork; accountants may be the butt of popular jokes, but they are paid well and the work appeals to certain neat, analytical minds. Teaching is interesting, but as teachers lose the automatic respect of society, they tend to want more pay. Even pigeons, not usually considered paragons of economic sophistication, have worked out that some jobs are not worth having: faced with having to peck a bar hundreds of times for a meager reward, they will instead peck a bar that renders the first one inoperative, in effect firing themselves in a style reminiscent of country and western songs.<sup>60</sup>

We have something else in common with the birds: we flock together. The abstract theory of compensation assumes that we exchange personal labor for personal pay, but our actual norms are different: even the loneliest freelance Web designer, once employed, becomes temporarily part of a social enterprise, where notions like *fairness* and *purpose* can skew the calculations of utility.

At the University of Zurich, these very notions are the research topic of Professor Ernst Fehr (it would be nice if his colleagues were Professors Weise and Gut, but in fact they are Fischbacher and Kosfeld). The Fehr laboratory specializes in studying social choices, using two economic conundrums originally devised at the RAND Corporation during the cold war: the prisoner's dilemma and the ultimatum game.

You may be familiar with these, but if not, here is a brief summary. In the prisoner's dilemma, you and another (usually someone unknown to you) are assumed to be captured by some authority and each in a position to betray the other. If you squeal on him and he stays silent, you go free and he goes down for a long stretch; the opposite but equivalent applies if he rats on you when you stand firm. If you betray each other, you will both serve a medium sentence; if you can cooperate and stay silent, you both serve a short sentence. Game theory concludes that the best strategy for an individual (that is, the strategy that secures the minimum jail time no matter what choice the other makes) is to betray the other, which might explain why the cold war lasted so long.

The ultimatum game offers you a sum of money to divide between you and another player—but only if you can get the other player to agree to the division. Game theory claims that he should submit to any division, since something is always better than nothing. You should therefore offer the minimum, since this means you will get more. Computers (and, it seems, people with autistic spectrum disorders) find it easy to behave like this.

Professor Fehr's subjects, though, do not.<sup>61</sup> In game after game, we see them cooperating with unseen fellow prisoners and insisting on equitable division of ultimatum money. When given the chance, they go even further, willingly paying part of their own goods to punish other players whom they see as taking unfair advantage. Nor is this a matter of securing long-term stability or preserving a reputation for honesty: the same good-citizen qualities appear when the game has

only one round and when the players are mutually anonymous. For about half of the subjects, social norms consistently rate as more important than individual gain.

Before you say, "Well, yeah—but this is a bunch of Swiss graduate students," Professor Fehr has anticipated your objection. He ran a similar game in Moscow with *real* money—three months' median local salary—at stake. He has also taken his dilemmas to Austria, Germany, Hungary, the Netherlands, and the United States. In each case, the same proportions of social cohesiveness to selfishness appear. Other researchers have extended the study to groups in places untouched by economic or psychological theory: to the Hadza of Tanzania, the Torguud of Mongolia, the Gnaou of Papua, Aché of Paraguay, and Machiguenga of Peru.<sup>62</sup> Whether foragers, farmers, shepherds or gardeners, villagers or nomads—Turkic, Cushitic, or Macro-Panoan Isolate—these people showed a uniform preference for the social norms of fairness over individual self-interest. Wherever *Homo economicus* lives, it is not on one of the inhabited continents.

All people are social, but admittedly some are more social than others: play the ultimatum game among the tightfisted Peruvian Quichua and you will come out with far less than among theopenhanded Lamalera of Indonesia, who seem to think it shame merely to offer half. But then the Quichua are willing to accept whatever *you* offer, while the lordly Gnaou will turn down positive offers more frequently than Pittsburgh college students. The variation itself seems significant: generally, the more mutual dealing a society has, with more integrated exchanges of benefits, the higher the importance of social norms. Individual variation is entirely insignificant; the standards of the group prevail. Perhaps most important, none of the groups thought these sharing games were some mad amusement of professorial outsiders: they recognized that deciding the proper distribution of goods is the stuff of everyday life. (The Orma of Kenya rather offhandedly mentioned that they had the same game themselves, but called it *harambee*).

What is behind all this? Is each of us constantly, but unconsciously, calculating long-term benefit against local advantage? Are we keeping a running total of favors traded, so we can parlay our good reputation into future wealth? Are we perhaps securing advantages for our offspring—or is some unselfish Helvetic gene using us as its vehicle toward world domination?

Apparently not. The careful design of the studies has made it possible to discard most such “purposeful” theories, and what remains is something Fehr calls *strong reciprocity*: an intrinsic human willingness to sacrifice personal advantage in order to reward the kind and punish the unkind. It is, and probably always has been, the force that makes informal economic life possible. It allows us to make surprisingly trusting contracts with complete strangers: hop in a taxi in Lagos, Jakarta, or São Paulo and the driver will take you where you want to go before knowing whether you have the money—and you, most likely, will pay rather than skip on the fare, even though you know he’s unlikely to leave his cab to chase you. Strong reciprocity also governs employment: Fehr has found people universally offer to work harder than the minimum required (except, of course, at late-night video rental stores) while employers reward extra effort at more generous terms than the base rate of pay. The rhetoric of class warfare, logical though it may be, runs aground on this irrational class pacifism: boss or labor, when we work at the same place, we believe we are working together.

Similarly, our hatred of being cheated is such that we can make the ultimate sacrifice for it: think how many old ladies are killed clinging to purses with less than fifty dollars in them, or people who are run over protecting cars on which they have paid theft insurance. Pure, dishonest selfishness is a shock because we expect, on the whole, fair dealing. Yes, under sufficient pressure, the bonds of fairness can dissolve and man becomes a wolf to man—but this happens surprisingly rarely. We are all more than a little Swiss.

Is there an even simpler, deeper urge beneath this strong reciprocity? Jeffrey Goldberg, Lívia Markóczy, and Lawrence Zahn of the

University of California think so.<sup>63</sup> In their studies of the prisoner’s dilemma, they isolated two qualities that could explain why we tend to cooperate with others when logic says we should betray them: symmetry and the illusion of control. That is, we believe, without evidence, that others will think as we do in certain situations, and we overestimate our influence on events where we have a choice. Consider voting: are you shocked and annoyed if you find the majority is not of your opinion? Do you vote because “if I don’t, who will?” Yet logic tells you that plenty of dolts will make it to the polls and that your vote among the millions means nothing. Similarly, while game theory makes clear that being a selfish traitor is the logical choice, symmetry makes us feel that others, like us, would wish to do the right thing; simultaneously, the illusion of control tells us that if we are good, our goodness will somehow influence the situation to come out right.

Habits and choices may, of course, be a matter of social training—when we see equivalent behavior in a Mongolian yurt, Amazonian leaf-hut, and fluorescent-lit seminar room, it may simply mean that the pressures of social life (like the proverbs of mothers) are remarkably similar around the world. And yet there are some physical experiments to suggest that the assumptions behind our social norms are more hardwired. Brain imaging has shown, for instance, that the dorsolateral prefrontal cortex, part of the frontal lobes, becomes much more active when a subject is faced with an unfair offer. When Fehr’s colleagues used trans-cranial magnetic stimulation (strong magnetic pulses produced by coils held over the scalp) to dampen activity temporarily in this area, then presto! Subjects willingly accepted deals they had found insultingly low before.<sup>64</sup> Other studies have shown that punishing cheaters activates the same areas of satisfaction in the striatum as does receiving a cash payment, so while we lose economically if we are paying to punish, we gain exactly the same satisfaction as if we had made a profit.<sup>65</sup>

Folk wisdom would assume that men and women do not respond in the same ways to such powerful matters as cooperation, betrayal,

and revenge—and in this case, folk wisdom is right. Testosterone levels are a good predictor of how likely a subject is to refuse an unfair offer (“*Three lousy bucks? Take that!*”). But men’s brains tend to switch off after an economic decision is made, while women’s show continued activity: anticipating future reward, planning strategy, resenting unfairness.<sup>66</sup> Women’s brains, when they cooperate, light up in the reward region of the striatum and the learning-by-reinforcement centers of the orbitofrontal cortex, suggesting that they think doing the right thing is not only more satisfying than selfishness but also fits better with experience—it’s more *natural*.<sup>67</sup> This last result finds some confirmation in the real world: another Nobel laureate, Muhammad Yunus, gained his prize for setting up the Grameen Bank in Bangladesh, a microcredit institution that supported development projects among the poorest people. Its technique is to advance money to groups of women who accept collective responsibility for the loans to each—if one is in default, the others cannot borrow more. So why does Grameen choose women? “They are simply better with money,” says Yunus; by which he means they are better with credit—which, after all, literally means “trust.”<sup>68</sup>

This discrepancy between the sexes also suggests an interesting conclusion from one of Fehr’s results: when around 40 percent of a group is made up of strongly reciprocal people, the norms for the *whole* group become strongly reciprocal. Women, as we’ve seen, find cooperation more pleasurable than men do; they tend to favor fairness rather than apportion bragging rights by putting one over on the other guy. So the more women there are in a group, the higher the chance of reaching that critical 40 percent. This implies that, since reciprocity is the key not just to good manners but also to the smooth and efficient working of an economy—where we can all get to the job at hand without the constant irritation of cheating and being cheated—then the speedy promotion of women in developing countries is not merely a moral good and a spur to the gentler arts but an economic imperative

as well. That, at least, is the authors’ opinion—but then, like everyone, we assume that everyone thinks like us.

