

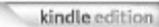
Book Review: Homo Economicus: The (Lost) Prophet of Modern Times by Daniel Cohen

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In this new book, economist **Daniel Cohen** looks to trace our current malaise back to the rise of homo economicus: for the last 200 years, the modern world has defined happiness in terms of material gain. Homo economicus has cast aside its rivals, homo ethicus and homo empathicus, and spread its neo-Darwinian logic far and wide. Drawing on a rich array of examples, Cohen explores the new digital and genetic revolutions and examines the limitations of homo economicus in our rapidly transforming world. **Daniel Sage** finds that some chapters veer off into unusual avenues that detract from the main argument, but overall the book provides a strong overview of the main critiques against this model of human behaviour and motivation.

Homo Economicus: The (Lost) Prophet of Modern Times. Daniel Cohen.
Polity Press. May 2014.

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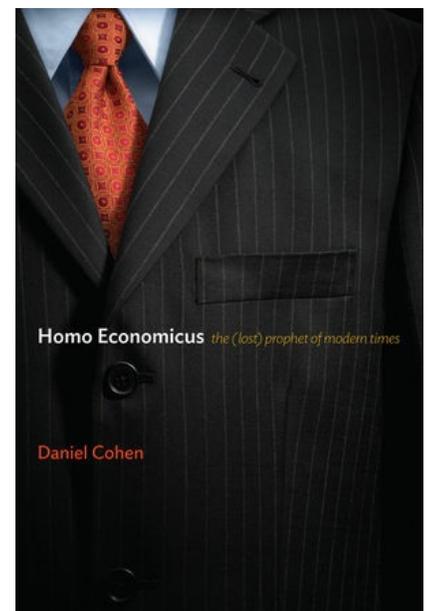
Homo Economicus is the economic bogeyman of the modern age. He is the rational, self-interested actor: driven above all else by the pursuit of money and wealth, which he believes will bring him happiness. Homo Economicus is disliked by many who believe in a different model of human behaviour: one that is empathetic, reciprocal and cooperative. He is also the main character for Daniel Cohen – Professor at the Paris School of Economics – in his new book, *Homo Economicus: The (Lost) Prophet of Modern Times*.

Cohen's central argument in *Homo Economicus* is largely straightforward. Recent and emerging findings in scientific research show that this model of humans – as rational, self-interested, and gratified by ever increasing material standards of living – is flawed. To show this, Cohen largely makes three key arguments, told through a combination of polemic, story-telling, and empirical evidence.

First, despite rising living standards across the world, people are not getting any happier. This is now a relatively old argument, albeit still widely contested. It is largely associated with the American economist Richard Easterlin, whose [famous research](#) contrasted stagnant well-being levels with rising incomes in the US. The reason for this stagnation, argues Cohen, is endemic to the Homo Economicus model of capitalism: in a society driven by individualism and competitiveness, people are always comparing themselves with others. It is these social comparisons that hold well-being down, as people look less at their own lot and instead at other people's.

Second, developments in behavioural economics, psychology, and neuroscience challenge the view of man as self-interested. Cohen draws attention to the famous game theory experiment the 'Trust Game', in which participants demonstrate altruistic tendencies to strangers that run against their purported self-interest. This is 'Homo Empathicus', for whom the 'Trust Game' is the revolutionary counter to Homo Economicus' 'Prisoner's Dilemma' (listen to the LSE Review of Books [Podcast on economics](#), featuring the Prisoner's Dilemma).

Third, the dawn of the 'digital age' once again bares the tension between market and non-market goods. Many aspects of the new digital economy emphasize altruism and reciprocity over commercial exchange: the so-called 'gift economy'. Consider the rise of websites such as [Freecycle](#) and [Couchsurfing](#), as well as online file-sharing: how



does capitalism respond to the rise of a new economy in which sharing and giving are so prominent?

The main problem with *Homo Economicus* is that it is largely unoriginal. The main thrust of Cohen's argument – that this is a flawed model for understanding (and motivating) human behaviour – has been repeated *ad infinitum* over the past few years. [Kate Pickett and Richard Wilkinson](#) argued that the high levels of inequality associated with modern capitalism throw up all sort of health and social problems. [Michael Sandel](#) made the case that the logic, norms and relations of the market undermine and corrupt human relationships. [Daniel Kahneman](#) showed that humans are far from the rational beings *Homo Economicus* assumes. And, of course, [Thomas Piketty](#) argued that rising inequality was an ineluctable characteristic capitalism. The problem for Cohen is that these books are much better argued – and, in many cases, have a far stronger empirical base – than *Homo Economicus*.

There are also parts of *Homo Economicus* that veer off into unusual avenues that detract from the main argument. One chapter, for example, is devoted to exploring the historical provenance of *Homo Economicus* in the expansion of Christianity, whilst another looks at the rise of China and other emerging economies vis-à-vis the implications for global relations. It is not clear how these components add to the overall argument. Cohen is perhaps guilty of trying to cover too many disciplinary bases – sociology, economics, ancient history, globalization, genetics – rather than focusing on the structure and logic of his argument.

Nevertheless, *Homo Economicus* provides a strong overview of the main critiques against this model of human behaviour and motivation. It is also a lesson for many academics in terms of synthesising large swathes of research into a volume that is not just wide-ranging and easy to read (at just over 100 pages), but entertaining and humorous. Cohen not only draws upon scientific research to make his case, but a rich source of literary and film history: from Robinson Crusoe to Stanley Kubrick. Economics does not just have to be equations and regression tables: it can involve the imagination too.

Daniel Sage is a PhD student at the University of Stirling. His PhD thesis explores how welfare-to-work reforms have affected the experiences and interactions of benefit claimants with the welfare system. Additionally, he has academic interests in income inequality and social cohesion, public attitudes towards the welfare state and the politics and philosophy of social policy. He has a BA in History from University College London and an MSc in Social Policy from the LSE. He tweets at [@djsage86](#) and blogs at <http://knowledge-is-porridge.blogspot.com>. [Read reviews by Daniel.](#)

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