

MY SAY: Darwin's economic legacy

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Some 200 years ago, on Feb 12, Charles Robert Darwin was born in Shrewsbury, England. An eminent naturalist, he is noted for his idea on "natural selection", which later attempts to unify many theories in the life sciences. Talk about Darwin and the word "evolution" — the dominant theory that explains the origin of the diverse living species — jumps out almost spontaneously.

So, too, the phrase "the survival of the fittest", though it was originally coined by English philosopher Herbert Spencer before him in 1851. This expression appeared only in Darwin's fifth edition of *Origin of Species* (1869).

Based on this idea, when a living organism is deemed not "fit enough", then chances are that its existence is put at risk. This is because it can be easily threatened by a host of causes such as predators, diseases, scarce resources, and ultimately, a hostile environment. In short, the weakest among them will invariably succumb to any one of these threats and then vanish from existence. The ones that survive will "evolve" further until they, in turn, are not "fit enough" and become vulnerable, to the extent of facing extinction. This then goes on and on leading to what is now understood as the natural biological evolutionary process, where the most dominant eventually survives because it stood out as the "fittest".

Over time, however, this idea took on a life of its own. As the phrase became a cliché in the context of survival, it slowly crept into the sphere of economics, like how Spencer used it in relation to free-market ideology. Gradually, it became ingrained to mirror the idea of competing for survival or predominance, implicating organisations and companies. In a capitalist environment, the predators could be likened to other companies with bigger and better financial endowments or strategies, while the diseases could be symbolised as bad governance and bureaucracy.

In this way, many companies were rendered vulnerable due to inefficiency and incompetency, thus blunting their competitive edge. Compounded by the present scarcity of resources, the situation quickly worsened. And as soon as the environment grew more hostile, as in the case of the current unprecedented economic crisis, many more will go bust. Headlines of companies not "fit enough" to survive falling by the side are now a daily occurrence.

As more companies become unfit to survive, suspicions are being raised over the system upon which they depend. In this case, unlike Darwin's natural selection, there is nothing natural about it as can be discerned from the remarks of media mogul Rupert Murdoch at this year's World Economic Forum in Davos, Switzerland: "We've been living in the Western world way above our means. We've been on a great binge and it's come to an end and we have to live through the correction." It looks like the force at work is entirely man-made.

Murdoch adds: "The great majority of the people in the world are depressed and traumatised by the fact that their savings, the wealth in their homes or pension funds... a big percentage of it has disappeared." To be clear, the so-called "disappearance" cannot be easily attributed to the original idea of natural selection, if at all. In fact, more likely, it has everything to do with the "binge" that Murdoch described, which, in plain language, points to the unscrupulous manner that has come to colour the man-made problem.

Perhaps, it is in this context that President Barack Obama, in his inaugural speech, described the declining state of the US economy as "a consequence of greed and irresponsibility on part of some, but also our collective failure to make hard choices".

Indeed, the whole episode could be aptly called "the survival of the scandalous", where ethics and integrity, or rather the lack of them, are the main causes of the current economic collapse. And this is one obvious reason why this year's World Economic Forum could not offer any convincing and specific solution, apart from recognising that the system itself needs revamping.

In other words, the system is no longer "fit enough" and hence causing what looks like a system failure — only that this time, it has succumbed to its own goal of trying to bankrupt the competition in a dog- eat-dog world.

Worst still, the system has dragged down with it millions of others who were "scandalised" by an economic system that nobody ever claimed would produce social justice — to paraphrase Nobel Prize winner, Joseph Stiglitz, when referring to the ailing market ideology. In fact, billions are missing out on the spoils of the market economy as it preferentially selects the ones who are fit to survive and those who must continue to languish at the bottom of the economic pyramid.

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