

MY SAY: Neuroeconomics, anyone?

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Article

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Reaganomics, Freakonomics, Enronomics — this is how malleable economics is or, rather, the uncertainty surrounding it, especially in the wake of the prevailing financial meltdown. And suddenly, there is one other option to choose from — Obamanomics.

Not surprisingly, some regard economics as a "pseudo-science", made popular only recently.

No matter, economics apparently rules our lives. After all, "Reaganomics" is about changing lifestyles to accommodate the course of an economic policy imposed by the Reagan administration. We are helpless to resist.

Curiously enough, the term is said to be Greek for oikos (house) and nomos (custom or law), hence "rules of the house(hold)". By this rule, when something seems to have an uncertain, or worse still, no "economic" potential, it is considered useless. All too often, it is deemed unimportant. Understandably then, politicians, in particular, make sure their careers thrive on "economic well-being" — not only of their constituencies, but also of themselves in order to survive, politically, at least.

Hence, enter "money politics" coloured by greed, deceit, thirst for power and lust for fame, to name a few. To some, it is the "mother of all corruption" and downright illegal. Ironically, at other times it is deemed "legal", although it is actually about helping oneself by ensuring that voters will continue to vote for him or her (isn't this vote buying?). But that's all right. All right, that is, to those without scruples.

Unfortunately, it is not all about politics. Many businesses, too, are linked to political influence. Call it "coffee money" or "slush funds", it is a worldwide phenomenon, also fuelled by greed, deceit and thirst for power and fame. But, with one difference: it's discreet, and thus less controversial. These business deals are often clandestine affairs, kept away from the prying public eyes.

Besides, business people do not have to face the wrath of the "opposition", unless their deals are clearly politically linked.

On a broader plane, John Perkins in his book *Confessions of an Economic Hit Man* provides a more shocking revelation. Subtitled 'How the US uses globalisation to cheat poor countries out of trillions', the author alleges that economic hit men (or "ehm"s as he calls them) are highly paid professionals who cheat countries around the globe out of trillions of dollars. They purportedly funnel money from global financial institutions and other foreign "aid" organisations into the coffers of huge corporations and the pockets of a few wealthy families who control the planet's natural resources. Their skills include fraudulent financial reports, rigged elections, payoffs, extortion, sex and even murder. Sound familiar?

In an interview with *Democracy Now!*, a US daily TV/radio news programme, Perkins tells host Amy Goodman that the American empire, unlike any other in the history of the world, has been built primarily through economic manipulation, cheating, fraud, seducing people to embrace the American way of life and employing economic hit men. "I was very much a part of that," he says. If this is not about a greed-ridden corrupt system of global politics and business, then one wonders what it's all about. The latest US financial malfunction exposes the deficiency of the current economic system, which has gone terribly wrong.

Is there another form of economics emerging? It appears so. And this time it could be "neuroeconomics" — a new discipline that combines economics and neuroscience to explain human behaviour. This medical explanation of an economic malaise involves studying the brain, hormones and nervous system in "search of an explanation of our behaviour as investors and shoppers".

Although relatively new, neuroeconomics has been said to be able to provide an insight into some patterns of behaviour that could not previously be adequately explained.

The Center for the Study of Neuroeconomics at George Mason University in the US, for example, claims to conduct experiments on how mental computations in the brain interact with the computations of institutions to produce legal, political and economic order.

In a newly published book, *Neuroscience: A Guide to the New Science of Making Choices*, author Peter Politser attempts to delineate some basic principles that could guide us to make better decisions based on an interdisciplinary approach, which incorporates research findings from fields as diverse as neurobiology, linguistics, psychology and behavioural economics. It is a radical departure from the past.

In other words, as we try to reconstruct a "new" world in the midst of the global economic crisis, we need to

better understand what makes the business world tick, rather than seeking explanations in mere "monetary" terms as defined by the marketplace.

Neuroeconomics offers a new branch of knowledge that makes real use of our brains to seek answers. We no longer need to rely on market sentiments to find explanations. If man can understand how brain neurons work to explain their investing behaviour, they can perhaps combine the "moral man" with that of an "economic animal".

Maybe, who knows, we will even end up as economic angels! ?

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