'Natural Law' column number six, by Michael Price (uncorrected proof) Published in *Global Custodian* Spring 2011 issue

The Costs and Benefits of Equality, Part Two

My last column focused on the debate about whether economic inequality causes societal dysfunction. I noted that by taking an evolutionary perspective on status competition, it becomes clear how some negative outcomes—like increased rates of bankruptcy and murder—can indeed be linked to increased inequality. However, an evolutionary perspective also suggests that increased equality produces some corrosive social effects of its own, and I will focus on those here.

A striking omission from the recent, influential pro-equality treatise *The Spirit Level* is any mention of the "free rider problem". When a group produces a collective resource, and each member receives an equal share of this resource, each has a personal incentive to contribute less than everyone else towards production. Members who contribute the least end up reaping the highest net benefits, while the highest contributors fare the worst. This problem has been widely recognized in the social and biological sciences for decades, and as *The Spirit Level* is a relatively biologically-informed work of social science, its failure to address the free rider problem is a curious blind spot.

From an evolutionary perspective the free rider problem is not at all trivial. Indeed, because adaptation occurs at the level of the individual rather than the group, this problem is the primary obstacle to the evolution of cooperation in groups. If high contributors cannot protect themselves from being free ridden, then they will be exploited to extinction. And it's not just a problem in theory; hundreds of cross-cultural field and laboratory studies—by researchers such as political scientist Elinor Ostrom, psychologist Toshio Yamagishi, and economist Ernst Fehr—reveal that when all members of a group receive the same reward, the free rider problem leads to the collapse of productivity. From this perspective, the failures of communism are clear. Too much enforced equality can be socially catastrophic.

According to evolutionary psychologists, humans come equipped with several mental tools that help them solve the free rider problem; John Tooby, Leda Cosmides and I have proposed that punitive sentiment towards free riders is one such device. However, the free rider problem can be averted in the first place by allowing higher contributors to receive proportionally higher rewards. This kind of unequal-but-fair distribution solution is not always possible, and it won't work, for example, if the resource is an inherently equally-accessible

public good like clean air. But when it is possible, it enhances group productivity, because it neutralizes the free rider's advantage and makes contributing adaptive.

Why would *The Spirit Level*'s authors fail to mention the free rider problem? Because they wish to argue that the consequences of increased equality would only be positive, and the free rider problem represents a rather obvious challenge to this view. The one-sidedness of their approach suggests that they have strong political motivations and not just scientific ones. On the other hand, their critics have often seemed equally politically motivated, and have ignored plausible arguments for the benefits of equality. Although both sides want us to believe that they're arguing primarily for the "good of society", there is no one-size-fits-all solution here. And biases underpinning one's views on equality may be subject to more complex influences than just one's political beliefs.

Increasing equality within a social group will not, of course, benefit all members equally. It will advantage the members who are least able to compete for group resources, and disadvantage the most able. So when people identify with one side or the other in the equality debate, it may have less to do with their concern for the good of society, and more to do with their assessment of their own competitive ability. This assessment will be based in part on seemingly rational criteria: people who actually are in a position to benefit the most from meritocracy—for example, the wealthy and the highly-educated—do tend to prefer meritocratic over egalitarian ideologies. However, people also assess their own competitive ability based on criteria that were more relevant in the Stone Age than they are today. A study recently published by myself and colleagues, for instance, suggests that the more upper body muscle mass a man has, the less he will favor social equality. In the ancestral environments to which our minds are adapted, access to resources depended largely on fighting ability, and so this bias was functional; in modern environments in which success depends more on education and social connections, it's much less rational.

To what extent is equality good for society? The answer lies somewhere in the middle ground. And if we are to tackle this question in a meaningful way, we must first recognize that our views on equality are biased by our unique assessments of our own competitive abilities—however rational or irrational those assessments may be.