

BOOK REVIEW:

The Origins and Dynamics of Inequality: Sex, Politics, and Ideology (By Jon D. Wisman, Department of Economics, The American University, Washington D.C.)

Masudul Alam Choudhury

Trisakti University, Indonesia

masudc60@yahoo.ca

Abstract:

This book provides a review of the book “The Origins and Dynamics of Inequality: Sex, Politics, and Ideology” written by Professor Jon D. Wisman of the Department of Economics, The American University, Washington D.C. U.S.A. a prominent academic in the field of economic, philosophical methodology, history of economic thought, and economic history. This is an original contribution, explained in informative content and written in lucid language that an informed reader can access.

Keywords: Inequality, Politics, Ideology

Introduction

This contribution under review is a rare one explaining some of the underlining causes of global inequality through the passage of long medieval to present times. Moreover, the areas covered are rarely ever studied in the literature on the book’s theme. Of particular importance is the coverage given to the cause of sex as a biological factor in the perpetuation of inequality or its social control in the evolution of inequality in economic and social sciences. Also important is the focus given to the role of political and institutional forces in the study of inequality, which has been ignored in the economic, social, and historical literature that has thought mainly of the predominance of economic forces as the fundamental source of inequality as explained as a historical, social problem.

Thus, the book emphasizes the critical study of examining the time-immemorial persistence of human inequality from the

interactive relations of a wide range of disciplines. Besides, the social behavior studied in this book has contributed to the problem of human inequality.

Although the book is written not with an ethical and morally reconstructive bent of mind, it covers its third area of a cause of inequality and its social control – ideology. Thus, when the three areas of causes of inequality explained in the book are studied in an integrated, erudite way to be recognized as a distinctive contribution to the study of the tenuous field of human social inequality, it opens the important field that has not been adequately studied. This is the field of deriving a substantive methodology that examines the problem of inequality from the interactively integrated worldview of the interrelationship between the economic, social, institutional, and political fields of critical study. Besides, this orientation to the methodological study of issues in the social sciences and the complementary approach between the three pointed-out causes of human inequality, namely, sex, politics, and ideology, opens a circular causation analytical outlook between the diverse academic fields (Torrell, 2005). The result is the isolation of any social science study away from the linear, independently separated study deemed unavoidable in mainstream social science.

Contrarily, the symbiotic functional interrelations between the diverse extensions of interactive systems and their component entities form complex fields. In all, such an emergent field of studying endogenous interrelations between diverse issues, problems, and fields of erudite study, the methodology based on interaction, integration, and evolutionary learning thereof, is a distinctive recognition in the reviewed book. Moreover, this methodological approach is of significant analytical derivation in the social sciences. It goes beyond the divided perceptions of the a priori and a posteriori reasonings given by Immanuel Kant (Friedrich, 1977) and David Hume (Hume, 1888).

Yet the call for study in circular causation between the disciplines and their entities was awakened by Edmund Husserl (Husserl, 1964), Rudolph Carnap (Carnap, 1966), and some latter days authors studying circular causation philosophy engendered by extension of belief, initially pursued by Thomas Aquinas (Torrell, 2005). The Austrian School of Economics followed such Thomist ways of profound thought. The emergent field from these perspectives will have its specialized analytical methodology with the broadest

possible application in the diversely integrated field of economics, society, science, and the detailed areas and problems studied in such an integrated worldview. Such a methodological field is an automatic emergence from the presently reviewed book.

In this regard, Professor Wisman writes: “Understanding the ultimate causes and dynamics of inequality requires moving beyond the narrow focus on economic forces that dominates contemporary mainstream economics. Instead, it requires the broader focus implicit in Marx’s work whereby the development of an adequate understanding of social phenomena needs to search for how the scarcity-compelled struggle with nature for scarce resources influences and is, in turn, influenced by social relations and how both are related to social consciousness (Ratner, n.d.).”

Discussion

A Rare Contribution of the Reviewed Book: Methodological Extension of Social Study—Inequality

Figure 1 points out the importance of the above-mentioned contribution of this reviewed book in light of the methodology of circular causation. Professor Wisman writes in this regard in his book,

“This book agrees with economists Daron Acemoglu and James Robinson’s observation that “while economic institutions are critical for determining whether a country is poor or prosperous, it is politics and political institutions that determine what economic institutions a country has.” They rightly state, “Traditional economics has ignored politics, but understanding politics is crucial for explaining world inequality.”

Figure 1 given below depicts the interactive, integrative, and evolutionary learning nature of inter-causality between the variables that explain the political economy prescription of inequality and its control by social transformation. As a future offshoot arising from the reviewed book, students and researchers of the political economy of development and social change in the modern episode of inequality in particular, but in general as well, the academia can study the construction of the wellbeing simulation objective criterion of consequences of inequality and its decline carefully.

This objective goal is evaluated subject to a list of circular causation equations in the interactive variables, as symbolized in Figure 1. The number of equations will be as many as there are variables, plus the equation of quantitative evaluation of the wellbeing function. Such a sizeable evaluative system in the context of sustainability and the study of the policy-theoretic quantitative simulation of the wellbeing criterion expresses the study of political economy in general in its socio-scientific case and of inequality qua equality in particular. Moreover, advanced evaluation methods of the resulting political economy model of simulation of the wellbeing criterion, subject to inter-causal relations between the representative variables, can become substantive analytical studies.

The symbols shown in Figure 1 represent the many that characterize human inequality within the political economy framework as an integrated study of the interactive field explaining human equality and its control. When the meaning of political economy of this stated nature is applied to inter-causality between the variables representing the studied components of human inequality, we note that there can be a desire for an impending equality-based world system, which society cherishes. Thereby, the political economy study of inequality and equality takes up geo-political factors impacting the interrelationship between economy, social class, and social change.

The symbols shown in Figure 1 represent the many that characterize human inequality within the political economy framework as an integrated study of the interactive field. When such a meaning of political economy of epistemic regularity of modernity is applied to inter-causality between the variables representing the studied components of human inequality, we note that the impending equality-based world-system, which the populace cherishes transformation takes up geo-political significance impacting upon the regional aspects of interrelationship between commerce/economic, social class, and social change.

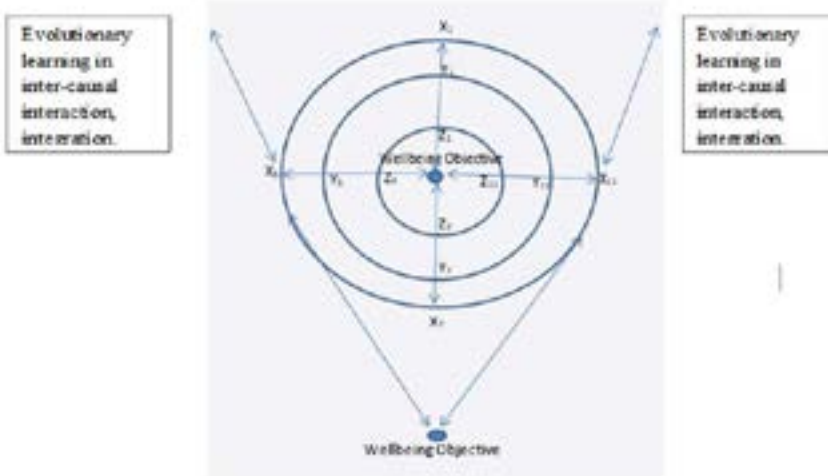
Professor Wisman points to several essential variables in the reviewed book, symbolized in Figure 1. For instance, sexual selection, following the Darwinian theory of natural selection, is explained to be a stabilizing force in protracting human preferences to maintain the lineage of progeny. Other variables are explained by the author's selection of forces contributing to the rise of the state to civilization. This explanation can be referred back to Ibn Khaldun's *Muqaddimah*,

authored by Franz Rozenthal in several volumes.

On empirical assumption and evidence, Professor Wisman points out that, on economic and political fronts, it was surmised that earlier signs of inequality during the evolution of state to civilization through increased inequality would be followed by an era of peace, prosperity, and decreased inequality. This is the view that economist Kuznets upheld. Yet, later, Kuznets' prediction was contradicted by the exploding inequality in the U.S.A., even after the U.S.A. entered an unprecedented era of significant technological change.

Figure 1

Intra and iner-causal endogenous relations between symbolized variables in the cross-sectional evolutionary description



Professor Wisman explains the causes and origins of inequality on a generalized theoretical note. This makes his outstanding contribution to the reviewed book equivalent to Thomas Picketty's famous contribution entitled *Capital in the Twenty-First Century*. Professor Wisman's theoretical background on the book's theme is explained in terms of the theoretical argument of tolerating some degree of economic competition. The point is that economic growth, efficiency, and the market venue flourishes in the venue of economic competition.

But it is also explained in the reviewed book that the above-mentioned theoretical belief did not prove itself in the early hunter-gatherer society and the life-sustaining agricultural regimes of socio-

economic development. Even the rudimentary levels of technology then existed in the form of stone-age weapons and, subsequently, in the age of metallic make of hunter-gatherer weapons. That was an age not of abominable levels of human inequality. But, on the other hand, the present age and its outburst with the dawning of soft technology have caused abominable levels of human inequality. Thereby, the argument favoring market transformation to reduce inequality is an untenable basis of economic theory, mainly as this perspective is made to defend the economic growth and efficiency doctrine of neoliberal capitalism.

Marx rejected the scientizing of the market economic theory of capitalism in his following words (quoted in the reviewed book): "The alienation of the worker in his product means not only that his labor becomes an object, an external existence, but that it exists outside him, independently, as something alien to him, and that it becomes a power of its own confronting him; it means that the life which he has conferred on the object confronts him as something hostile and alien."

Now, if we compare Professor Wisman's theoretical argument, and in many places, his learned critique of viewpoints of many other authors on human inequality, with Piketty's economic inequality $r > g$ (capital accumulation rate higher than economic growth rate) and Marx's comment given above, we can improvise the following theoretical argument: The economic inequality, $r > g$ implies the gross amount of asset (A) given by $(r-g)*A$ is a surplus value that results in an amount of dead labor embodied in the utilization of this amount for raising profits for the capitalist owner (Piketty, 2014). The prevalence of this amount of asset in the hands of the capitalist owner is arbitrarily set according to the margin shown. This arbitrary margin is created by a certain amount of capital withheld from productive circulation to generate a realized level of economic growth.

Dead capital is then denoted by (r_1-r_2) with $r_1 > r_2$, r_2 as actual capital mobilization to generate 'g.' Consequently, the asset price $\{(r_1-r_2)*A\}$ is turned into profit by pricing it in the market, but not by market exchange. Instead, value for this amount of goods is enforced without payment to labour in production that gets paid for r_2*A that produces the actual output. $\{(r_1-r_2)*A\}$ thus generates an excess profit for the capitalist owner without payment to labour, and this amount remains arbitrary by the non-market determination of prices. The capitalist uses L_1 of labour with r_1*A of capital to produce and sell

goods, say, Q_1 , in the marketplace at price p . But only L_2 of labour and $r_2 \cdot A$ of capital are used to maximally produce an amount, say, Q_2 of goods that have genuine price p in market exchange, with cost constant.

Dead capital is not utilized to pay labour by under-utilization = $(r_1 - r_2) \cdot A$. This causes under-utilization of labour $(L_2 - L_1) < 0$, which is dead labour in producing the product differential $(Q_2 - Q_1)$. The unit profit earned by labour without distribution to labour is the price, 'p,' keeping cost constant. The wages suppressed by surplus value taken by the capitalist according to neoclassical economic theory of marginal productivity is the surplus value per unit of output, $w_2 - (1/p) \{ (Q_2 - Q_1) / (L_2 - L_1) \} = w_2 - (1/p) (dQ/dL) = (w_2 - \text{marginal product of labour as real wage}) < 0 = \text{surplus value to capitalist (S)} = \text{deprivation of labour (dead labour) (D)}$. The above analysis if carried over time results in the time-cumulative value of S for capitalist.

This equals the time-depreciation value D for labour. The economic inequality problem is thus explained interconnecting the theoretical observation made by Professor Wisman in terms of the reality of capitalism on inequality pointed out by Thomas Piketty's, and the theoretical analysis that was made by Marx (Piketty, 2014). It is interesting to note the so-called 'non-economic' measured (endogenous) effects on the calculation of surplus value as an indicator of inequality.

The reviewed book points out that, ethical policies of polity and institutions are required to correct for inequalities that remain unattended by market forces and sheer human forces, importantly the natural biological effect of sexuality on human inequality/improved equality. While this state of policy inference is true of exogenous enforcement, such an approach does not invoke self-regulated consciousness. To instal the endogenous policy approach and preference change, the self-regulatory response to reform the states of inequality, would be a mature approach in social consciousness (Ratner, n.d.). Likewise, the endogenous policy and behavioural effects of polity based on the political and ideological sides of the origins and dynamics of correcting for inequality and studying it within these social aberrations, a substantive reformation of the inequality accounting formulas will be needed. The interaction, integration, and evolutionary dynamics of economy, society, institutions, polity, and science, as in human-ecology and biological effects, occurring intertemporally, is a substantive study.

To introduce such a study, we refer to Figure 1. We are avoiding details of formalism here. The methodology to explain the problem of inequality and its reduction in ensuing regimes of change is premised on the knowledge premise. This establishes the interactive, integrative, and evolutionary learning processes of interrelations between the various systems that collectively enact change towards equality. An endogenous approach is thus invoked in simulating the underlying wellbeing objective goal (Fig. 1) with the many symbolized variables that we can read off the presently reviewed book, and as mentioned above.

We thereby derive the abstraction-cum-applied problem of inter-variable complex and non-linear relations. These together circularly interrelate endogenous variables. The result thereby is, the simulated wellbeing criterion under the impact of the endogenously interrelated circular-causation variables, in the form of the evaluated wellbeing indicator (Torrell, 2005). Inferences on endogenous socio-economic variables and policy-variables are thus developed out of the interactive, integrative, and evolutionary learning study of endogenous simulation by policy and preference choices.

In perspective of the whole book under review, it is a historical and methodological critique of economic theory in its approach to the problem of inequality. Much more, it is clear that as economic theory has developed for a long while now, its nature, objective, and structure are neither capable nor were they built to address the multidimensional topic of inequality and its reduction (Kuhn, 1962). Besides, recognizing the deficiency of organized disciplines separately to address this impending problem of our time is an insightful erudition in the world of learning.

The emergent methodology ought to be studied. But what is true of studying the theme of inequality in this light is equally true of addressing many great and impending social issues. This challenge is particularly in the forefront during this age of great epistemological changes in the field of abstraction and application of revolutionary shifts in knowledge. In regards to the deep importance of objectively studying the problem of inequality from a scholarly viewpoint, Professor Wisman rightly writes: "This book claims more—that it has been the defining issue of all human history. The struggle over inequality has always been the underlying force that drives the history of humanity."

Towards the end of the book, Professor Wisman condescends

that inequality has been reduced considerably worldwide for a good length of time since the Great Depression eroded human prospects. The point is brought up in the book that some elite protagonists argue in favour of some degrees of inequality in order to raise the technologically driven economic growth and efficiency that can reduce inequality over time. Although this is a futuristic wish to dawn, we can tally the facts against the educated realities in the framework of critical realism of the soul, mind, and behaviour of man affecting the future of humanity. This multi-dimensionality approach calls for the future reconstruction of the disciplinary areas that in turn will affect the state of human society and her progress in the moral and material directions as an unseparated fullness.

Thus, the theory of the causes, origins, and dynamics of inequality and its reduction must be restructured in abstraction and application from the side of consciousness playing its inseparable interconnecting epistemic role across disciplines that impact on inequality in multifarious ways (Ratner, n.d.). This approach as pointed out above is sophisticated in the analytics and discourse on methods and objective goals. We have assigned this in the framework of non-linear and complex multi-dimensional study of sustainable human-ecological wellbeing (Foucault, 1972).

Here then the issue of economic scarcity arises, which I associate with the economic meaning and with the meaning of economic competition. On the issue of economic scarcity Professor Wisman writes, "Homo sapiens has finally arrived at the point where it is possible to envision victory over the problem of scarcity—at least in the sense of ending dire material privation—in the near future."

However, the meaning of scarcity in neo-classical theory of rational choice hinges the meanings of both scarcity and competition on the marginalist hypothesis of inter-entity substitution along the smooth production and consumer indifference surfaces. But along the evolutionary learning surfaces that are associated with the simulation of the wellbeing objective function in complexity theoretical framework, smooth surfaces do not exist. Hence, marginal rates of substitution do not exist. Hence, the neo-classical idea of economic scarcity must be defined differently.

Likewise, because marginal rate of substitution, and thereby, convex/concave to the origin risk-aversion surfaces of resource allocation, do not exist, therefore, all aspects of competition need to be replaced by its logical opposite concept of participation, that is

organic cooperation by artefactual symbiosis. Such linear concepts as social niceties rather than realities, cannot exist when faced with the mammon of a great social ill, human inequality, along with its multivariate, multidimensional composition.

The most critical core of realism in the substantively different epistemics and change in economic reasoning as also in all areas of interaction, integration, and evolutionary learning in conscious continuum is the theme of consciousness, the study in phenomenology in reconstructing socio-scientific thought by a distinctive and thorough over haul, of almost every aspect of the prevailing disciplinary theories that have come to age. Indeed, the focus of the critical realism of consciousness lies in the change of the epistemic worldview to alter the human belief on the truly altered direction to global wellbeing free of social abnormalities. Of these abnormalities is the multidimensional avoidance function of human inequality for a better future.

The openly debatable issue is that, even though, as Professor Wisman writes, "Extreme global poverty has fallen by 50 percent since 2000, less than a generation", is this the ultimate performance towards attaining the objective of wellbeing, of which is a primal goal of reducing inequality? The answer to this question is a long one. We ought to begin with the realization that perfect equality is impossible, just as relative poverty is real but alleviation of absolute poverty ought to be a mandatory objective.

Likewise, as the process towards attaining the noble possibility of avoiding abject inequality just as abject poverty, is a multidimensional issue, therefore the noble tasks will require reduction on all fronts in a complementary fashion of addressing healthy interrelationship among all the goals of wellbeing. This is the meaning of consciousness as participatory coexistence in unity of knowledge. Regarding this meaning of consciousness, Michio Kaku writes (Kaku, 2015):

"Consciousness is the process of creating a model of the world using multiple feedback loops in various parameters (e.g. in temperatures, space, time, and in relation to others), in order to accomplish a goal (e.g. find mates, food, shelter)."

Furthermore, Professor Wisman opens up the following debate in the light of the Marxist predicament: "The evolution of capitalism

enlarged the realm of freedom, and its markets were important social instruments for this expansion. This was recognized by eighteenth-century Enlightenment thinkers who held freedom, starting with the liberty to think for oneself, to be among society's highest goals. Classical economists, in particular, came to see markets as a powerful social institution for furthering human freedom. Freedom is evident in every market transaction, since no trade takes place without the willing agreement of buyer and seller alike.

Therefore, some argued, to foster individual self-determination, markets should be introduced into practically all domains of social interaction." The question remains, if markets are to be shirked in the name of boycotting the capitalist order and the perceptions upon which the capitalist markets are empowered to function effectively, then what is the exchange alternative? The answer ought to rest not on the inapplicable argument of market-boycott. Rather, the meaning and organization of markets and their functions on exchange, ought to change into what Ronald Coase wrote (Coase, 1994):

"The most powerful of all markets is the market of ideas".

This marks the emergence of knowledge as the defining composition of markets. Furthermore, according to Lancaster's attribute demand theory, the demand and supply of goods and services are to depend upon the essence of exchange (Lancaster, 1871). These essential realities point out knowledge as essence of wellbeing and goodwill, as these are substantively defined in their abstraction as theory and application, as the market-other discursive participatory medium to determine fair and distributional benefits of ownership in exchange.

Conclusion

Indeed, Professor Wisman's contribution in this precious book has opened up the outlook of the history of inequality to much greater potential for study, research, and application.

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