



SCHOOL OF POLITICS & ECONOMICS

MENTAL MODELS & SPE RESEARCH

PROFESSOR ARTHUR DENZAU

In 1993, after several years of running a research seminar on cognitive science with soon-to-be Nobel Prize winner Douglass North, we put our ideas on Mental Models on paper and were able to publish it. The basic notion was that we see the world not as it is, but through the lens of one or another set of mental models that help us to interpret sensory perceptions. Those models are in part derived from our culture and are thus shared, albeit at times imperfectly with many other people. Language is a collection of Shared Mental Models that a group uses. The technical languages of intellectual disciplines are often what divides them into silos, making it very difficult to communicate and cooperate in transdisciplinary ways.

Here at CGU, these ideas have led us to seeing many economic policy debates as arguments based on different Mental Models, often leading to participants talking past each other. Finding ways to analyze these debates has forced us to incorporate approaches from both political science and economics to understand why groups of people can first create, and then persist in utilizing failed economic ideas, such as the late Soviet Union or the investment bankers who heavily invested in first Mexico and then Southeast and East Asia in the 1990s, only to see those economic collapse as they failed to productively use the cheap money made available to them. Professor Willett and many of our students have researched the causes and consequences of utilizing what were seen, ex-post, as the wrong Mental Models to understand these economies and polities.

If we are in a world of “ubiquitous novelty,” as Computer Science and Psychology Professor John Holland claims, then our minds are continually faced with new problems that our existing Mental Models may poorly fit. Analyzing such settings, with the idea that people interpret the world and make choices using flawed understandings of the world, their Mental Models, can be a useful approach.

For example, how does an elected American politician approach a novel problem? Professor Denzau and our alum, Dr. Ravi Roy, suggest that initial reports will trigger certain understandings in the brain, and the politician will begin talking on that basis. This type of framing of novel situations is crucial to how new information is interpreted. Our dealing with radical Islam has been interpreted by some as like dealing with 1930s Hitler – appeasement is to be avoided, and evil attacked. Others see it as just another type of crime wave, to be dealt with using standard law enforcement methods. Controlling the frame of interpretation or Mental Model becomes fundamental to how novel problems get dealt with.

A related area of application by Roy, Denzau and Snider is in examining political situations in which a small number of actors interact, often with insufficient information to fully understand the other party. International relations provides many such applications. For example, the interactions between India and the United States during the last half of the 20th century provide a perfect application of Mental Models. Looking at our current interaction, it seems obvious that the world's two largest democracies have many areas of cooperation, particularly in economic areas. But for most of the time since India's independence in 1947, cooperation continually failed between the two. The United States looked at the world in terms of the bipolar logic of the Cold War, and if India was not for us, so it must be ag'in us. India saw the United States not as a potential cooperation partner, but rather as a new colonizing power, trying to recreate the Empire from which India had just freed itself.

As a result of these dueling Mental Models, little room for cooperation could be found, as the moves of the other party were continually interpreted as unfriendly, or aggressive. With almost no change in objective circumstances other than the end of the Cold War (which little changed much of the economic opportunities), the United States and India have become major trading and investment partners, along with substantial cooperation in other areas of foreign policy.

One of our students, Lalani Srisorn of the Thai Foreign Ministry, is examining how Mental Models “learned” from the EU integration experience have affected discussion of monetary integration in Asia. Another student, Atsushi Shimomura from Japan, is examining recent Japanese views of Asian economic integration, trying to see how these conform or not to major theories of international political economy. Denzau, Roy and Willett, along with several of our faculty and graduates, recently published a book based on the Mental Models idea to explore various episodes of implementing specific versions of Neoliberal (market-based wealth

creation) ideas. The existing cultural-specific Mental Models strongly influenced how these ideas were discussed and implemented, and may have affected their success and failure.

This latter point was dramatically illustrated in January 2002, when Denzau was in New Delhi. He sat across the table from Manmohan Singh, current Prime Minister of India, who had been Finance Minister in 1990-1, and largely responsible for the implementation of many Neoliberal policies that opened up India internationally for the first time since colonial days. Singh spoke to a small group (less than 20), all of whom, other than Denzau, were Indian. Singh was trained as an economist, and clearly knew the wealth-creating implications of the policies he had adopted. But his talk was solely framed in terms of income distribution effects and the benefits these policies had for the poor and outcast. This rhetoric of distribution was continual in almost all Indian media at the time, both print and broadcast. The discussion was always wealth distribution, not wealth creation. The 2004 state election in Andhra Pradesh that threw out Chief Minister Naidu, who had turned Hyderabad into a successful high-tech cluster (with Neoliberal policies) showed why ignoring income distribution matters in India – Naidu’s party lost the election due to ignoring the rural poor, who have the bulk of votes in most of India.

A similar set of changes has occurred in the way American citizens think about China. Even before World War 2, the old China Lobby was amazingly effective in making the American public and politicians such as FDR committed to Chiang Kai-shek’s Kuomintang government, in spite of its near-total incompetence and corrupt nature. China’s support for its former allies from Korea during the Korean War was a more important reason that Americans turned against the PRC mainland government than the Nationalist propaganda was.

With Deng Xiaoping opened China in 1978, American feelings changed to support this liberalizing nation as it raised hundreds of millions out of China’s centuries-long poverty. But with the malaise of the Japanese economy, China is now viewed as our largest economic challenge, and even security threat by some. The Mental Models through which we saw the Soviet Union are now used to examine China, while those used to see Japan from 1960 to 1990 are also now focused entirely on China. In both cases, new data are seen through these Models, and interpreted in ways almost impossible just decades ago. This can complicate the 21st century during which we must accept China as a full partner in running the international system.