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Vanity Economics: An Economic Exploration of Sex, Marriage and Family. By C. Simon Fan. Cheltenham and Northampton: Edward Elgar, 2014.

Vanity Economics is a very ambitious book. Its aim is to revisit the state of the art of economic research on interpersonal relationships, both within the family and at the societal level, through the lenses of a new, unifying concept, 'vanity'. Simon Fan describes vanity as a combination of social status and self-esteem.

The content is based on rigorous academic research that is made accessible to a wider audience. The book is in fact very entertaining and makes interesting reading even for non-specialists, since it covers almost any conceivable topic touching the realms of sex and marriage – including of course pre- and extra-marital extensions – and social relationships, from a provocative perspective. The style is to convey the main points through amusing anecdotes and well-chosen stories taken from the press. A few chapters are devoted to an effective presentation of pre-existing relevant economic theories, from Thomas Malthus to Gary Becker and more. An intuitive explanation is provided, whenever necessary, for game-theoretic concepts such as the prisoner's dilemma and the battle of the sexes. Rich empirical evidence in support of the key claims is also provided. Overall, the book is therefore very instructive.

After commenting on the style of the book, I shall now focus more closely on the central story told by the author. The idea is that vanity can explain choices that would otherwise contradict standard economic assumptions according to which human beings are fully rational and forward looking. The hypothesis that people deviate from standard behavioral assumptions when making personal, not strictly-economic decisions involving hard-to-compute costs and benefits is very realistic. The concept of vanity by possession of material resources is not new in economics since, as acknowledged, it can be found early on in Adam Smith, Thorstein Veblen, and John Maynard Keynes. However, here it is crucially extended to vanity by non-material possession (of a spouse) and by affiliation (with children and relatives). To think that the drive toward possession, with the consequent boost to one's social status and self-esteem, can be so important in explaining interpersonal relationships may sound provocative and even disturbing, but probably no more so than Gary Becker's original contributions.

As an example of the role played by vanity take Chapter 5, which discusses the importance of beauty in marriage markets. The argument goes as follows. Once upon a time, beauty was associated with an evolutionary advantage that justified its importance in the search for a healthy mate, and therefore legitimately became part of social norms. The fact that beauty still matters, despite the fading of its evolutionary benefit, can be explained by the vanity an individual can obtain by possessing a beautiful spouse, the same way vanity can be obtained from consumption of a luxury good.

Similarly, the approach is applied to the analysis of virginity, which is still valued despite the fact that, in an evolutionary perspective, it is no longer instrumental in securing recognition of one's own genes. The reason why people desire to have children also finds a strong motivation in vanity, since all the usual arguments used to explain this desire (love, survival of the genes) are not sufficiently persuasive at least according to the author. Chapter by chapter, vanity is proposed as an explanation for a broad variety of issues, ranging from bound feet to high heels, from homosexuality to infidelity, and from prostitution to migration, beside the more obvious case of conspicuous consumption.

While the aim of applying the concept of vanity to almost anything conceivable can be praised because of the inherent effort to test its explanatory power on a broad range, some of the

applications are actually developed more thoroughly, and therefore more persuasive, than others. For instance, the discussion on the determinants of primogeniture other than vanity, fails to account for the indivisibility of estates, which is historically particularly important for land (Bertocchi, 2006). More generally, if vanity really plays such a pervasive role in human behavior, beyond what standard models of rational action can explain, then there should be a way to test it in the lab, while one limitation of the book is that it does not present any experimental evidence.

An important advantage, for a book dealing with social and cultural norms, is that it is not at all West-centered. The supporting evidence, both from the media and the empirical literature, covers a large number of countries at different stages of economic development. In fact a huge fraction of the stories are taken from Chinese newspapers and daily life. Thus Chinese culture is prominently represented. Indeed up front in the Preface Fan acknowledges that in today's China "vanity is manifested in the most conspicuous and unscrupulous way" (p. vii), something he attributes to the vanishing of communist ideology and the lack of religiosity. To be noticed it that, throughout the book, a precise definition of vanity is actually not provided, as it is rather described as a combination of social status and self-esteem, often associated also with honor, dignity, and pride. The resemblance with the concept of 'face' – equally hard to define – and its pervasive role in Chinese culture is actually striking, even though the author never talks about it. As discussed in a vast literature ranging from anthropology (Hu, 1944) to sociology (Ho, 1976), not to mention the popular writings by Lin (1935), face – just like vanity – involves a mix of status, prestige, honor, respectability, and requires a reference group. This does not mean that the influence of vanity is absent in other societies, but it does suggest that it may play a stronger role in China than elsewhere, a hypothesis which could be interesting to test in a comparative development perspective. It also suggests that the book can contribute to cultural economics by providing what to my knowledge is the first economic investigation of the influence of face on social interactions.

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