Self-Interest vs. Greed and the Limitations of the Invisible Hand*

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Abstract. Markets can only function well if there is an appropriate legal framework to restrict the behavior of market participants; however, the legal framework is inevitably inadequate. A "greedy" market participant that seeks to gain at the expense of others can usually find some way to do so. This might be done within the legal framework, or it might involve a violation of the law that is difficult to enforce. Since the legal system does not generally guarantee that markets can function efficiently, there is a role for other institutions to foster a more enlightened self-interest as a social norm and thus improve efficiency.

In the 1987 film *Wall Street*, Michael Douglas, portraying financier Gordon Gekko, says: "Greed, for lack of a better word, is good. Greed is right. Greed works." The scene echoes sentiments that Ivan Boesky made to the University of California graduating class of 1986 (Stewart 1992). Many economists would interpret these statements to mean that markets composed of self-interested agents tend to generate efficient outcomes. For example, if I simply want to make money (because I am greedy), a straightforward way to do this is to start a business that provides consumers with something that is of value to them. Though I may act purely out of my own self-interest, I provide a benefit to others. When many firms and many consumers come together in a market, all parties involved may very well be nakedly self-interested, but the competition between firms benefits consumers, and the patronage of consumers benefits firms. In many markets, it is easy to see that the existence of the market generates value to participants on both sides. This includes financial markets: investors generate profits by directing resources to their most valuable uses, and this activity

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creates value for others that benefit from the reallocation of resources. A favorite quotation among supporters of free markets comes from Adam Smith's *Wealth of Nations* (1776):

> It is not from the benevolence of the butcher, the brewer, or the baker that we expect our dinner, but from their regard to their own interest. We address ourselves not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages.

Smith thought it positive that one market participant benefits from the self-interest of another because we can count on market participants to be self-interested, whereas they may or may not be altruistic as well.

On the other hand, Veblen questioned whether corporations exist for the benefit of consumers at all. Unethical behavior is arguably the rule of corporate conduct rather than the exception, a systemic flaw of capitalism (Cornehls 2004). From an institutional perspective, the financial crisis is primarily a result of such a systemic flaw (Peukert 2010). In any case, if there is to be any hope that a market will generate efficiency, it is necessary to have a legal framework that constrains the behavior of consumers and firms. One way for a firm to profit is to provide consumers with higher quality or lower prices than other firms, but another way is to use violence and intimidation to force competing firms out of the market. A consumer may seek maximum value through aggressive comparison shopping, or by stealing from firms. Generally speaking, an action that an economic agent takes in order to increase his own well-being may be positive, in the sense of increasing total value (or "surplus"), or it may be negative, in the sense of detracting from total value. The law can serve economic efficiency by precluding such negative actions. In addition to the most basic components of the legal system required for economic efficiency, such as protection of property rights and enforcement of contracts, the law may restrict many kinds of anticompetitive behavior. From an economic standpoint, one might regard the optimal legal framework to be one in which any value-reducing activities are illegal. Given an appropriate level of enforcement and punishment for these activities, consumers and firms would only be able to enhance their own well-being through actions that benefit the market as a whole. The law would then align incentives to the social good.

Thus one could argue that it is perfectly acceptable for people to be greedy; we simply need to constrain greedy people so that they can do no harm, and in fact only create benefit, through greedy behavior. However, as a practical matter, the legal system may fail to place the appropriate constraints on market behavior. At an informational level, it can be difficult to determine what the optimal set of laws is; lawmakers must make their best guess, and in some instances pass laws that are only revealed to be suboptimal over time. It also tends to be the case that the law lags behind market developments; it is difficult for lawmakers to know how to regulate things like new products or new investment vehicles. Again, the appropriate regulation may only become clear over time, and in the meantime the suboptimality of the law can be exploited. These issues are dramatically compounded by the influence that market participants have on the law. Large firms in particular can influence law making by lobbying the government. Such firms have an interest in misinforming lawmakers if it benefits the firm, even if it reduces total value. Furthermore, in addition to the difficulties in creating optimal laws, there are difficulties of enforcement: market participants may be able to break the law without detection, or manipulate the legal system to avoid punishment when caught breaking the law.

And so, in contrast to the views of Gordon Gekko or Ivan Boesky, greed can be a problem—greedy behavior can destroy value—to the extent that the law fails to constrain behavior appropriately. This is actually consistent with Adam Smith's views; Smith "drew sharp distinctions between greed and selfishness on the one hand and prudent (and virtuous) self-interest on the other" (Wight 2005). Another quotation from Smith (1759) illustrates this:

> When the happiness or misery of others depends in any respect upon our conduct, we dare not, as self-love might suggest to us, prefer the interest of one to that of many.

Below, I use three historical examples to illustrate this point that greed, in contrast to a more enlightened self-interest, is in fact inefficient. I then discuss some potential ways to mitigate the inefficiency that greed creates.

Greed Defined

In order to distinguish greed from enlightened self-interest, we might say that greed is self-interest taken to an extreme or unseemly degree. The problem with this definition is that it is imprecise, and reasonable people may disagree about where to draw the line between greed and self-interest. Another possible definition is that greed is self-interest at another's expense. Kay (2009) notes that "[p]rosperity and growth require that entrepreneurial energy should be focused on the creation of wealth rather than the appropriation of other people's wealth." However, there are many ways in which a market participant can harm someone but benefit the market as a whole. For example, a firm maximizing its profit may reduce its competitors' profits while creating value for consumers. I will define greed to be self-interest at the expense of total value (or total surplus, or aggregate welfare). It is in this sense that greed is inefficient, and this definition coincides largely with the concept of greed as a morally or ethically objectionable trait.

Greed in Action: Three Episodes

The three following examples span several decades and touch on a number of different markets. The third, the subprime mortgage crisis, was a part of the larger financial crisis of 2008, which spawned a good deal of discussion and criticism of greed. Of course, many factors contributed to the financial crisis as well as the other two episodes, and greed was never the sole or perhaps even the primary contributor. Nonetheless, greed did play a role, and more importantly, the presence of greed and the problems it creates are not specific to these examples. Rather, such episodes recur fairly regularly. I am using three concrete examples as illustrations, of which there are many more, both major and minor. The influence of greed in the financial crisis was by no means new or unique.

In each of these cases, there were market mechanisms with the potential for value creation. However, some market participants behaved greedily according to the definition above. This behavior was not precluded by the legal system—it either was not illegal at all or it violated laws that were not sufficiently enforced—and the result was value destruction, and eventual changes in the legal environment.

Savings & Loan Crisis

Prior to the 1980s, the American savings and loan industry was quite straightforward. The industry arose as a means of promoting home ownership, especially among the working class. The typical savings and loan took in savings deposits from consumers and lent money for home mortgages, not offering the wide array of products and services that a commercial bank would offer. The simplicity of the industry is captured in the unofficial "3-6-3 rule," under which a savings and loan manager would pay 3 percent interest on deposits, charge 6 percent interest on loans, and be on the golf course by 3 p.m. (Lowy 1991).

By the late 1970s, high interest rates and inflation threatened the financial health of S&Ls. Largely influenced by lobbying from S&Ls, the U.S. Congress passed the Depository Institutions Deregulation and Monetary Control Act in 1980 and the Garn–St. Germain Depository Institutions Act in 1982. The latter law pertained to the S&L industry in particular, while the former was much broader in scope. Taken together, these two laws gave S&Ls much more freedom: they could offer a wider array of savings products and they also had greater lending authority. There was, however, no commensurate change in the regulatory oversight of the S&Ls. These policies were intended to allow S&Ls to stay in business, and there is nothing categorically wrong with the kinds of activities in which S&Ls could now participate; various vehicles for saving and borrowing have contributed dramatically to economic growth and well-being. However, the problem here was that S&Ls now had many of the capabilities of banks but were not regulated as banks were (Strunk and Case 1988). S&Ls now had the incentive to make highly risky investments. A successful investment could save a struggling S&L, and an unsuccessful one could be catastrophic for the S&L but not for its customers, since deposits were insured through the Federal Savings and Loan Insurance Corporation (FSLIC). One economist provides a clear indication that S&Ls would not have taken some of these risks if they had had to bear the downside themselves: "As one Chicago S&L executive explained, 'If we win, great; if we lose, we just mail the keys to the FSLIC' " (Nelson 2005).

In addition to individual investments that were imprudent for the S&Ls to make, many S&Ls made large numbers of small investments that together created an unsound portfolio. In particular, S&Ls tended to be heavily invested in real estate. There had been a booming real estate market in the United States in the 1970s and early 1980s, and the end of this boom was a critical blow to many S&Ls.

During this time period, there was some criminal behavior. Notably, executives at Midwest Federal Savings & Loan (Hal Greenwood, Jr.), Lincoln Savings and Loan (Charles Keating), and Silverado Savings and Loan (Neil Bush) were investigated for various illegalities and breaches of fiduciary responsibilities (Lowy 1991). It is uncertain how much criminal activity preceded the crisis, but it is clear that the overly risky behavior described above was the norm in the industry (Strunk and Case 1988).

Ultimately, 747 S&Ls failed, at a cost to taxpayers of $160.1 billion (GAO 1996). In 1989, Congress passed the Financial Institutions Reform, Recovery, and Enforcement Act, which dramatically changed the regulation of the savings and loan industry.

Enron

Scandalous activity at Enron was multifaceted. Perhaps the best-known aspect was the firm's abuse of accounting principles and the accounting fraud in which Enron's auditors conspired. Here I will focus on another aspect, Enron's energy trading business, as a model of greed.

Enron was founded in the 1980s. Initially, its primary business was the production and transmission of electricity and natural gas. In the 1990s, largely due to lobbying from Enron executives and others, Congress deregulated energy markets to a substantial degree (MacLean and Elkin 2003). Deregulation allowed the buying and selling of energy between different locations. Such energy trading is of obvious benefit to the traders themselves, but it is potentially of enormous benefit to the market as a whole. Variability in supply and volatility in prices can be greatly mitigated if the supply and consumption of energy are not tied together in a local market. Imagine if the Florida orange market were restricted so that all oranges consumed in Florida had to be produced in Florida, and Florida oranges could not be exported to other states. Such were the restrictions on energy markets before deregulation. With deregulation, energy markets became more like typical markets.

However, Enron traders soon figured out ways of manipulating the market to their own advantage and to the detriment of everyone else. One kind of manipulation was known as megawatt laundering. Akin to money laundering, this was the practice of hiding the origin of electricity being traded. This was particularly useful in California, where energy regulation dictated that a higher price could be charged for electricity generated out of state than electricity generated within California. So it was profitable for Enron traders to sell electricity generated within California, but to "launder" this electricity to give the appearance that it was generated out of state (Cruver 2003).

Another kind of manipulation was overscheduling. Power lines, which have a physical limit on how much electricity they can carry at any time, were scheduled in advance for the transmission of traded electricity. Overscheduling is the scheduling of more capacity than will actually be needed. This creates a false impression of congestion on the power line that has been overscheduled. This can benefit energy traders because state regulations, such as those in California, allowed for congestion fees (analogous to highway tolls) to mitigate the congestion on power lines (Cruver 2003).

These manipulations were key contributors to the California electricity crisis of 2000 and 2001. There were large-scale blackouts throughout the state, and Pacific Gas & Electric, California's largest energy provider, went bankrupt. At the same time, Enron itself was working its way toward bankruptcy. The nature of employee compensation, as well as the corporate culture, was highly focused on generating short-term profit (Dharan and Bufkins 2008). There was widespread abuse of mark-to-market accounting, wherein an asset is valued based on its future returns rather than its cost. Abuse was possible because the value of the assets Enron was acquiring was difficult to judge and open to interpretation; revenues could be booked "even when serious questions existed as to whether the long-term revenues would in fact materialize" (Renas and Cebula 2005). Overvaluation of assets created a misleading impression of high profitability. Furthermore, since the presumed future returns from these assets were already taken into account, Enron needed to continue to find sources of revenue and growth in order to maintain the value of the company in the eyes of stockholders. This became a sort of Ponzi scheme, with Enron employees distorting profits more and more, until analysts started to notice that the stock price was dramatically overvalued and the true story started to come out (MacLean and Elkin 2003). By the end of 2001, Enron had filed for bankruptcy. The cost to stockholders and Enron employees was in the billions (Healy and Palepu 2003).

In response to Enron and other accounting scandals, Congress passed the Sarbanes-Oxley Act in 2002. Essentially, this Act created new or stricter standards for public accounting firms and publicly held companies. Sarbanes-Oxley did not address the energy market manipulations described above. However, the Federal Energy Regulatory Commission (FERC) already had the power to regulate these activities; the Supreme Court had ruled that FERC "has had the authority to negate bilateral contracts if it finds that the prices, terms or conditions of those contracts are unjust or unreasonable" (Tapper 2002). Of course, in order to determine whether such a contract was unjust or unreasonable, FERC would need to have information about the contract. Sarbanes-Oxley was a major step toward greater transparency in the operations of firms like Enron. In addition, the Energy Policy Act of 2005 explicitly gave FERC more authority to oversee energy trading and interstate transmission.

Subprime Mortgage Crisis

Subprime lending simply means lending to unusually risky borrowers, that is, those with a greater risk of default than the average borrower. Again, this practice in itself is not problematic. A firm making subprime loans can thrive, typically charging higher interest rates to make up for the default of some of the loans; and giving risky borrowers the ability to borrow can be beneficial as well. Problems may arise, both for borrowers and lenders and for the economy as a whole, if these loans are made imprudently and if the volume of subprime lending is too great.

Until 2004, subprime mortgages comprised less than 10 percent of all mortgages. From 2004 to 2006, nearly 20 percent of all mortgages were subprime (Bernanke 2007). There were a number of factors contributing to the increase: easy credit conditions, competitive pressures, and changes in the regulatory environment, most notably the relaxation of the Securities and Exchange Commission's net capital rule. This allowed large investment banks to expand their issuance of mortgage-backed securities. As with the practice of subprime lending, the use of mortgage-backed securities is not a problem in itself and can create a great deal of value. When a loan is converted into mortgage-backed securities, investors buy the securities and effectively buy the loan from the lender. The lender can then make more loans. Thus more liquidity is created, which is crucial for investment and growth.

One factor in the subprime mortgage crisis was that there was just too much subprime lending, and one reason for this was that borrowers and lenders were too eager, not fully recognizing the risks they were undertaking. Greed was a factor among unscrupulous lenders that made bad subprime loans and then sold them off in the form of mortgage-backed securities to uninformed investors (Krugman 2010). Favorable terms were given to borrowers, enticing people with very limited ability to repay loans who should not have been borrowing at all. The securities associated with these loans would be of little value to investors, but investors nonetheless bought the securities because they were not aware of the quality of the underlying loans. Thus a lender could profit from both sides of the mortgage market without taking on any risk at all.

In cases of predatory lending, lenders engaged in more overtly fraudulent activity. Countrywide, a mortgage lender, advertised very favorable terms to borrowers but then changed the terms of the loans on the day of closing. This was possible because the loan contracts were very detailed and not transparent to borrowers. Several states eventually sued Countrywide for this practice (Morgenson 2008).

When the U.S. housing market began to decline in 2006 and 2007, delinquency of payments on subprime mortgages began to increase, from 10 to 15 percent previously to 25 percent by 2008 (Bernanke 2008). Widespread foreclosure followed, generating losses to both homeowners and investors. The effects of the subprime mortgage crisis rippled through the financial system as a whole. In response to these events, a number of regulatory changes have been proposed, such as raising lenders' capital requirements and requiring lenders to keep a significant percentage of the loans they make.

So What Do We Do?

In each of the preceding episodes, market mechanisms existed that created the potential for efficiency gains. However, because some market participants acted out of greed—self-interest indulged to the point of harm to the market as a whole—inefficiency was generated. These market participants acted within the practical limits of the law, at least for a temporary period. In theory, better laws and better enforcement could have precluded these inefficiencies.

Many economists support the idea of restraining behavior with appropriate laws, so that what firms do is beneficial even if they seek to maximize profit with utter disregard for the welfare of others. Robert Reich (2008), for example, says that firms exist in a highly competitive environment and do not have the leisure to act in an ethical fashion. It is then unreasonable to hope that firms will do more than abide by the letter of the law.

Considering the law itself, there are certainly efficiency-enhancing changes that could be made. In the situations described above, the law could have restricted some economic activities for the better. This is also consistent with Smith's views, although Smith is frequently (and mistakenly) thought to support the most minimal possible government (Samuels and Medema 2005).

When any restriction on market activity is proposed, a typical complaint arising from the business sector is that such restrictions stifle economic growth. In the above cases, this is certainly not true; appropriate restrictions could have increased efficiency. More generally, in the face of substantial uncertainty, it would be reasonable to impose blunt rules that err on the side of caution. This might have the result of preventing some valuable economic activity, but it would also have the benefit of helping to prevent catastrophic events that pose a huge economic cost. For example, if a market innovation is developed, such as a new kind of financial instrument, it would be reasonable to restrict its use quite heavily until it becomes clear what the most appropriate regulation is. If the default is to have lenient regulation, it is likely that someone in the market will figure out how to exploit the instrument to the detriment of the economy before the government figures out how to prevent it. Leonhardt (2010) gives examples of blunt regulations: the Volcker rule (which prohibits banks from trading for their own profit); greater capital reserve requirements for banks; and mandatory insurance for mortgages with less than 20 percent downpayment.

Furthermore, even when economic benefit is created, there is no guarantee that this benefit spreads throughout the economy. Most of the gains that are made in the financial sector stay in the financial sector, accruing to employees rather than customers (Economist 2010a, 2010b). The potential harm, on the other hand, tends to affect everyone. This is another point in favor of using blunt regulation to prevent catastrophe at the expense of some potential value.

As is part of the point of this article, the law will inevitably fall short of providing the greatest efficiency. Markets would function more effectively if there were less greed. Again, the problem is self-interest with disregard for others' welfare, not simple desire for wealth accumulation. So the question is, apart from constraining behavior with the legal system, how is it possible to make people less greedy, or to behave less greedily? This can be thought of as a matter of changing people's tastes, or preferences. Economists generally consider tastes to be constant over time, although behavior may change because other factors (such as income or information) may change; and furthermore, that there is nothing we can do about tastes (Stigler and Becker 1977). Alternatively, greed could be curbed through the creation of a social norm. Such a norm may be morally or ethically based, or it could simply encapsulate what is customary and expected. People tend to feel compelled to follow the norm. Thus the norm can function as a constraint in addition to the law.

To some extent, a norm is already being established. In the wake of the financial crisis, greed has been more out of fashion and has garnered less approval than perhaps ever before. At the same time, there are many people who buy into the "greed is good" philosophy;

it has had a long time to sink into the public consciousness. It may be that society is self-correcting to some extent: that a recognition of the distinction between self-interest and greed, and of the problems greed causes, gradually changes attitudes and behaviors.

An important question is whether there is a role for the government or other institutions to play in reducing greed. This could be a matter of attempting to educate the public for the common good, as has been done for prevention of sexually transmitted disease, for example. It may be that market participants are not entirely aware of the economic costs of greedy behavior and would be receptive to information about the effects of greed. Prentice (2007) asserts that most people want to act ethically, but that this desire is not sufficient for ethical behavior. Unethical behavior arises largely because of cognitive biases such as obedience to authority and the conformity bias. These biases could be a focal point of an educational campaign.

Roemer (2009) suggests a different path to a healthier economy. He speculates that greater social insurance, an example of which is universal health insurance, creates a feeling of greater solidarity among citizens, which in turn paves the way for greater social insurance, and so on. Feelings of solidarity lead people to act in ways that promote equality, which necessarily precludes greed. Roemer is essentially suggesting that the United States become more like Europe, where there is greater social insurance and arguably fewer problems with greed. Kay (2009) notes that Europeans are generally not as accepting of the ideas that the market is good or that greed is acceptable.

Objections

Here I would like to address potential objections to the preceding points.[1] One kind of criticism is that the above examples had causes other than greed. I posit greed as a contributor to inefficiency in each of these situations, but not as the sole cause of problems. For each of these phenomena, there is a temptation to focus on a single cause. For example, Reisman (2009) unequivocally points to the expansion of credit as the cause of the real estate bubble and the ensuing mortgage crisis. Many other sources cite the Fed holding interest rates too low for too long as a primary cause. Liebowitz (2008) and Woods (2009) discuss this as well as relaxed lending standards and direct government support for housing. These sources either state or imply that no other factors contributed to the crisis. Taylor (2009), on the other hand, points to low interest rates as the primary cause but also acknowledges a number of other contributing factors. Barth (2009) presents a more complex set of failures on the part of the Fed and other institutions. I certainly acknowledge the problem of low interest rates, but even if we go so far as to say that the subprime mortgage crisis would not have happened if not for Fed policy, that does not mean that there were not other issues that exacerbated the crisis. Instances of predatory lending are well documented, and there is no question that these practices made the crisis worse than it would have been otherwise, although how much worse is open to debate.

Regarding Enron, Steinreich (2002) points to the external incentives that the decisionmakers faced rather than their internal motivation: "The skewing of pay so heavily toward options is dangerous in terms of the incentives it creates. To top executives, there is no downside to 'free' options but there is a huge financial windfall if they can manipulate financial data, get share price soaring (and thus the value of their options soaring as well), and then cash out." Westley (2002) takes a similar view, noting: "Whether these firms may have violated ethical norms is beside the point. Price controls clearly encourage such activity. Therefore, any solution to this problem that involves a heightened regulatory burden will fall short." These statements are consistent with my thesis, as they are about opportunities for gains from greedy behavior that became available. One economic agent might take advantage of such opportunities, but another would not; neither behavior is inevitable or predictable. This was clearly a situation in which the market would have benefited from different rules constraining economic behavior; but at the same time, it would have been difficult to recognize and implement these rules *a priori*. Furthermore, Renas and Cebula (2005) argue that sanctions against firms like Enron do not have as much deterrent effect as we would like or expect. Thus other means of shaping behavior may be useful.

Anderson (2002) goes further, claiming that "[w]e had a regulatory and monetary regime straight from Washington that all but guaranteed that firms that tried to be honest about their financial conditions would find themselves swamped by lawsuits from angry shareholders demanding to know why those firms were not doing everything they could to prop up their stock prices." This supports my contention that economic agents knowingly behaved in a way that was harmful to efficiency. Obviously, not all firms engaged in such behavior, even if the temptation may have been strong, and so it was clearly a matter of choice.

In many ways, the S&L crisis was similar to the more recent financial crisis. Garrison (1994) attributes the S&L crisis to fiscal and monetary policy, similar to the above reasoning for the mortgage crisis. Cebula and Hung (1992) attribute the crisis to the overall regulatory environment as well as macroeconomic shocks, while acknowledging that unethical behavior may have contributed somewhat. Again, these attributions do not preclude that there were greedy behaviors that made the crisis worse than it would otherwise have been.

A different sort of criticism is that this is an attack on free markets and an excuse to support greater government intervention in markets. Without trying to argue for any particular degree of market freedom or for any particular regulatory regime, I would note that there is widespread agreement on two points: that some minimal government intervention is necessary in order for markets to function correctly, but that too much government restriction of market activity prevents creation of value. The area of considerable debate is to what extent and in what ways the government should intervene. I am not directly taking a stance in this debate. Rather, I am pointing out examples in which markets (subject to some kind of regulation) produced clearly undesirable outcomes. Greed, as I have defined it, helped to cause or exacerbated some problems. One potential means of correcting such problems is regulation, although this might not be so much a matter of *more* regulation as *different* regulation. Other solutions, such as establishment of norms, are not about direct interference with the market at all.

A related criticism is that blaming greed for undesirable market outcomes is a futile exercise. Carden (2008) notes that "[p]eople are and always have been greedy, so the question is not 'How do we get people to be less greedy?' but 'How do institutions emerge that harness greed in such a way as to promote social stability?' In other words, how do societies get the institutions right? The key is to try to ensure as much transparency and information disclosure as possible." I agree that a great many social ills would vanish if all information asymmetries were eliminated, and that fostering transparency is one useful way to help markets to function better. However, in some situations, it may be very costly or altogether impossible to create the desired transparency. It is then useful to have another means of shaping behavior to create better outcomes. Greed, as distinct from enlightened self-interest, is hardly inevitable. It can be encouraged or discouraged over time.

Conclusion

In contrast to a popular view, greed is not good. Enlightened self-interest plays a crucial role in a healthy economy, but greed carries with it the potential for immense destruction of value. In order for greed to contribute to the economy positively, it is necessary not only to have rule of law but to have an *ideal* system of laws and enforcement. Given imperfections and uncertainties in the legal system, economic value and general well-being would be greater without greed. The government or other social institutions may be able to increase well-being by reducing greed. This article is not presenting the final word on how that can or should happen. Rather, the point of the article is to raise the issue that any action taken to discourage greed would be not only morally laudable but also economically efficient.

Note

1. I am grateful to two anonymous referees for raising these objections.

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