

The Cultural Pyramid Scheme

Speculative analysis by the Maslow-Ponzi method

Maslow's hierarchy of needs

The scheme developed by the pioneering American psychologist Abraham Maslow presents a hierarchy of human needs. Classical Maslow's pyramid (first introduced in 1943) has five levels: the lowest, primal level is formed by physiological needs (food, shelter, sex, sleep etc.), whereas at the top thrones self-actualization, realization of one's full potential (See: illustration A). In the 1960s, there were two levels added below the top level - need for knowledge and need for aesthetic experience. Cultural consumption was placed below self-actualization, meaning that the above represent cultural production, creative activity. In the 1970s, the eighth level was added as the new peak of the pyramid; transcendental level. One should not be discouraged by the *new age* allusions here - as transcendental simply means going beyond the known boundaries, be it the existing knowledge or experience. The eighth level is thus reserved for advanced cultural producers, creative heroes: great artists, explorers, inventors etc. The highest level is also associated with the need to enlighten, teach and guide others. Therefore, through the example and advice, the ones placed on top of Maslow's pyramid, lead those below also to the higher grounds of self-actualization.

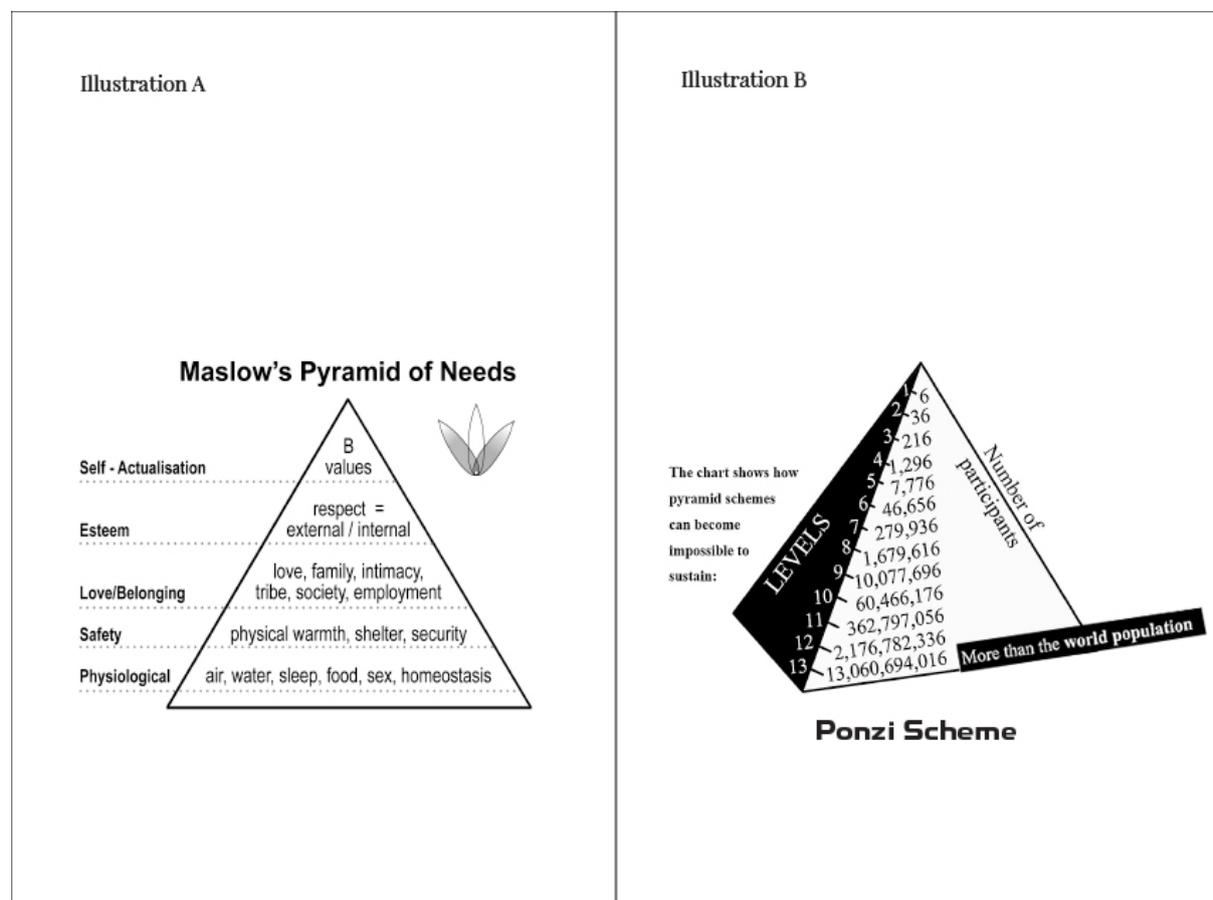
Maslow's construction has many questionable aspects, it has been often denounced, yet the scheme remains popular and influential. Interestingly, however, the discussion about the Maslow scheme has not paid much attention to the most obvious - that it is a pyramid scheme.

Ponzi scheme

The scheme developed by the pioneering Italian-born financial schemer Charles Ponzi is a well-known business model that has been often denounced and is in its certain monetary forms banned in most countries, yet the scheme remains popular and widespread.

In a pyramid scheme, the initiator first gathers a small round of individuals who wish to join the business venture by making an investment. In exchange, new members are offered a share of the capital taken from every additional member that they recruit.

The entire revenue comes from the new entrants, as the capital gradually converges towards the peak of the pyramid. Glorious lifestyle of those on the higher levels inspires the newcomers to try and reach to the next level - meaning, to recruit new entrants. What is generally not understood by the ones at the bottom, is that due to their investments, the top of the pyramid will also move higher, while the formation of the new base tiers becomes more and more complex, since it requires each time a level increase in the number of the new investors. In theory, an endless growth of the pyramid scheme is limited by the demographic base; the ideal Ponzi scheme would include the whole mankind. If there is no one new left to recruit, the peak of the pyramid will exhaust and consume the resources of the lower layers. Typically, the scheme crashes when the pyramid's lower two thirds have been emptied. In the case of the most economical, so-called eight-ball model, each new tier has to include two times more investors than the one above. However, the most popular is a model which requires an increase of as much as six times (See: illustration B).



Maslow-Ponzi hypothesis

Let us now put those two together.

Common criticism to the Maslow's scheme (besides the fact that the entire scheme is non-falsifiable which makes it a pseudoscience) points to a contradiction: the scheme seems to describe a single individual, yet most of the needs identified in the scheme are in their essence social.

In fact, it can be assumed that this is not necessarily a contradiction, but Maslow remains here purposefully ambivalent. Plausible, that he did not want to describe his pyramid as a social model, as then he could easily be accused of advocating class society. Maslow has argued, however, that while entirely 75% of the population are able to satisfy their secondary needs (in the USA), only about 0.1% of the population will reach complete self-actualization. With this, Maslow (intentionally or unintentionally) in fact refers to the social stratification in the background of individual self-actualization. He points out that the pyramid of needs can also be viewed as a social pyramid, one where only the ever-decreasing upper-class will fully achieve their needs.

Let us take that same 0.1%. The social basis that enables an individual self-actualization, thus is a population of at least 1000 people. When distributed through the classical, five-leveled Maslow's scheme, it makes ca six times difference in a number of members at each level. This coincides well with the arithmetic of the most common Ponzi pyramid scheme (look again: illustration B).

The Maslow's pyramid may seem like a static construction, in fact, the system is constituted by vertical movement. Well-being of the higher levels inspires people from the lower levels to become more educated, to consume culture, to develop their creativity, etc. The increasing charisma of the ones on the top will attract continuous inflow and push-up from the newcomers. It is the same with Ponzi pyramid: the golden aura of investment gurus and geniuses at the top will attract new and new followers to join the scheme.

Both pyramids are built from the bottom up. An important difference is that the Ponzi's scheme also imposes limitations on the adherents, such as age, heritage, citizenship, declaration of will, etc. In the case of Maslow, the lower part of the scheme consists of the whole mankind without limitations. The latter may then mean that the Maslow pyramid, in fact, is an ideal Ponzi scheme.

In conclusion, we can summarize that there are obvious similarities between the two pyramid schemes - but this alone does not prove that it is the same scheme.

Verification of the Maslow-Ponzi pyramid scheme

There is one undeniable piece of evidence. No Ponzi's scheme will present themselves as a Ponzi scheme, but every Ponzi scheme ends up in a collapse.

The basis of Ponzi pyramid, as has been said, is the steady flow of investment (not necessarily monetary) and the reason for the collapse is that the capital invested does not create surplus value for all the participants (despite of what was promised).

Let's now try to imagine such a crisis by the example of the Maslow pyramid. What would happen if the demographic base needed for self-actualization becomes exhausted, yet the ones at the top striving to rise to the new heights? In this case, the peak of the pyramid would continue to use its resources; as there is no more inflow, it would do it at the expense of the lower levels, undermining its own base. "Starving artists" and "hobo poets" express the very situation, where the base of the pyramid (food, shelter) has started to become dangerously limited. One loses his job, then home, then his friends and family – all gone. If the vertex to strive upward continues then the fifth, cognitive level will collapse - his mind will be lost.

For that let's recall the "mad scientist", an archetypal villain in pop culture.

Maslow does not tell us anything like that, the starving artist has no place in his pyramid. His scheme leaves the impression that, in principle, all people can rise to the highest level of self-actualization, to enjoy intellectual, rich and creative life.

A glimpse to look around, and we cannot find this beautiful image from anywhere. What we really see is a countless evidence of crises and collapses: heaps of abandoned artists, tortured geniuses, burnt prophets and other tragic figures are scattered around throughout the history (with a few happy exceptions only to confirm the rule). A glimpse into the cultural heritage - and no more doubt remains - what we see are the endless fields filled with ruins of collapsed Maslow-Ponzi pyramids.

In conclusion, according to the above, it now must be considered verified that Maslow's pyramid of needs is, in fact, a Ponzi scheme.

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Appendix

To discuss the use of the conclusion above in practice.

As demonstrated, the constant of Maslow-Ponzi pyramid scheme is six. Let us take the latest, upgraded eight-level Maslow's pyramid, where the top levels depict consumption of information and culture, followed by self-actualization and the guru-level at the very top of it all.

A simple calculation tells us that about 46,000 people are needed to complete one person's complete self-actualization. However, a quarter of a million people are needed to maintain a genius or guru. It is the optimal number, deviation from which would lead to crisis.

Now everyone can do the corresponding calculations for themselves, concerning their hometown or home country.¹

¹ It is necessary to emphasize that these calculations are only indicative, to obtain a more grounded methodology further research is needed.