

# AGAINST PARSIMONY

## *Three Easy Ways of Complicating some Categories of Economic Discourse*

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### INTRODUCTION

Economics as a science of human behavior has been grounded in a remarkably parsimonious postulate: that of the self-interested, isolated individual who chooses freely and rationally between alternative courses of action after computing their prospective costs and benefits. In recent decades, a group of economists has shown considerable industry and ingenuity in applying this way of interpreting the social world to a series of ostensibly noneconomic phenomena, from crime to the family, and from collective action to democracy. The “economic” or “rational-actor” approach has yielded some important insights, but its onward sweep has also revealed some of its intrinsic weaknesses. As a result, it has become possible to mount a critique which, ironically, can be carried all the way back to the heartland of the would-be conquering discipline. That the economic approach presents us with too simpleminded an account of even such fundamental economic processes as consumption and production is the basic thesis of the present paper.<sup>1</sup>

I am not alone in this view. Thomas Schelling noted recently that “the human mind is something of an embarrassment to certain disciplines, notably economics . . . that have found the model of the rational consumer to be powerfully productive” (1984, p. 342). And in a well-known article, significantly entitled “Rational Fools: A Critique of the

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Behavioral Foundations of Economic Theory," Amartya Sen asserted not long ago that "traditional [economic] theory has *too little* structure" (1977, p. 335). Noting that individual preferences and actual choice behavior are far from being always identical, he introduced novel concepts, such as commitment and second-order preferences. Like any virtue, so he seemed to say, parsimony in theory construction can be overdone and something is sometimes to be gained by making things more complicated. I have increasingly come to feel this way. Some years ago, I suggested that criticism from customers or "voice" should be recognized as a force keeping management of firms and organizations on their toes, along with competition or "exit," and it took a book (1970) to cope with the resulting complications. Here I deal with various other realms of economic inquiry that stand similarly in need of being rendered more complex. In concluding, I examine whether the various complications have some element in common: that would in turn simplify and unify matters.

### I. Two Kinds of Preference Changes

A fruitful distinction has been made, by Sen and others, between first-order and second-order preferences, or between preferences and metapreferences, respectively. I shall use the latter terminology here. Economics has traditionally dealt only with (first-order) preferences, that is, those that are revealed by agents as they buy goods and services. The complex psychological and cultural processes that lie behind the actually observed market choices have generally been considered the business of psychologists, sociologists, and anthropologists.

There were some good reasons for this self-denying ordinance. Nevertheless, one aspect of the process of choice and preference formation must be of concern to the economist, to the extent that he claims an interest in understanding processes of economic change. That aspect has nothing to do, at least at a first level of inquiry, with the cultural conditioning of tastes and choice behavior; its starting point is rather a very general observation on human nature (and should therefore be congenial to economics with its eighteenth-century moorings): men and women have the ability to step back from their "revealed" wants, volitions, and preferences, to ask themselves whether they really want these wants and prefer these preferences and consequently to form metapreferences that may differ from their preferences. Unsurprisingly, it is a philosopher, Harry Frankfurt (1971), who first put matters this way. He argued that this ability to step back is unique in humans, but is not present in all of them. Those who lack this ability he called "wantons": they are entirely, unreflectively in the grip of their whims and passions. (The terminology is quite apt as it conforms to common usage: wanton

murder is precisely murder "for no good reason," i.e., murder that has not been preceded by the formation of any metapreference for murder.)

It is easy to see that there is a close link between preference change and the concept of metapreferences; for, as I have pointed out before (1982, p. 71), certainty about the existence of metapreferences can only be gained through changes in actual choice behavior. If preferences and metapreferences always coincide so that the agent is permanently at peace with himself no matter what choices he makes, then the metapreferences hardly lead an independent existence and are mere shadows of the preferences. If, on the other hand, the two kinds of preferences are permanently at odds so that the agent always acts against his better judgment, then again, the metapreference cannot only be dismissed as wholly ineffective, but doubts will arise whether it is really there at all. In such cases, the situation is best characterized as a "tie-in purchase": along with the preferred commodity the consumer insists on acquiring unhappiness, regret, and guilt over having preferred it.

The notion of metapreference does not tell us much about the way actual change in choice behavior comes about. The battle to impose the metapreference is fought out within the self and is marked by all kinds of advances and reverses as well as by ruses and strategic devices. I am not concerned here with this topic, which Thomas Schelling has lately made his own, only with pointing out that an occasional success in changing choice behavior is essential for validating the concept of metapreferences.

Conversely, this concept illuminates the varied nature of preference change, for it is now possible to distinguish between two kinds of *preference changes*. One is the reflective and tortuous kind, preceded as it is by the formation of a metapreference that is at odds with the observed and hitherto practiced preference. But there are also preference changes that take place without any elaborate antecedent development of metapreferences. Following Frankfurt's terminology, the unreflective changes in preferences might be called wanton. These are the preference changes economists have primarily focused on: impulsive, uncomplicated, haphazard, publicity-induced, and generally minor (apples vs. pears) changes in tastes. In contrast, the nonwanton change of preference is not really a change in tastes at all. A taste is almost defined as a preference about which you do not argue — *de gustibus non est disputandum*. A taste about which you argue, with others or yourself, ceases ipso facto being a taste — it turns into a *value*. When a change in preferences has been preceded by the formation of a metapreference, much argument has obviously gone on within the divided self; it typically represents a change in values rather than a change in tastes.

Given the economists' concentration on, and consequent bias for, wanton preference changes, changes of the reflective kind have tended

to be downgraded to the wanton kind by assimilating them to changes in tastes: thus patterns of discriminatory hiring have been ascribed to a "taste for discrimination" (Becker, 1957) and increases in protectionism have similarly been analyzed as reflecting an enhanced "taste for nationalism" (Johnson, 1965). Such interpretations strike me as objectionable on two counts: first, they impede a serious intellectual effort to understand what are strongly held values and difficult to achieve changes in values rather than tastes and changes in tastes; second, the illusion is fostered that raising the cost of discrimination (or nationalism) is the simple and sovereign policy instrument for getting people to indulge less in those odd "tastes."

There is a more general point here. Economists often propose to deal with unethical or antisocial behavior by raising the cost of that behavior rather than by proclaiming standards and imposing prohibitions and sanctions. The reason is probably that they think of citizens as consumers with unchanging or arbitrarily changing tastes in matters of civic as well as commodity-oriented behavior. This view tends to neglect the possibility that people are capable of changing their values. A principal purpose of publicly proclaimed laws and regulations is to stigmatize antisocial behavior and thereby to influence citizens' values and behavior codes. This educational, value-molding function of the law is as important as its deterrent and repressive functions.<sup>2</sup> Accordingly, as Steven Kelman (1981, pp. 44–53) has shown, the resistance of legislators to the economists' proposals to deal with pollution exclusively through effluent charges and similar devices becomes intelligible and, up to a point, defensible. The propensity to pollute of industrialists and corporations is not necessarily like a fixed demand schedule so that all one can do is to make them pay their way for the pollution they are presumed to be bent on causing; that propensity is likely to be affected (the demand curve could shift) as a result of a general change in the civic climate that is signalled — in part — by the proclamation of laws and regulations against pollution.

In the light of the distinction between wanton and nonwanton preference changes, or between changes in tastes and changes in values, it also becomes possible to understand — and to criticize — the recent attempt of Gary Becker and George Stigler (1977) to do without the notion of preference changes for the purpose of explaining changes in behavior. Equating preference changes to changes in what they themselves call "inscrutable, often capricious tastes" (p. 76), they find, quite rightly, any changes in those kinds of tastes (our wanton changes) of

2. "Lawgivers make the citizen good by inculcating (good) habits in them, and this is the aim of every lawgiver; if he does not succeed in doing that, his legislation is a failure. It is in this that a good constitution differs from a bad one." Aristotle, *Nicomachean Ethics*, 1103b.

little analytical interest. But in their subsequent determination to explain all behavior change through price and income differences, they neglect one important source of such change: autonomous, reflective change in values. For example, in their analysis of beneficial and harmful addiction they take the elasticity of the individual's demand curve for music or heroin as given and, it would seem, immutable. May I urge that changes in values do occur from time to time in the lives of individuals, within generations, and from one generation to another and that those changes and their effects on behavior are worth exploring — that, in brief, *de valoribus est disputandum?*

## II. Two Kinds of Activities

From consumption I now turn to production and to human activities such as work and effort involved in achieving production goals. Much of economic activity is directed to the production of (private) goods and services that are then sold in the market. From the point of view of the firm, the activity carries with it a neat distinction between process and outcome, inputs and outputs, or costs and revenue. From the point of view of the individual participant in the process, a seemingly similar distinction can be drawn between work and pay or between effort and reward. Yet there is a well-known difference between the firm and the individual: for the firm any outlay is unambiguously to be entered on the negative side of the accounts whereas work can be more or less irksome or pleasant — even the same work can be felt as more pleasant by the same person from one day to the next. This problem, in particular its positive and normative consequences for income differentials, has attracted the attention of a long line of economists starting with Adam Smith. Most recently a distinction has been drawn between “process utility” and “goal utility” (Winston, 1982, pp. 193–97), making it clear that the means to the end of productive effort need not be entered on the negative side in a calculus of satisfaction. At the same time, this distinction keeps intact the basic instrumental conception of work, the means-end dichotomy on which our understanding of the work and production process has been essentially — and, up to a point, so usefully — based.

But there is a need to go further if the complexity and full range of human activities, productive and otherwise, are to be appreciated. Once again, more structure would be helpful. The possible existence of wholly *noninstrumental* activities is suggested by everyday language, which speaks of activities that are undertaken “for their own sake” and that “carry their own reward.” These are somewhat trite, unconvincing phrases: after all, any sustained activity, with the possible exception of pure play, is undertaken with some idea about an intended outcome.

A person who claims to be working exclusively for the sake of the rewards yielded by the exertion itself is usually suspect of hypocrisy: one feels he is really after the money, the advancement, or — at the least — the glory, and thus is an instrumentalist after all.

Some progress can be made with the matter by looking at the varying predictability of the intended outcome of different productive activities. Certain activities, typically of a routine character, have perfectly predictable outcomes. With regard to such tasks, there is no doubt in the individual's mind that effort will yield the anticipated outcome — an hour of labor will yield the well-known, fully visualized result as well as entitle the worker, if he has been contracted for the job, to a wage that can be used for the purchase of desired (and usually also well-known) goods. Under these conditions, the separation of the process into means and ends, or into costs and benefits, occurs almost spontaneously and work appears to assume a wholly instrumental character.

But there are many kinds of activities, from that of a research and development scientist to that of a composer or an advocate of some public policy, whose intended outcome cannot be relied upon to materialize with certainty. Among these activities there are some — applied laboratory research may be an example — whose outcome cannot be predicted for any single day or month; nevertheless, success in achieving the intended result steadily gains in likelihood as the time of work is being extended. In this case, the uncertainty is of a probabilistic nature, and one can speak of a certainty equivalent with regard to the output of the activity in any given period so that, once again, the separation of the process into means and ends is being experienced and work of this sort largely retains its instrumental cast. The combination of uncertainty about the result of work for any relatively short stretch of time with near certainty of achievement over a longer period confers to these kinds of nonroutine activities an especially attractive, "stimulating," "exciting" quality that tends to be absent both from wholly routine activities whose outcome never fails to materialize no matter how short the work period, and from very different kinds of nonroutine activities, to be discussed presently.

From their earliest origins, men and women appear to have allocated a considerable portion of their time to undertakings whose success is simply unpredictable. These are activities such as the pursuit of truth, beauty, justice, liberty, community, friendship, love, salvation, and so on. As a rule, these pursuits are, of course, carried on through a variety of exertions for apparently limited and specific objectives (writing a book, participating in a political campaign, etc.). Nevertheless, an important component of the activities thus undertaken is best described not as labor or work, but as *striving* — a term that precisely intimates

the lack of a reliable relation between effort and result. A means-end or cost-benefit calculus is impossible under the circumstances.

These activities have sometimes been referred to, in contrast to the instrumental ones, as "affective" or "expressive" (Smelser, 1980; Parsons, 1949, 1960, there cited). But labeling them does not contribute a great deal to understanding them, for the question is really why such activities should be taken up at all, as long as their successful outcome is so wholly uncertain. It is important to note that by no means are these activities always pleasant in themselves; in fact, some of them are sure to be quite strenuous or highly dangerous. Do we have here then another paradox or puzzle, one that relates not just to voting (why do rational people bother to vote?), but to a much wider and most vital group of activities? I suppose we do — from the point of view of instrumental reason, noninstrumental action is bound to be something of a mystery. But I have proposed (1982, pp. 84–91) an at least semirational explanation: these noninstrumental activities whose outcome is so uncertain are strangely characterized by a certain fusion of (and confusion between) striving and attaining.

According to conventional economic thinking, utility accrues to an individual primarily upon reaching the goal of consumption, that is, in the process of actually consuming a good or enjoying its use. But given our lively imagination, things are really rather more complicated. When we become sure that some desired good is actually going to be ours or that some desired event is definitely going to happen — be it a good meal, a meeting with the beloved, or the awarding of an honor — we experience the well-known pleasure of *savoring* that future event in advance (the term *savoring* was suggested to me by George Loewenstein). Moreover, this premature hauling in of utility is not limited to situations where the future event is near and certain, or is believed to be so. When the goal is distant and its attainment quite problematic, something very much like the savoring experience can occur, provided a determined personal quest is undertaken. He who strives after truth (or beauty) frequently experiences the conviction, fleeting though it may be, that he has found (or achieved) it. He who participates in a movement for liberty or justice frequently has the experience of already bringing these ideals within reach. In Pascal's formulation:

The hope Christians have to possess an infinite good is mixed with actual enjoyment . . . for they are not like those people who would hope for a kingdom of which they, as subjects, have nothing; rather, they hope for holiness, and for freedom from injustice, and they partake of both (*Pensées*, 540, my translation).

This savoring, this fusion of striving and attaining, is a fact of experience that goes far in accounting for the existence and importance of

noninstrumental activities. As though in compensation for the uncertainty about the outcome, and for the strenuousness or dangerousness of the activity, the striving effort is colored by the goal and in this fashion makes for an experience that is very different from merely agreeable, pleasurable, or even stimulating; in spite of its frequently painful character it has a well-known, intoxicating quality.

The foregoing interpretation of noninstrumental action is complemented by an alternative view which has been proposed by the sociologist Alessandro Pizzorno. For him, participation in politics is often engaged in because it enhances one's feeling of belonging to a group. I would add that noninstrumental action in general makes one feel more human. Such action can then be considered, in economic terms, as an *investment in individual and group identity*. In lieu of Pascal, those who advocate this alternative way of explaining noninstrumental action might invoke Jean-Paul Sartre as their patron saint, given the following lines from Sartre's posthumously published wartime diary:

Throughout his enterprises [man] aims not at self-preservation, as has often been said, nor at self-aggrandizement; rather, he seeks to *found* himself. And at the end of every one of these enterprises, he finds that he is back where he started: purposeless, through and through. Hence those well-known disappointments subsequent to effort, to triumph, to love (1983, p. 141; my translation and emphasis).

In other words, the feeling of having achieved belongingness and personhood is likely to be just as evanescent as the fusion of striving and attaining which I stressed earlier. The two views are related attempts at achieving an uncommonly difficult insight: to think instrumentally about the noninstrumental.

But why should economics be concerned with all this? Is it not enough for this discipline to attempt an adequate account of man's instrumental activities — a vast area indeed — while leaving the other, somewhat murky regions alone? Up to a point such a limitation made sense. But as economics has grown more ambitious, it becomes of increasing importance to appreciate that the means-end, cost-benefit model is far from covering all aspects of human activity and experience. Take the analysis of political action, an area in which economists have become interested as a natural extension of their work on public goods. Here the neglect of the noninstrumental mode of action was responsible for the inability of the economic approach to understand why people bother to vote and why they engage from time to time in collective action.

Once the noninstrumental mode is paid some attention it becomes possible to account for these otherwise puzzling phenomena. It is the fusion of striving and attaining as well as the urge to invest in individual

or group identity that lead to a conclusion exactly opposite to the "free ride" argument with respect to collective action: "since the output and objective of collective action are . . . a public good available to all, the only way an individual can raise the benefit accruing to him from the collective action is by stepping up *his own input*, his effort on behalf of the public policy he espouses. Far from shirking and attempting to get a free ride, a truly maximizing individual will attempt to be as activist as he can manage . . ." (Hirschman, 1982, p. 86).

The preceding argument does not imply, of course, that citizens will never adopt the instrumental mode of action with respect to action in the public interest. On the contrary, quite a few of them may well move from one mode to the other, and such oscillations could help explain the observed instability both of individual commitment and of many social movements in general.

A better understanding of collective action is by no means the only benefit that stands to flow from a more open attitude toward the possibility of noninstrumental action. As has been argued earlier, a strong affinity exists between instrumental and routine activities, on the one hand, and between noninstrumental and nonroutine activities, on the other. But just as I noted the existence of nonroutine activities that are predominantly instrumental (in the case of an applied research laboratory), so can routine work have more or less of a noninstrumental component, as Veblen stressed in *The Instinct of Workmanship*. Lately the conviction has gained ground that fluctuations in this component must be drawn upon to account for variations in labor productivity and for shifts in industrial leadership. It does make a great deal of difference, so it seems, whether people look at their work as "just a job" or also as part of some collective celebration.

Contact can now be made with our earlier plea for complicating the analysis of choice behavior through the concept of metapreferences. One important application of this concept can precisely be found in an individual's deliberation whether to devote more of his time and energy to instrumental activities at the expense of the noninstrumental ones, and vice versa. Shifts of this sort could mean an actual shift from one kind of activity to another (e.g., from public action to private pursuits); they will often involve a two-stage sequence in whose course an actor first decides to look, say, at some public involvement through instrumental rather than noninstrumental lenses, and then comes to feel that he should cut down on the public activity or give it up altogether. Quite possibly, what I was really after (or should have been after) in my recent book, *Shifting Involvements* (1982), was to describe an oscillation between the instrumental and noninstrumental modes of action, with the pursuits of the private and of the public happiness serving as concrete manifestations of these two basic modes.

### III. "Love": Neither Scarce Resource nor Augmentable Skill

My next plea for complicating economic discourse also deals with the production side, but more specifically with the role of one important prerequisite or ingredient known variously as morality, civic spirit, trust, observance of elementary ethical norms, and so on. The need of any functioning economic system for this "input" is widely recognized. But disagreement exists over what happens to this "input" as it is being used.

There are essentially two opposite models of factor use. The traditional one is constructed on the basis of given, depletable resources that get incorporated into the product. The scarcer the resource the higher its price and the less of it will be used by the economizing firm in combination with other inputs. A more recent model recognizes the possibility of "learning by doing" (Arrow, 1962). Use of a resource such as a skill has the immediate effect of improving the skill, of enlarging (rather than depleting) its availability. The recognition of this sort of process was a considerable, strangely belated insight. It also leads to important unorthodox policy conclusions, such as the desirability of subsidization of certain "scarce" inputs, since a subsidy-induced increase in their use will lead to the increased supply which, according to the more traditional model, was expected to be produced on the contrary by raising their price. I shall now attempt to show that neither of these two models is able to deal adequately with the nature of the factor of production that is under discussion here.

Because the "scarce resource" model has long been dominant, it has been extended to domains where its validity is highly dubious. Some thirty years ago, Dennis Robertson wrote a characteristically witty paper entitled "What Does the Economist Economize?" (1956). His often cited answer was: Love, which he called "that scarce resource" (p. 154). Robertson explained, through a number of well-chosen illustrations from the contemporary economic scene, that it was the economist's job to create an institutional environment and pattern of motivation where as small a burden as possible would be placed, for the purposes of society's functioning, on this thing "love," a term he used as a shortcut for morality and civic spirit. In so arguing, he was of course at one with Adam Smith who celebrated society's ability to do without "benevolence" (of the butcher, brewer, and baker) as long as individual "interest" was given full scope. Robertson does not invoke Smith, quoting instead a telling phrase by Alfred Marshall: "Progress chiefly depends on the extent to which the *strongest* and not merely the *highest* forces of human nature can be utilized for the increase of social good" (p. 148). This is yet another way of asserting that the social order is more secure when

it is built on interest rather than on love or benevolence. But the sharpness of Robertson's own formulation makes it possible to identify the flaw in this recurrent mode of reasoning.

Once love and particularly public morality is equated with a scarce resource, the need to economize it seems self-evident. Yet a moment's reflection is enough to realize that the analogy is not only questionable, but a bit absurd — and therefore funny. Take, for example, the well-known case of the person who drives in the morning rush hour and quips, upon yielding to another motorist: "I have done my good deed for the day; for the remainder, I can now act like a bastard." What strikes one as funny and absurd here is precisely the assumption, on the part of our driver, that he comes equipped with a strictly limited supply of good deeds; that, in other words, love should be treated as a scarce resource — just as Robertson claimed. We know instinctively that the supply of such resources as love or public spirit is not fixed or limited as may be the case for other factors of production. The analogy is faulty for two reasons: first of all, these are resources whose supply may well increase rather than decrease through use; second, these resources do not remain intact if they stay unused; like the ability to speak a foreign language or to play the piano, these moral resources are likely to become depleted and to atrophy if not used.

In a first approximation, then, Robertson's prescription appears to be founded on a confusion between the *use of a resource* and the *practice of an ability*. While human abilities and skills are valuable economic resources, most of them respond positively to practice, in a learning-by-doing manner, and negatively to nonpractice. (Just a few skills — swimming and bicycle riding come to mind — seem to stay at the same level in spite of prolonged nonpractice: once acquired, it is virtually impossible to lose or forget them. In counterpart, such skills often are not notably improved beyond one's level by practice.)

It was on the basis of this atrophy dynamic — the less the requirements of the social order for public spirit, the more the supply of public spirit dries up — that the United States' system for obtaining an adequate supply of human blood for medical purposes, with its only partial reliance on voluntary giving, has been criticized by Richard Titmuss, the British sociologist. And a British political economist, Fred Hirsch, generalized the point: once a social system, such as capitalism, convinces everyone that it can dispense with morality and public spirit, the universal pursuit of self-interest being all that is needed for satisfactory performance, the system will undermine its own viability which is in fact premised on civic behavior and on the respect of certain moral norms to a far greater extent than capitalism's official ideology avows.

How is it possible to reconcile the concerns of Titmuss and Hirsch with those seemingly opposite, yet surely not without some foundation,

of Robertson, Adam Smith, and Alfred Marshall? The truth is that, in his fondness for paradox, Robertson did his position a disservice: he opened his flank to easy attack when he equated love with some factor of production in strictly limited supply that needs to be economized. But what about the alternative analogy that equates love, benevolence, and public spirit with a skill that is improved through practice and atrophies without it? This one, too, has its weak points. Whereas public spirit will atrophy if too few demands are made upon it, it is not at all certain that the practice of benevolence will indefinitely have a positive feedback effect on the supply of this "skill." The practice of benevolence yields satisfaction ("makes you feel good"), to be sure, and therefore feeds upon itself up to a point, but this process is very different from practicing a manual (or intellectual) skill: here the practice leads to greater *dexterity* which is usually a net addition to one's abilities, that is, it is not acquired at the expense of some other skill or ability. In the case of benevolence, on the other hand, the point is soon reached where increased practice does conflict with self-interest and even self-preservation: our quipping motorist, to go back to him, has not exhausted his daily supply of benevolence by yielding once, but there surely will be *some* limit to his benevolent driving behavior, in deference to his own vital — perhaps even ethically compelling — displacement needs.

Robertson had a point, therefore, when he maintained that there could be institutional arrangements which make excessive demands on civic behavior, just as Titmuss and Hirsch were right in pointing to the opposite danger: the possibility, that is, that society makes insufficient demands on civic spirit. In both cases, there is a shortfall in public spirit, but in the cases pointed to by Robertson et al. the remedy consists in institutional arrangements placing less reliance on civic spirit and more on self-interest, whereas in the situations that have caught the attention of Titmuss and Hirsch, there is need for increased emphasis on, and practice of, community values and benevolence. These two parties argue along exactly opposite lines, but both have a point. Love, benevolence, and civic spirit are neither scarce factors in fixed supply nor do they act like skills and abilities that improve and expand more or less indefinitely with practice. Rather, they exhibit a complex, composite behavior: they atrophy when not adequately practiced and appealed to by the ruling socio-economic regime, yet will once again make themselves scarce when preached and relied on to excess.

To make matters worse, the precise location of these two danger zones — which, incidentally, may correspond roughly to the complementary ills of today's capitalist and centrally planned societies — is by no means known, nor are these zones ever stable. An ideological-institutional regime that in wartime or during some other time of stress and public fervor is ideally suited to call forth the energies and efforts

of the citizenry is well advised to give way to another that appeals more to private interest and less to civic spirit in a subsequent, less exalted period. Inversely, a regime of the latter sort may, because of the ensuing "atrophy of public meanings" (Taylor, 1970, p. 123), give rise to anomie and unwillingness ever to sacrifice private or group interest to the public weal so that a move back to a more community-oriented regime would be called for.

## CONCLUSION

I promised, earlier on, to inquire whether the various complications of traditional concepts that have been proposed have any common structure. The answer should be obvious: all these complications flow from a single source — the incredible complexity of human nature which was disregarded by traditional theory for very good reasons, but which must be spoonfed back into the traditional findings for the sake of greater realism.

A plea to recognize this complexity was implicit in my earlier insistence that "voice" be granted a role in certain economic processes alongside "exit," or competition. The efficient economic agent of traditional theory is essentially a silent scanner and "superior statistician" (Arrow, 1978) whereas I argued that she also has considerable gifts of verbal and nonverbal communication and persuasion that will enable her to affect economic processes.

Another fundamental characteristic of humans is that they are self-evaluating beings, perhaps the only ones among living organisms. This simple fact forced the intrusion of metapreferences into the theory of consumer choice and made it possible to draw a distinction between two fundamentally different kinds of preference changes. The self-evaluating function could be considered a variant of the communication or voice function: it also consists in a person addressing, criticizing, or persuading someone, but this someone is now the self rather than a supplier or an organization to which one belongs. But let us beware of excessive parsimony!

In addition to being endowed with such capabilities as communication, persuasion, and self-evaluation, humanity is beset by a number of fundamental, unresolved, and perhaps unresolvable tensions. A tension of this kind is that between instrumental and noninstrumental modes of behavior and action. Economics has, for very good reasons, concentrated wholly on the instrumental mode. I plead here for a concern with the opposite mode, on the grounds (1) that it is not wholly impervious to economic reasoning; and (2) that it helps us understand matters that have been found puzzling, such as collective action and shifts in labor productivity.

Finally, I have turned to another basic tension humanity must live with, this one resulting from the fact that we live in society. It is the tension between self and others, between self-interest, on the one hand, and public morality, service to community, or even self-sacrifice, on the other, or between "interest" and "benevolence" as Adam Smith put it. Here again, economics has concentrated overwhelmingly on one term of the dichotomy, while putting forward simplistic and contradictory propositions on how to deal with the other. The contradiction can be resolved by closer attention to the special nature of public morality as an "input."

In sum, I have complicated economic discourse by attempting to incorporate into it two basic human endowments and two basic tensions that are part of the human condition. To my mind, this is just a beginning.

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