



Studies in Socio-Economics

**MORALITY, RATIONALITY, AND EFFICIENCY
NEW PERSPECTIVES ON SOCIO-ECONOMICS**

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**SOCIO-ECONOMICS
TOWARD A NEW SYNTHESIS**

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***Toward
a New
Synthesis***

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Contemporary Liberals, Communitarians, and Individual Choices

The recent flurry of exchanges between contemporary liberal philosophers and their communitarian critics points to a theoretical middle ground, directly relevant to economics. The link between economics and social philosophy is not surprising, given the latter's significant role in developing ideas and concepts that still reverberate throughout economic theory (the writings of Adam Smith, J. Bentham, and J.S. Mill, to mention but three). From the rich contemporary discourse, this article focuses on one major issue: a philosophic convergence developing between individualistic, atomistic positions and collectivistic positions. The age-old debate between proponents of liberalism (also referred to as laissez faire conservatives or individualists) and social conservatives (in some eras known simply as conservatives) may be moving toward a synthesis. This synthesis, the "I&We" paradigm, leads to rethinking three pivotal concepts of neoclassical economics: the concept of the acting self (the "chooser"), the basis of choices (preferences), and the right to choose, or, individual liberty.

From the Individualist Camp

In *A Theory of Justice*, perhaps "the major text of contemporary liberal philosophy," Rawls (1971) develops a conception of justice that considers every individual's chosen good ("way of life") to be ultimately equal. Rawls does not choose any one substantive view of the good over another. He further presumes that each "person possesses an inviolability founded on justice that even the welfare of society as a whole cannot override" (p. 3). Rawls arrives at his notion of justice by considering what persons in a modern reformulation of the state of nature, the "original position," would choose as principles of a just society. Individuals in the original position are rational agents stripped of all particular

attributes as social beings; they debate behind a "veil of ignorance" that prevents them from knowing their future position in society. Because they are unsure of where they will "end up," they cannot but rationally choose a just (or "fair") order. For example, someone who argued in the original position for a system that favored men might end up as a woman. Rawls's basic philosophic construct thus emphasizes the primacy of the individual, and derives largely from individuals' rational choices, a position familiar to and essentially compatible with the core assumptions of neoclassical economics.¹

Communitarians, led by Sandel (1982, 1984), Walzer (1983, 1987), and MacIntyre (1984), charge that contemporary liberal philosophers—Rawls, as well as Dworkin (1977) and Nozick (1974)—are preoccupied with individual rights, that they neglect the common good. Sandel (1984, p. 5) characterizes the basic communitarian position as "a view that gives fuller expression to the claims of citizenship and community than the liberal vision allows"—a philosophy to combat "the presence of moral chaos and the absence of common purposes" (Thigpen and Downing 1987, p. 638). Two of the most essential communitarian criticisms, directed toward the liberal conceptions of self and community, will now be examined more closely.

Communitarians argue that liberal philosophy embodies a misleading picture of the nature of persons because it uproots them from their social context. MacIntyre (1984, p. 221), for example, rejects the possibility of theorizing about justice with an abstract self as the subject: "particularity can never be simply left behind or obliterated. The notion of escaping from it into a realm of entirely universal maxims which belong to man as such . . . is an illusion." Sandel argues that Rawls's representative rational agent does not account for our nature as social beings. In Sandel's view, we are not—indeed, cannot be—entirely autonomous agents, "independent from our . . . attachments" (1982, p. 168): such hypothetical individuals are "wholly without character, without moral depth" (p. 172). Persons as we know them, Sandel maintains, are always "situated" or "embedded" in a social context, they are "encumbered" by ties of community: "we cannot conceive of our personhood without reference to our roles as citizens, and as participants in a common life" (1984, p. 5). For Sandel, self-knowledge is impossible outside of the social world: "where the self is unencumbered and essentially disposed [as in the Rawlsian original position], no person is left for *self*-reflection to reflect upon" (1982, p. 180; emphasis in original). The community is a part of us, tangible in "those more or less enduring attachments and commitments which taken together partly define the person I am" (p. 179).

Communitarians decry not only contemporary liberalism's vision of the abstract, isolated self, but also what they charge is a weak conception of community and common good. A "strong" liberal position (which, for example, Nozick espouses), holds that individuals' ends are either competing or independent, "but not in any case complementary . . . [no] one takes account of the good of others"

(Rawls 1971, p. 521). To these "strong" liberals (or libertarians), social arrangements are "a necessary burden," and "the good of community consists solely in the advantages individuals derive from cooperating in pursuit of their egoistic ends" (Sandel 1982, p. 148).

Not all liberals adhere to this strong position. For Rawls, the community is far more than a "necessary burden"; he must be distinguished from Nozick. As Wallach (1987, p. 607, n. 4) states, "[the] belief that Rawls' . . . theory implies an opposition between the preservation of rights and the promotion of the common good is incorrect and unfair, except in some Pickwickian sense. Surely, Rawls' principles of justice comprise his vision of the foundations for the common good." Indeed, Rawls (1971, p. 525) contends that a well-ordered society founded on the principles of justice as fairness possesses "shared final ends and common activities valued for themselves," the two features of "social union." This common end is realizing the principles of justice: "the successful carrying out of just institutions is the shared final end of all the members of society" (p. 527). The entire society finds "satisfaction" in this achievement. Rawls sees just institutions as "good in themselves" because they provide each individual's life with "a more ample and rich structure than it would otherwise have" (p. 528).

What allows Rawls to advance a conception of a common good is an important distinction between substance and procedure. Rawls's common good involves realizing the principles of justice—a *procedural* end. He does not make a substantive claim, does not establish a specific notion about qualities or characteristics that persons or society ought to possess. As Rawls writes:

this larger plan [the realization of just institutions] *does not establish a dominant end*, such as that of religious unity or the greatest excellence of culture, much less national power and prestige, to which the aims of all individuals and associations are subordinate. The *regulative* public intention is rather that the constitutional order should realize the principles of justice. And this collective activity . . . must be experienced as a good. [1971, p. 528]

Moderate liberal theory thus allows for at least a partial vision of community. Selznick writes that

[moderate] welfare liberalism strains toward a communitarian perspective. But it is held back by an irrepressible commitment to the idea that individuals must decide for themselves what it means to be free and what ends should be pursued. [1987, p. 447]

Yet this straining continues: both Rawls and Dworkin have modified their positions. According to Wallach (1987, p. 584), Rawls concedes that the representative moral agent's—now called the citizen's—"basic values and characteristics no longer are derived from our intuitions but from an 'overlapping consensus' that undergirds the modern democratic state." Rawls embeds his theory in a distinct kind of community by acknowledging that "social and historical" particulars (specifically, the democratic society reflected in contemporary, ad-

vanced, Western industrialized nations) “profoundly affect the requirements of a workable conception of political justice” (1985, p. 225). In kind, Dworkin now considers his fundamental liberal concept of “equal concern and respect” to be historically and politically, i.e., socially embedded (Wallach 1987, p. 608, n. 16). Both through its critics and its apologists, liberal theory has moved (somewhat) toward recognizing an important, fundamental sphere, beyond the individual.

From the Communitarian Camp

While liberalism maintains the primacy of the rights-bearing individual and his or her prerogative to choose the good, communitarians seek to establish a common good that is shared by and transcends each individual. The moral values and traditions² of the community, not rational, autonomous agents, provide for communitarians the basis of moral-philosophic discourse. Communitarians replace the autonomous self, independent of its personally chosen ends, with an “embedded” self, a “citizen” bound to a common good: “certain of our [social] roles are partly constitutive of the persons we are . . . [and we are] implicated in the purposes and ends characteristic of those communities” (Sandel 1984, p. 6). But in their attempt to establish common ends within a strong community, communitarians risk submerging what Nozick calls “the fact of our separate existences,” and Rawls, “the distinction between persons.” This is the communitarian trap: defending the moral standing of the community and the value of shared purposes, but in the process failing to provide any fundamental, principled basis for individual autonomy, and hence, no moral barrier to collectivism.

MacIntyre’s work illustrates a strong communitarian position and its problems. In *After Virtue* (1984), MacIntyre argues that the moral foundations of modern society are incoherent, fragmented; he contends that “we have—very largely, if not entirely—lost our comprehension, both theoretical and practical, of morality” (p. 2). The standard of moral community against which he assesses our current condition (the “new dark ages”) is the Aristotelian tradition of civic virtue. In the Aristotelian tradition, persons are understood to have “an [i.e., one] essential purpose” (p. 58)—a *telos*—that they attain by exercising “virtues” (particularly “acquired human qualities”) to achieve the intrinsic goods of “socially established” human activities known as “practices” (pp. 187, 191). Practices include, for example, “arts, sciences, games, politics in the Aristotelian sense [and] the making and sustaining of family life” (p. 188).

Individuals in such a community do not (as liberals would have it) choose their own good; they find a common good as members of a distinct moral order. Each person seeks to acquire the socially prescribed virtues, to discover and achieve their *telos*; and each finds that “my good as a man [or woman] is one and the same as the good of those others with whom I am bound up in human community” (MacIntyre 1984, p. 229). And MacIntyre writes, “What is good

for me *has to be* good for one who inhabits these roles” (p. 220). In rejecting individualism, he goes so far as to state that “[n]atural or human rights . . . are fictions” (p. 70). MacIntyre seems bound to Rosenblum’s (1984, p. 586) observation that in the communitarian vision, “there is no conflict between obligation and personal inclination.”

Other communitarians are more moderate in their vision of community, but they, like MacIntyre, affirm its centrality. In *Spheres of Justice* (1983), Walzer advances a new vision of equality, “complex equality,” that both depends on and provides for community and shared values. Complex equality arises from ensuring the autonomy of the various spheres of social goods—for example, money should not influence politics; nor should political office bring entrepreneurial opportunities or better medical care. Walzer’s notion depends on community, for he argues that a community’s shared values about the meanings of goods determine the principles of distributive justice in that community: “All distributions are just or unjust relative to the social meanings of the goods at stake” (1983, p. 9). Complex equality provides for community because, Rosenblum argues, Walzer implies that the measure of a community’s existence “is the strength of its members feeling that they belong to a just order” (1984, p. 586), and in a society of complex equality, “feelings of relative deprivation are minimized” (Walzer 1987, p. 169).

In their efforts to restore and nourish the shared values and purposes of the community, communitarians do not adequately provide for individual rights and may not distinguish individuals from their roles in the community. They are not, however, unaware of these problems. Indeed, their efforts to avoid collectivism suggest progress toward a synthesis recognizing both “the distinction between persons” and the moral standing of community. MacIntyre, for example, writes: “The fact that the self has to find its moral identity in and through its membership in communities . . . does not entail that the self has to accept the moral limitations of the particularity of those forms of community” (1984, p. 221). In response, Thigpen and Downing (1987, p. 643) observe that MacIntyre’s work does not identify aspects of the self that transcend those limitations. They add:

Without a source of moral authority outside role requirements, roles are simply *vehicles for the societal imposition of values*. . . . MacIntyre shrinks from this implication of his theory. However, MacIntyre fails to provide a theory of the self which can account for a critical stance against society. [pp. 642–43]

In fact, MacIntyre does provide a source of moral authority outside of roles. He offers that “a morality of laws” is a necessary supplement to the virtues. But laws for MacIntyre are important because they address types of behavior that “injure *the community* to some degree and make its shared project less successful” (1984, p. 152), not because they protect the individual.

Walzer is more attendant to individual rights and autonomy than is MacIntyre.

Like MacIntyre, he challenges the liberal notion of abstract persons and he declares community "conceivably the most important good" (1983, p. 29). Unlike MacIntyre, though, who favors a community with a single, overarching moral code, Walzer advocates multiple spheres of justice—each sphere relevant to the meanings of particular "social" goods (e.g., money, political power, prestige, education). The result is a pluralism of moral foundations. However, Walzer does not indicate whether the individual is free to choose among these foundations. Further, he does not provide in *Spheres of Justice* a plausible critical basis for individuals to stand apart from consensual social meanings, and hence, existing values, whatever they may be, saying only that "justice requires that society be faithful to disagreements" (1983, p. 313). As Fishkin (1984, p. 757) remarks, Walzer's "theory is threatened with silence in the face of serious moral controversy."

Walzer does allocate a measure of independence and critical latitude to philosophers—whose task he sees as unearthing the implicit unifying consensus lurking behind this plurality—and to social critics, who oppose the "apologetic" interpretations of a community's morality when "we do not live up to the standards that might justify us" (1987, p. 48). The philosopher's role in Walzer is thus akin to that of the proletariat or advanced consciousness in Marx—to ensure a progressive stance. But Walzer still leaves the "other" individuals, the non-philosophers, submerged in the community's norms. This threat of submergence is tempered by Walzer's acknowledgment of a "background" of rights (in fact, he implies that the rights to "life and liberty" [1983, p. xv] might be universal). But this view is, at best, in the background. Characterizing the moderate communitarian position, Selznick (1987, p. 459) concludes that:

A communitarian morality is not rights-centered but it is not opposed to rights or indifferent to them or casual about them. From the perspective of community, however, rights are derivative and secondary.

Thus, for communitarians, the moral force of community is a central—perhaps *the* central—constituent of persons, but it does not comprise their entire being.

The Synthetic Position: "I&We"

The emerging synthesis, as I see it, assumes from the beginning that individual and community *both* command a fundamental moral standing. Rather than attempting to derive an entire philosophical position from one essential assumption—either the moral primacy of the individual or the moral primacy of the community—the synthetic position presupposes that neither individual nor community can be cast in a subordinate role. To stress the interlocking, mutually dependent relationship of individual and community, and to acknowledge my mentor, Martin Buber, I refer to this synthetic position as the "I&We" paradigm (the "We" signifies social, cultural, and political, hence historical and institu-

tional, forces that shape the collective factor—the community; see Etzioni 1988).

Three considerations, empirical, moral-philosophical, and pragmatic, supply this approach. First, while it is possible to theorize about abstract individuals apart from a community, if individuals were actually without community, they would have very few of the attributes commonly associated with the notion of the autonomous person. As a starting point, the discussion has, until now, drawn on widely used concepts that imply that individual and community are two clearly distinct entities. This conceptual separation enables liberals to talk about groups of individuals deciding to form a polity, and to conceive of aggregates of individuals without community, a notion that underlies the utilitarian goal of "the greatest happiness of the greatest number." But a basic observation of sociology and psychology is that *the individual and the community "penetrate" one another and require each other*, and that individuals are not able to function effectively without deep links to others. House et al. (1988) conclude that a lack of social relationships heightens a person's susceptibility to illness. Berelson and Steiner (1964, p. 252), in their overview of more than 1,000 social science studies, remark: "Total isolation is virtually always an intolerable situation for the human adult—even when physical needs are provided for." The experiences of American POWs in isolation during the Korean War (Kinkead 1959) and of solitary explorers and voyagers (for example, Byrd 1938), and the results of numerous laboratory experiments (for example, Appley and Trumbull 1967) all point to the conclusion that to remain viable, psychologically "sound," the individual needs deep bonds with others.

A significant strand of the sociology literature has long contended that community has weakened within modern society, adversely affecting individuals. Fromm (1941) argues that individuals won excessive autonomy as industrialization, or more precisely, urbanization transformed society. He believes that this extreme autonomy was gained at the cost of weakened social bonds in both the family and the community. This excessive independence left the individual highly anxious, even hysterical, looking despairingly for synthetic affiliations to replace the lost bonds. Totalitarian political movements appeal to this malaise because they provide a proxy for such bonds. Similar to urbanization, the decline of religion and "traditional values" left people yearning for firm direction; and demagogues and dictators provided the strong leadership to fill this void. (Riesman [1950] also follows this line of reasoning, arguing that people have become other-directed, seek excessively to conform, and have lost inner orientation.)

Sociology's concept of the mass society also points to the significance of social bonds. This concept does not refer exclusively to great numbers of people, although mass relations are less likely to occur in small populations. Mass society describes the aggregate of individual people, each on his or her own—somewhat like the mass in a crowded railroad station—that has replaced the closely woven social fabric of numerous, small, direct, and stable social units (villages). Cities in a mass society are viewed as places where great numbers of individuals

aggregate but tend not to favor solid social bonds. The high level of geographic mobility in the modern era, the constant reshuffling of individuals, is believed to further flatten ties. Religious and ethnic groups are also seen to be losing their influence, as people join large associations that may represent their interests (e.g., labor unions or political parties), but, at least in the United States, often provide little social cohesion. Early critics of mass society saw it as a dangerous result of the transition from a socially ordered world to one of masses open to charismatic demagogic appeal. De Tocqueville's work (1835) supports the argument that maintaining pluralism and the social fabric (conditions that he found in America) enables the preservation of democracy. (While he turned more pessimistic after the 1848 revolution in France, many adopted his earlier position.)

Not all sociologists agree on the adverse effects of modern society. The studies cited here have been challenged, as have most findings in social sciences. For example, Gans (1962), in *The Urban Villagers*, argues contrary to Fromm that there *is* village-like life in modern cities. But in fact, such works do not challenge the consensus of sociological and psychological research, that isolation erodes the mental stability necessary for individuals to form their own judgments and resist undue external pressure and influence. They merely suggest that isolation is not as prevalent in modern society as some sociologists have feared.

Second, the I&We position finds support in that, taken alone, its constituent elements—radical individualism or collectivism—lead to policy conclusions with which even their own advocates are often uncomfortable. As discussed above, those who recognize only the primacy of the community and consider individual rights either secondary and derivative or assert simply that “there are no such rights” (MacIntyre 1984, p. 69), open the door to the intolerance, or worse, the tyranny found not only in totalitarian ideologies but also in absolutist theology and authoritarian political philosophies. Equally unacceptable are positions that focus exclusively on individual rights, particularly the extreme libertarian stand; few endorse policy ideas such as those that allow an individual the right to choose whether or not he or she wishes to defend his or her country (Nozick 1974). This may leave few to defend a country, and such a policy is patently unfair if some opt out, because those who do not serve reap the benefits of protection provided by those who do. The problems of the libertarian position hold for other common goals we all value, from concern for future generations to the condition of the environment. In sum, while there are obviously significant differences in what people regard as the common good(s), few deny the significance of the category.

Finally, there are pragmatic considerations: will the I&We paradigm facilitate the development of both public policy and norms of behavior that members of relevant communities will consider compatible with their principles? For example, what insight might the I&We bring to the pornography debate? Elshtain (1984) explores the philosophical underpinnings of the opposing positions taken by feminists and civil libertarians (as well as neoconservatives) in the debate

over the distribution and use of pornography. Feminists have chosen to fight pornography with the same conceptual tool that libertarians use to defend it—the language of individual rights. Feminists argue that pornography violates the civil rights of (individual) women; libertarians respond that limiting pornography violates the right to free speech. Elshtain (1984, p. 18) remarks that “the idea of [individual] ‘rights’ cannot bear all the weight being placed upon it. But without reference to rights, how can someone press the case for cultural change in a *liberal* society?” She approaches the problem partly from a communitarian perspective, suggesting that communities “should have the power to regulate and to curb open and visible assaults on human dignity” (1984, p. 20). Thus, she confers upon the community a prerogative to determine the boundaries of individual rights in the name of a particular *substantive* good—human dignity. Adding to her criterion of preserving “human dignity,” she writes:

To the extent that pornography is symptomatic of, and helps to further, social disintegration, in which the least powerful (especially children) suffer the most, it [pornography] becomes an appropriate target for action, regulation, and reproof. [1984, p. 20]

Elshtain limits this prerogative, however, by warning that communities “should not seek, as groups avowedly do, to eradicate or condemn either sexual fantasies or erotic representations as such.” These individual prerogatives are to be preserved. Sandel buttresses Elshtain, remarking that communitarians might allow a town to bar pornographic bookstores “on the grounds that pornography offends its way of life and the values that sustain it” (1984, p. 6). A line must be drawn on individual expression, then, even though we maintain vigorous concern for individual rights. It remains for another occasion to show that other public policies based on the I&We position are both more plausible and acceptable than those derived from strictly individualistic or collectivist positions.

Further specification of the I&We raises a question that represents a significant restatement—a more productive one, I submit—of the fundamental liberal-communitarian debate: to what extent should the position draw on individual rights, to what degree should it be based on obligations to the community? Wherein lies the proper balance? While no simple guideline suggests itself, the social-historical context provides an important criterion: societies that lean heavily in one direction tend to “correct” in the other. Thus, communist societies have been moving recently to enhance individual liberties. At the same time, American society, believing itself to have tilted too far toward Me-ism and interest-group dominance, has been shifting toward a greater emphasis on national priorities and obligations to the community. Other such “balancing” criteria remain to be evolved.

Now that the basic I&We paradigm has been outlined, its significance for central concepts in neoclassical economics can be explored. We will examine the different views provided by neoclassical economics and the I&We on three

fundamental issues: the concepts of self, preferences, and liberty (here conceived of as the freedom to choose).

The Divided Self

Neoclassical economists tend to assume a unitary self, an internally ordered and consistent bundle of urges. This view is essentially compatible with the strong liberal view, which considers the individual as the primary decision-making unit, apart and prior to society. (The "strong" communitarian position would posit an individual entirely constituted by community.)

In contrast, the I&We takes the position of many philosophers and social scientists who have argued (Elster 1985) that it is more reasonable and productive to assume an internally divided self, for example, a self that has preferences and meta-preferences (a position developed by Frankfurt 1985; Hirschman 1984; and McPherson 1984b). The main source of meta-preferences is moral values, which tend to conflict with consumption values, resulting in economic behavior that is inconsistent, guilt-ridden, often cooperative rather than competitive, and otherwise "nonrational" (Etzioni 1988).

These moral values are *in part* supported by social forces (the *We*) and *in part* developed and advanced by individuals. The economic activity of saving typifies the interaction between self-interest and the moral values that deeply affect meta-preferences. The extent to which a person saves reflects in part interest rates, tax levels, and his or her age, but also *values*, such as how deeply the person believes it is unethical to be in debt. Maital (1982, pp. 142–43) points out that the success of credit cards and bank-check credit is attributable to the fact that they allow people to be in debt without experiencing the dissonance between their feeling that "debt is wrong" and their desire to use credit. And personal values, in turn, partly reflect the community. For example, the taboo of debt, an integral component of the American creed before World War II, was deliberately modified by the business community (supported by government) after 1945, to preclude the expected massive unemployment (buying on credit was legitimized).

Neoclassicists do not necessarily deny the existence of community or of value systems. However, they tend to treat these agents as external, "environmental" factors, or as "constraints" on the self. Thus, individuals deal with values as they do with other "cost" factors, and rationally calculate whether or not they wish to "conform" to such values. In contrast, the I&We paradigm assumes that *some* social/moral values are *internalized*, become constitutive elements of the self. Individuals experience these value commitments as *their own*, and these commitments help *shape their preferences*, not merely the constraints under which they operate. That individuals do sometimes calculate whether or not to conform should not be construed as evidence that there is no significant internalization, for persons often engage in both modes of behavior. For example, many

feel compelled to (feel that they "must") contribute to charity, but calculate how much to give. Society, then, is not a neoclassical "constraint" but an entity within each person—an integral part of the self.

Preferences: An Unnecessary Blind

As the I&We sees the self partly constituted by community, so it sees the preferences of the self as malleable and affected by that community. This position replaces the neoclassical claim that preferences are constant and given. Take, for example, the observation that Americans have consumed less alcohol during the 1980s than in the preceding decades. Economists, who take preferences as given and unchanging, will look to increased prices, higher drinking ages, and other such factors to explain this change in behavior. However, the price of alcohol has risen less than other prices, and drinking seems to be lower even in states that have not raised their drinking ages. The I&We suggests that the main factors at work are two social movements: one that emphasizes health and fitness (resulting, among other things, in much lower consumption of beef and especially pork, and much higher consumption of seafood), and one that is strongly opposed to drunk driving. The result has been a change in social values and moral climate, and hence in preferences (or "tastes"). For example, in many circles now, it is no longer considered appropriate to be intoxicated.

Several neoclassical economists have objected to such thinking, providing various methodological reasons for arguing that preferences ought to be treated as given and stable, that one ought to assume that only constraints change, at least for the purposes of analysis. One reason neoclassicists offer is that factors that shape preferences are "irrational" and therefore not subject to positive study (Stigler and Becker 1977). It is difficult for a sociologist to understand why economists keep repeating this argument after three generations of sociological studies have indicated that what is irrational from the viewpoint of the actor is not necessarily so from the viewpoint of the observer: *irrational behavior is not random and can be studied*.

Becker and Stigler espouse a particularly extreme version of the position that preferences are to be treated as given: "Preferences are assumed not to change substantially over time, not to be very different between wealthy and poor persons, or even between persons in different societies and cultures" (Becker 1976, p. 5; see also Stigler and Becker 1977, p. 76). Asked to clarify the somewhat ambiguous term "not . . . very different," Becker responded that he means "quite similar" (private communication). In an often-cited article, Stigler and Becker (1977) assert that those who see in addictions a change of taste (people consume some of a good and subsequently increase their taste for it) resort to an "unilluminating 'explanation'" (1977, p. 78), and state that instead, all such changes can be explained by searching for differences in price and income, assuming constant tastes. They then make several assumptions that seem quite

farfetched (e.g., people have no time preference) to depict apparently simple instances of acquiring a taste for, say, music, as if tastes represented an investment of time and human capital that "produces" music appreciation. This strained attempt to keep the "lid" on preferences requires rather intricate theorizing and the introduction of numerous ad hoc assumptions, compared to the simple assumption that both tastes and constraints change (Blaug 1984, especially p. 240ff.). Ironically enough, economists prefer simple models, and often reject the scholarship of other social sciences as overly complex.

Liberty: The Freedom to Choose

Whether or not one considers preferences malleable has deep implications for the question of *who* makes the choices, that is, the extent to which individuals are free to follow their own chosen course. At the core of the neoclassical paradigm is the assumption that autonomous individuals are the decision-making unit, the actors. This is far more than a working hypothesis; it is an article of faith grounded in a deep commitment to the value of liberty. The neoclassical assumption of fixed preferences (see Tisdell 1983; Thurow 1983; and McPherson 1984a, pp. 237–38) supports the normative contention that individuals are the best judges of their interest and are able to render decisions that shape both aggregate and collective behavior. Neoclassicists maintain that if one assumes that individuals' preferences can be manipulated or changed by social forces, one undermines the foundations of liberty—the notion that persons are able to render decisions on their own. They thus argue that individuals can and ought to direct the polity (via voting) and shape the allocation of resources within the economy to maximize welfare (via their purchases).

Rothenberg (1966, p. 240) expresses this argument as follows: any particular individual "sometimes" may project only "imperfectly" what is good for him. However, it would require a psychiatrist or spouse to add in the "missing touch"; no outsider possibly could. Rothenberg then argues that such idiosyncrasies disappear in the aggregate, although he does not explain why. But this convenient disappearance is to be expected only if individual idiosyncrasies are random and cancel each other out in the aggregate; in fact, the existence of social groups, social structure, and values indicates there is little reason to assume that preference distribution is random and considerable reason to assume that it is somewhat systematic. Rothenberg concludes that:

on the level of the population as a whole, no concentrated group of outside evaluators can be found which come anywhere near as close to expressing what is good for them as the individual members of the population themselves. Thus, the set of individual preferences becomes accepted as the arbiter of their own welfare . . . [and] "descriptive individualism in positive economics becomes transformed into normative individualism in welfare economics." [pp. 240–41]

That is, the assumptions of individualistic, fixed preferences employed for the sake of theoretical convenience are used to justify laissez faire positions as if economics had scientifically demonstrated that preferences are indeed individually set and fixed in the real world.

In contrast to neoclassicism, the I&We paradigm's "opening of the preferences," the assumption that they are mutable and malleable, acknowledges the possibility that group processes, societal values, and power relations shape individual preferences significantly, that is, that individual "tastes" largely reflect factors beyond those controlled individually. From this observation, it also follows that individual preferences may be manipulated (say, via persuasive advertising). Hence, people may not act in their own interest or according to their genuine desires. West and McKee (1983, p. 1110) argue that the "'tastes are different' school presents the greater potential for social manipulation." However, this claim confuses the normative implications of an approach with its descriptive intentions. The I&We does not open individuals to greater manipulation, it merely recognizes that they are in fact susceptible to it.

These observations have several normative implications. First, people are often *not* in full, or even extensive charge of their actions. Therefore, to blame them for the consequences of poor choices because presumably *they* made them, may be seen partly as blaming the victims of manipulation and coercion for choices they did not make. Second, not all of these extraindividual forces are necessarily harmful; hence, criteria must be developed to be able to discriminate between benign and destructive extraindividual influences. For example, few would object to education that stresses the value of liberty.

Last, but not least, the recognition that extraindividual factors affect choices is not a prescription for intervention, for substituting another's judgment (or that of the government's) for that of individuals. It points, for those concerned about the individual's capacity to choose, to the need to establish which factors protect and develop a person's ability to form his or her own decisions, rather than assuming a priori that all individuals have an innate ability to develop and act on their preferences. Only when these major forces are acknowledged by a paradigm, can we begin the systematic search for the conditions that reinforce liberty.

We have already cited findings in sociology and psychology indicating that isolated individuals—the actors of the neoclassical world—are unable to act "freely," while individuals bonded through comprehensive, stable relationships and cohesive groups and communities are much more able to make sensible choices, render judgment—in essence, *are* free. Indeed, from a sociological perspective, the greatest danger to liberty arises when the social moorings of individuals are cut. The atomization of society, the reduction of communities into aggregates of isolated individuals, results in the loss of individuals' competence, capacity to reason, and self-identity; this atomization preceded the rise of twentieth-century totalitarian states. As de Tocqueville so keenly observed, the best protec-

tion against such totalitarianism is a pluralistic society enriched by local communities and voluntary associations. The I&We paradigm is as much concerned with individual liberties as is the neoclassical paradigm. However, the I&We assumes that liberty requires a viable—but not overbearing—community, and the paradigm therefore calls for identifying the conditions under which such a community evolves and is sustained.

Notes

The author has drawn, for this chapter, on a previous publication, "Liberals and Communitarians," *Partisan Review*, Spring 1990. He is indebted to Brandt Goldstein for research assistance, and to Kyle Hoffman and John DuVivier for comments on a previous draft. Note: All emphasis has been added to quotes unless otherwise indicated.

1. *A Theory of Justice* has been interpreted by some as somewhat more communitarian than portrayed here. We maintain, however, that Rawls's view is essentially individualistic, although he has become more concerned with community in recent articles.
2. Communitarians use a variety of terms to describe moral values and other conceptions common among members of a community, including the terms "shared understandings," "practices," and so on.

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