



# **Life in Solitary**

## Anthropological Assumptions as Self-Fulfilling Prophecies

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# LIFE IN SOLITARY

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## **Abstract**

Claims about human nature are unavoidable in political theory. A theory about which social arrangements are best for human beings must make some claims about the nature of the human beings - how they behave, what they desire, etc. These anthropological assumptions provide the theoretical foundation for political theory and the building blocks of social models. One way of criticizing a sociopolitical theory is to target these assumptions and argue that it is premised upon a wrong or too simple view of human behavior. Simplified assumptions are often used in scientific models, as they can lead to hypotheses that can be tested empirically. The simplified assumptions can be justified if they lead to correct predictions. This is more complicated in social theory where the building blocks in the model are human beings because the models can affect the behavior of their subjects. This can happen in different ways: Directly, because humans are responsive to the way they are described - how we think of ourselves directly impacts how we behave - and indirectly, because the hypotheses of social models are often used as legitimation of policies and institutional designs that regulate human relations and behavior. The models about human nature thus become part of human nature. This leads to a second way of critiquing sociopolitical theories: Not by stating that they misrepresent a true human nature but that they describe humans as affected by such theories and by the social arrangements the theories are used to justify. I find this line of critique more fruitful as it does not rely on the claim that there exists a true human nature that is static and unaffected by social arrangements and beliefs.

This dissertation examines how claims about human nature impact political and economic theories and how these theories impact human behavior and subjectivity. It focuses on individualistic theories premised upon a view of humans as solitary creatures whose preferences can be modeled as if they are independent of others. Such models lead to the theoretical primacy of conflict between independent subjects and the theoretical implausibility of cooperation and trust between them - thus, certain social and political arrangements are seen as necessary. This view exists in the political philosophy of Hobbes and Rawls, and in the social theory of Rational Choice which has been the foundation of neoclassical economics and neoliberal policies. The critical issue is not so much that it is a wrong view of human nature but rather that it affects human subjectivity and behavior - that there is a risk that it becomes a self-fulfilling prophecy. That could be the case if one form of social arrangement and ideology could ever be hegemonic, but in reality we occupy different social roles in different relations, leading to different forms of subjectivity and rationality that clash and interact in unpredictable ways.

## Ágrip

Staðhæfingar um mannlegt eðli eru óhjákvæmilegar í stjórnmalakenningum. Kenning um hvaða samfélagslega skipan sé best fyrir mannverur verður að innihalda einhverjar fullyrðingar um eðli manna - um hvernig þeir hegða sér, hvað þeir þrá og þar fram eftir götunum. Þessar mannfræðilegu ályktanir skapa fræðilegan grunn stjórnmalakenninga og eru uppistaðan í samfélagslegum líkönum. Ein leið til að gagnrýna samfélags-pólítíska kenningu er að veitast að þessum ályktunum og færa rök fyrir að þær séu byggðar á rangri eða einfaldaðri mynd af mannlegri hegðun. Vísindaleg líkön styðjast iðulega við einfaldaðar ályktanir vegna þess að þær geta leitt af sér tilgátur sem unnt er að sannprófa. Einfaldaðar ályktanir geta verið réttmætar ef þær hafa nákvæmt forspárgildi. Þetta er eilítið flóknara þegar samfélagskenningar eru annars vegar og uppistaða samfélagslíkansins eru mannverur vegna þess að líkönin geta haft áhrif á hegðun fólks. Það getur gerst með mismunandi hætti: með beinum hætti vegna þess að mannfólk er móttækilegt fyrir lýsingum á þeim - hvernig við hugsum um okkur hefur bein áhrif á hvernig við hegðum okkur - og óbeint vegna þess að tilgátur samfélagslíkana eru oft nýttar til að réttlæta stefnur og stofnanagerðir sem setja reglur um mannleg samskipti og hegðun. Líkön um manneðli verða þannig hluti af manneðlinu. Það getur af sér aðra leið til þess að gagnrýna samfélags-stjórnmalakenningar: ekki með því að fullyrða að þær gefi ranga mynd af hinu sanna manneðli heldur að þær lýsi hvernig menn mótist af slíkum kenningum og þeirri samfélagsskipan sem kenningarnar nýtast til að ljá lögmæti. Ég tel þessa síðari leið frjórri vegna þess að hún reiðir sig ekki á staðhæfingu um að til sé sönn mannleg náttúra sem sé kyrrstæð og ónæm gagnvart samfélagslegri skipan og viðhorfum.

Þessi doktorsritgerð felst í rannsókn á því hvernig staðhæfingar um manneðli hafa áhrif á stórnála- og hagfræðikenningar og hvernig þessar kenningar móta hegðun og sjálfsveru manna. Beint er sjónum að einstaklingsmiðuðum kenningum sem byggja á mynd af stakstæðum einstaklingum hverra langanir (e. preferences) eru látnar ráðast af því sem væru þeir hverjir óháðir öðrum. Í slíkum líkönum er tvennt sett fræðilega á oddinn, átök milli sjálfstæðra einstaklinga og ósennileiki samvinnu og trausts þeirra á milli - þar af leiðandi er viss samfélagsleg og pólítísk skipan talin vera alger nauðsyn. Þetta viðhorf má sjá í heimspeki Hobbes og Rawls og í samfélagskenningu um skynsamlegt val (Rational Choice Theory) sem hefur verið grunnur nýklassískrar hagfræði og nýfrjáls-hyggju-stefnu. Vandinn er ekki sá að þetta sé röng sýn á manneðlið heldur miklu frekar að hún hafi áhrif á sjálfsveru og hegðun fólks - að það er hætta á að hún verði að sjálf-rætinni spá (e. self-fulfilling prophecy). Það gæti orðið tilfellið ef ein samfélagsskipan og samsvarandi hugmyndafræði yrðu allsráðandi, en veruleikinn er hins vegar sá að við gegnum ólíkum hlutverkum í mismunandi samböndum, sem geta af sér ólíkar gerðir sjálfsveru og skynsemi sem rekast á og verka hver á aðra með ófyrirsjáanlegum hætti.

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# INTRODUCTION

## **Anecdote**

As a child growing up in the Danish welfare state in the 1980s raised by a single mum I did not know we were poor. My mum was frugal and creative, we had enough food, and I never considered it an issue that our clothes came from the second-hand store. As far as I knew, the other kids around me had more or less similar circumstances so it all seemed normal to me. As I got older my geographical, and thus social, sphere expanded. I started doing sports after school, got friends from other parts of town, and saw that life was different just a few kilometers away. One day, when I was a young teenager (probably 15) one of my friends from the other side of town was invited to a party at the house of a kid from his school, and he asked if I would come. This house was in yet another part of town - different social circles touch each other in overlapping networks. When we got there it was like entering another reality - the feeling was of “unreality” and the only way I could relate to it was through the pseudo-experience of American film and tv-shows. This other kid lived in the basement of the house, and his basement was as big as the apartment my family had. He wanted us to stay in the basement but that soon got boring, and as his parents were not home and I was intrigued and also already felt like I was in a movie, I started exploring the house. Upstairs I discovered that they had an actual swimming pool inside the house! And a sauna! It frankly blew my mind. Within long we had turned a boring basement-party into what for the host must have felt like an out-of-control swimming pool party. Everyone but the host had fun and eventually, we went home. There were no damages.

I do not know why I'm recollecting this exact story. I could have chosen many others. But it has stuck with me because of the strange emotional impact it had on me to suddenly find myself in a reality I did not know existed outside of movies so I started feeling and acting like I was in a movie. There was something liberating and exhilarating about that. There was also a sense of disrespect. Why should we sit in a boring basement when there is all this wealth that is not being used? Resources I had never seen before and maybe would not ever get access to again. And probably an element of resentment at the feeling that I did not belong there. I do not know what these people did for a living

but there had to be a really good explanation for why they got to live the way they did and my mum did not even though she did everything she could to provide for her family. It was not envy as such - it was not that I wanted what they had or that I felt I was missing anything because I'd generally always had what I needed. It was more a sense of confusion and frustration: how and why can there be such different social realities for people living in the same society? In Scandinavia, we tell ourselves that we are a society of equals, but that was exposed as a lie. What justifies this inequality?

Years later I started in the philosophy program at the local university, and these were some of the questions I had and hoped to get answers to. Starting university was another step into a completely new reality for me. Being the first in my family (and my mother's family is quite large) who even graduated secondary school I did not come from an academic home and neither was there any among the social circles I grew up in. I had no experience with it, did not know the language, the behaviors, the social norms, etc. It was intimidating and again there was a feeling of not belonging there, being in the wrong place. Anyway, years of studying philosophy did not completely help me find any answers to my questions. Philosophers (at least the ones we read) tend to investigate idealized worlds that are yet another “unreality” and then draw inferences about what these imagined scenarios say about our current, actual, world. These inferences can be useful to clarify our thinking, but sometimes even all the steps seem to follow logically you end up feeling that you've been cheated somehow because you end with a conclusion that does not feel quite right, but you do not have the tools or skills to say what went wrong.

I think the problem is in the tools we're given. The method of deductive logic from clearly defined and accepted axioms, which is often hailed as the only tool available in philosophy, is not suited to deal with all aspects of reality. It certainly cannot answer the confused feelings and questions I had in the experience described above. Neither do I claim to answer them here, but I told this story because I do have some conclusions from it, that might pre-empt some of the topics that will appear in this dissertation besides the general question of the justification of social inequality: My reactions were not based in any rational deliberations or calculations. They were affective states brought about by finding myself in an unfamiliar situation which made me question the general structure of society. Philosophy - and other forms of academic and political discourse - tends to dismiss affective states. Emotions are still not valued highly in philosophy in general. They are not seen as epistemologically relevant, and they are typically considered irrelevant for questions about justice. But reflecting upon them is relevant.<sup>1</sup> Both because we

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<sup>1</sup> As Donata Schoeller and Sigríður Þorgeirsdóttir observe: “In learning and teaching philosophy, we become accustomed to cut ourselves off from our experiential and affective sources of thought. We experience this also

all have them, so they are part of the reality philosophers should help understand, and because they are deeply relevant for questions about justice: Fairness is a feeling - as is the response to being treated unfairly. To think about whether someone is being treated fairly is to already be in an affective state where your preferences are other-regarding, and to consider whether a society is just is to have social feelings and social desires. A theory of justice or any other political issue that does not include or at least allow for these very fundamental components is a theory that will seem divorced from the topic at hand.

It is my personal experiences that draw me to and motivate the philosophical topics of this dissertation. It investigates the question of inequality and asymmetric social structures - how they are justified in political theory and upheld in political praxis. In doing so, the dissertation treats the philosophical theories not merely as abstract intellectual arguments but as affective arguments, whose subtle but important work is to modify our bodily dispositions by changing our emotional states. Emotions are deeply political as Spinoza noticed: “when the mind is assailed by any emotion, the body is at the same time affected with a modification whereby its power of activity is increased or diminished.”<sup>2</sup> Politics, whether in the form of arguments or institutional designs, is about increasing or diminishing the power of various activities. It affects how we perceive ourselves and how we relate to others, it affects our desires and choices, it creates pre-reflexive habits and background feelings that can either expand or enlarge our individual and collective imaginations about what is possible as well as our power to act collectively or individually. Effective ideologies work on this level and can therefore stay hidden from us and remain unexamined. Claims about “human nature” are often part of this ideological concealment.

## Opening

Many political, social, and economic theories are premised upon certain ideas of ‘human nature’ arguing that since humans are what they are and behave in certain ways, certain social structures, institutions, and policies are necessary. Sometimes this amounts to lit-

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with our students, who come fresh into philosophy, with the desire to learn to think for themselves, and after one or two years of studies we notice an almost habitual disappointment in their expectations that we have come to take for granted [...] When someone exclaims that hearing an argument makes her feel uneasy, uncomfortable, alienated, or excited in a way that is difficult to describe, this may not seem an important proposition to make in an academic philosophical context. Yet, meanings that can be felt and not yet clearly posited indicate a complex point of reference that has the potential to evolve into meaningful and substantial statements.” (Schoeller and Thorgeirsdottir, ‘Embodied Critical Thinking’).

<sup>2</sup> Spinoza, *The Ethics*, pt. IV, prop. VII.

tle more than ideological legitimization of the power relations that already exist or which are prescribed by the theory, but it does more work than mere justification of theoretical models or existing relations: It also shapes reality in various ways. If we use a very broad notion of “philosophy” to include theories in general about humans and society and their relations then philosophy is not a harmless exercise that stays isolated in the academic realm - it influences the way we think and thus how we act, it underpins theories which inform policies and institutional designs, and it shapes and restricts our individual and collective imaginations about ideal and possible social arrangements. The topic of this dissertation is about how the philosophical anthropologies (theories of “human nature” in political philosophy)<sup>3</sup> influence political theories and policies and, more importantly, how they impact the subjectivity and behavior of actually existing humans - is there a risk of the anthropological assumptions becoming self-fulfilling prophecies creating the things they presumed and took as a premise?

My argument is *not* that there is no human nature at all, and that all we are is what society makes us. We have biological needs and instincts, although they are hard to disentangle from the social contexts in which they manifest. “Nature” is a tricky concept when talking about humans: if we mean a state that is untouched or unaffected by social or cultural factors then the concept disappears because humans have generally always lived in societies. Social relations existed before the human species and have played a role in human evolution. *Neither* is the argument that there is a true human essence that these sociopolitical theories misrepresent and perhaps distort. If that was true, it would be so obvious that there wouldn't be so much debate about it, and thus very few theories to misrepresent it. The argument is *that there is no “outside” from where we can evaluate human nature*; there is no purely natural human, no humans unaffected by social practices, relations, norms, culture, and ideology. But there are of course different “insides” - humans take part in different practices embodying different norms and ways of thinking, throughout history, across cultures, but also in different aspects of our individual lives. It is hard, if not impossible, to do sociopolitical models without any assumptions about how humans generally behave. But if we acknowledge the diversity and complexity of humans and human relations, then we can perhaps also see the problem in basing our political theories and policies on simplistic and one-sided models of what it means to be a human, especially if these models are highly normative and have consequences for how we interact with each other.

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<sup>3</sup> Michael Sandel defines the term ‘philosophical anthropology’ as “philosophical in that it is arrived at reflectively rather than by empirical generalization, anthropology in that it concerns the nature of the human subject in its various possible forms of identity.” (Sandel, *Liberalism and the Limits of Justice*, 48–50).

The model I focus on here is the model of the “solitary individual,” represented in the research fields built upon the assumptions of “Rational Choice, methodological individualism and *homo oeconomicus*.”<sup>4</sup> These assumptions are common in the discipline of economics, but towards the end of the 20<sup>th</sup> Century they formed “the predominant theory of human behavior in many of the social sciences.”<sup>5</sup> This model sees humans as self-interested utility-maximizers, and we can find elements of it in classical theories of the state like that of Hobbes as well as in modern political philosophers like Rawls, both of whom use a specific model of rational and self-interested individuals to ground their respective political theories. The model is explicit in the works of thinkers of the neoliberal right, like James Buchanan and Milton Friedman, but it has also gained popularity within the ideological framework of nominally center-left-leaning camps, like the British Labor Party, the US Democratic Party, and the Social Democrats in the Nordic countries. As such, it has influenced policies and institutional designs in various ways depending on the political and cultural contexts. One example of this is the wave of “New Public Management” (NPM) reforms which have swept the world, including the Scandinavian welfare states, based on a model of citizens as consumers and public institutions as corporations competing on a market, both making decisions based on private economic self-interest.<sup>6</sup> Explicitly or implicitly, there is a long and politically broad tradition in both political theory and practical policy of grounding the sociopolitical models in a one-sided model of human nature as consisting primarily in economic rationality and self-interest.

Descriptively, it is relatively easy to provide evidence that such a model does not accurately describe human behavior: In numerous experiments in social psychology and behavioral economics the subjects fail to display the behavior anticipated by this model and many of the policies prescribed by the model do not provide the intended results.<sup>7</sup> Moreover, the behavior of test subjects is malleable and impacted by factors that should be precluded by the model, in particular social interactions, and there is great cultural diversity in how much behavior resembles that of the model, casting doubt on its status as a universal model of human “nature.”<sup>8</sup> The claim, though, is not merely that the model is empirically wrong - in fact, it can sometimes accurately describe humans under specific

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<sup>4</sup> Rowley, ‘Public Choice and Constitutional Political Economy’, 24.

<sup>5</sup> Ulen, ‘The Theory of Rational Choice’.

<sup>6</sup> Knudsen, *Fra Folkestyre Til Markedsdemokrati*.

<sup>7</sup> Green and Shapiro, *Pathologies of Rational Choice Theory*.

<sup>8</sup> For a very incomplete list of experiments and meta-studies on this topic, see: Henrich et al., ‘In Search of Homo Economicus’; Oosterbeek, Sloof, and Kuilen, ‘Cultural Differences in Ultimatum Game Experiments’; Henrich, Heine, and Norenzayan, ‘The Weirdest People in the World?’; Sally, ‘Conversation and Cooperation in Social Dilemmas’; Pillutla and Murnighan, ‘Unfairness, Anger, and Spite: Emotional Rejections of Ultimatum Offers’; Wong and Hong, ‘Dynamic Influences of Culture on Cooperation in the Prisoner’s Dilemma’; Khadjavi and Lange, ‘Prisoners and Their Dilemma’; Frank, Gilovich, and Regan, ‘The Evolution of One-Shot Cooperation’.

circumstances. *But those circumstances are often the results of that model:* A theory of human nature can shape human behavior either directly, by impacting the way humans interpret their situation and relations to other humans, or indirectly by informing those who make decisions about policies that structure our relations and interactions.<sup>9</sup> If we are repeatedly told to expect everyone else to be selfish and untrustworthy, that will eventually impact our interactions with other people. And if policymakers base their policies on a model that assumes people cannot be trusted and are only motivated by material incentives, that can lead them to create structures that nudge people to behave in certain ways. There is also a range of evidence - from research in economics, sociology- and psychology - showing how narratives about human nature and institutional structures based on such narratives can alter actual human behavior and self-perception, making it not merely descriptively but normatively problematic.<sup>10</sup> Thus, the argument is that even though “homo economicus” is not a natural species (and I am skeptical about attempts to find the “natural” human abstracted from its social environment) *it is a theoretical and social construct that can become real.* Hence the working title “Anthropological assumptions as self-fulfilling prophecies.” It is not always the case that the assumptions are self-fulfilling though: even though they have an impact on the values and attitudes of those subject to them, they do not always recreate people in their image perfectly, but often create a warped reflection that can lead to behaviors not predicted by the models.

The theme throughout this dissertation is an examination of how assumptions in philosophical anthropology (theories of human nature, i.e. theories about our preferences and motivations, cognition and behavior, etc.) shape political, social, and economic theories and decisions, and how these, in turn, influence actual human behavior and subjectivity. For this purpose, findings from empirical social and behavioral studies are used throughout the text both to examine the veracity of philosophical claims about human behavior and to see how this behavior is affected by various factors. I find it incumbent that philosophy is grounded in the empirical sciences and that there is a dialogue between the disciplines. There is some danger in this approach though. First, I am not an expert in behavioral science and thus risk having overlooked important counter-studies to or weaknesses in the studies I cite. Secondly, behavioral science is itself not an exact

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<sup>9</sup> William Davies conducted sociological interviews with civil administrators in different sectors, documenting the influence of certain ideological premises in the rationalities and discourses that shape policy. Davies, *The Limits of Neoliberalism*.

<sup>10</sup> A partial list of studies on this topic: Frank, Gilovich, and Regan, ‘Does Studying Economics Inhibit Cooperation?’; Bowles, ‘Policies Designed for Self-Interested Citizens May Undermine “The Moral Sentiments”’; Frey and Oberholzer-Gee, ‘The Cost of Price Incentives’; Deci, Koestner, and Ryan, ‘A Meta-Analytic Review of Experiments Examining the Effects of Extrinsic Rewards on Intrinsic Motivation’; Miller, ‘The Norm of Self-Interest’; Ferraro, Pfeffer, and Sutton, ‘Economics Language and Assumptions’; Gneezy and Rustichini, ‘Incentives, Punishment, and Behavior’; Carpenter, ‘Endogenous Social Preferences’.

discipline: The human and social sciences have in recent years gone through a major crisis where replications of old studies have failed to produce the same results.<sup>11</sup> I have tried my best to minimize these problems by relying on older, well-established studies and meta-reviews pointing towards consistent results. A third problem with the approach directly concerns the philosophical topic at hand: If human subjects are always-already in a social context that influences their subjectivity empirical research on human subjectivity will necessarily yield different results as the context changes. To some, this might sound like anti-scientific “postmodernist” constructionism, but while it certainly has an element of constructionism it is quite in line with the views of many in the so-called “hard” sciences.<sup>12</sup>

Thus, neuroscientists Jean Decety and Yves Christen write that “there is mounting evidence that the social environment affects behavior (and vice versa) across species, from microbes to humans” and that “as neuroscience matures, it becomes increasingly apparent that the nervous system cannot be considered as an isolated entity, without consideration of the social environments in which humans and many animal species live.”<sup>13</sup> Likewise, Louis Cozolino writes that “[s]cientists have had to expand their thinking to grasp the idea that individual neurons or single human brains do not exist in nature” because “[T]he brain is a social organ of adaptation built through interactions with others.”<sup>14</sup> Taking a stab at Western philosophy’s conception of the solitary thinker, he notes: “We conceive of ourselves as individuals yet spend our lives embedded in relationships that build, shape, and influence our brains.”<sup>15</sup> The philosopher Catherine Malabou’s question “what should we do with our brain” is thus a deeply social and political question.<sup>16</sup> This dissertation is not about neurobiology but these quotations underpin and gave inspiration to the general hypothesis: Political and social structures and institutions cannot simply be justified by referring to ways humans are ostensibly hardwired to think

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<sup>11</sup> Studies on the replication crisis in psychology, economics, and medicine can be found in: Open Science Collaboration, ‘Estimating the Reproducibility of Psychological Science’; Camerer et al., ‘Evaluating Replicability of Laboratory Experiments in Economics’; Ioannidis, ‘Contradicted and Initially Stronger Effects in Highly Cited Clinical Research’.

<sup>12</sup> There is a large cottage-industry of authors lumping together, and dismissing, constructivist and critical theories as “postmodernist” rejection of science as such (or even as attacks on the core of “Western Civilization”). A few examples are Sokal and Bricmont, *Fashionable Nonsense*; Gross and Levitt, *Higher Superstition*; Kuntz, ‘The Postmodern Assault on Science’; Pluckrose and Lindsay, *Cynical Theories*. While these critics might sometimes be virulently attacking hyperbolic strawmen, there is certainly also room for legitimate critique of particular claims within constructivist theory which also comes in ludicrous varieties. This dissertation tries to walk the tightrope between what seems to be camps more defined by ideology than scientific concern: Some things are obviously “socially constructed” while others are not, but in other cases it can be hard or impossible to disentangle the social from the non-social. More on that in Chapter 6.

<sup>13</sup> Decety and Christen, *New Frontiers in Social Neuroscience*, v.

<sup>14</sup> Cozolino, *The Neuroscience of Human Relationships*, 4, xvi.

<sup>15</sup> Cozolino, xiii.

<sup>16</sup> Malabou, *What Should We Do with Our Brain?*

and behave if that cognition and behavior is itself a result of human interactions in those structures and institutions.

This point has also been emphasized by the communitarians like Michael Sandel, Charles Taylor, Alasdair MacIntyre, and Michael Walzer, who critiques the forms of liberalism “founded on the idea of a presocial self, a solitary and sometimes heroic individual confronting society, who is fully formed before the confrontation begins.”<sup>17</sup> Taylor, for example, says that living in society is a necessary condition of the development of the characteristically human capacities and rationality, and for becoming moral agents and autonomous beings.<sup>18</sup> Thus, he argues that the “free individual of the west” only exists by virtue of being nourished in a particular society.<sup>19</sup> While the topic here might parallel some of the arguments raised by these communitarians, they will not feature heavily here. It is possible to agree with the descriptive element of communitarianism, that humans are formed by society and community, without agreeing on the prescriptive element: that particular communities need to be preserved and protected by political institutions.<sup>20</sup> Instead, I draw on a tradition that raised virtually the same critique a hundred years earlier: the communitarian anarchists. Compare the statements by Taylor and the neuroscientists in the previous paragraph with the claim by Michael Bakunin:

Man does not create society but is born into it. He is born not free, but in fetters, as the product of a particular social environment created by a long series of past influences, developments, and historic facts. [...] All that determines his character and nature, gives him a definite language, and imposes upon him, with no chance of resistance on his part, a ready-made world of thoughts, habits, feelings, and mental vistas, and places him, before consciousness awakens in him, in a rigorously determined relationship to the surrounding social world.<sup>21</sup>

Perhaps this sounds too culturally deterministic, as opposed to the biological determinism of arguments based on “human nature.” We need not choose a side though; nature and culture are intertwined in mutual interaction and shaped by the environment they develop in. The environment we develop in as humans is both natural and cultural - and neither is just one: The political and cultural spheres are shaped and adapted to the climate and landscape in their particular regions, but as we have become increasingly aware of in recent decades, landscape and climate are also greatly affected by human political and economic structures. As sociobiological beings, we are neither fixed nor determined but neither are we free to create ourselves ab initio as isolated individuals. We develop,

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<sup>17</sup> Walzer, ‘The Communitarian Critique of Liberalism’.

<sup>18</sup> Taylor, *Philosophical Papers*, 191.

<sup>19</sup> Taylor, 206.

<sup>20</sup> See, for example, Sigríður, ‘Freedom, Community and the Family’.

<sup>21</sup> Bakunin, *The Political Philosophy of Bakunin*, 159.



we grow, and change in an interactive relationship with our sociobiological environment which includes other human beings. Perhaps it also sounds like a devaluation of the individual which seems to drown in the collective sea of social and natural environments, history, and structures, but that is far from my intention. The focus of critique here is the abstract individualism in the model of the “solitary” or “separate self,” which is unaffected and unembedded, independent of and thus outside of the world of other humans.<sup>22</sup> This is no individualism at all as it, paradoxically, “refuses to individuate” as Lorraine Code says.<sup>23</sup> Real, biological human *persons* are relational and their uniqueness comes from their manifold intricate interactions with others and their environments, but the models of abstract individualism need to abstract all of these particular features away to create “infinitely replicable” and “interchangeable” units that can be modeled to have the same behavior.<sup>24</sup> Benhabib raises the same critique of the “universalistic moral theories in the Western tradition from Hobbes to Rawls” which relies on a “generalized other” - as opposed to “the concrete other” - that can be substituted for any other as it is representative of “the human as such.”<sup>25</sup> This contemporary feminist critique was prefigured by another 19<sup>th</sup> Century anarchist, Max Stirner, who wrote about the liberal humanists of his time:

Who does the liberal regard as his equals? Human beings! If you are only a human being - and that you certainly are - the liberal calls you his brother. [...] But since he takes little notice of what you are *privatim*, indeed, lays no value on it in strict observance of his principle, he only sees in you what you are *generatim*. In other words, he sees in you not *you*, but the *species*, not Hans or Kunz, but the human being, not the actual or unique one, but your essence or concept, not the embodied individual but the spirit. As Hans you would not be his equal, because he is Kunz and therefore not Hans; as a human being you are the same thing that he is.<sup>26</sup>

To return to the opening personal anecdote, the question of *inequality* is the lens through which the different topics will be analyzed. I argue that the model of solitary individualism and Rational Choice is incapable of adequately understanding and addressing this problem. Neither is it adequate for problems in economics in general as it misses economically relevant facts of human psychology.<sup>27</sup> The focus is the “neoclassical” approach to economic theory, which is the orthodox position in the field, but it has in recent years

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<sup>22</sup> England and Kilbourne, ‘Feminist Critiques of the Separative Model of Self’.

<sup>23</sup> Code, *Ecological Thinking*, 80.

<sup>24</sup> Code, 80, 133.

<sup>25</sup> Benhabib, ‘The Generalized and the Concrete Other’.

<sup>26</sup> Stirner, *The Unique and Its Property*, 186.

<sup>27</sup> Fehr and Fischbacher, ‘Why Social Preferences Matter - The Impact of Non-Selfish Motives on Competition, Cooperation and Incentives’. See also the former chairman of the US Federal Reserve, who in a testimony to the US Congress admitted that there was “a flaw in the model that I perceived is the critical functioning structure that defines how the world works.” (Treanor, ‘Greenspan - I Was Wrong about the Economy. Sort Of’).

(in particular after the financial recession of 2008) come under critique from within the profession. Both students and experts have criticized the lack of diversity in the economics curriculum, “dominated by mathematical modeling based on out-dated theories” which “regard 'microfoundations' based on rational and selfish individuals as more important than empirical plausibility.”<sup>28</sup> These critiques mirror a critique of the field of philosophy as dominated by abstract modeling (using formal logic rather than mathematics) from axiomatic foundations detached from the empirical world and lived experiences of the people in it.

Another similarity between economics and parts of political philosophy is the philosophical anthropology. Economist Julie A. Nelson writes that “at the center of mainstream economic modeling is the character of the rational, autonomous, self-interested agent [...] Economic man springs up fully formed, with preferences fully developed [...] he has no childhood or old age, no dependence on anyone, and no responsibility for anyone but himself [...] Economic man interacts in society without being influenced by society.”<sup>29</sup> This is the model of humans in the state of nature in the political philosophy of Hobbes, but also of the mutually disinterested rational agents in Rawls' original position who have been stripped of any personal past and connections. This model, and the aforementioned methodological concerns, has been criticized by feminists within economics as well as philosophy for not being able to comprehend the causes of structural inequality and even for exacerbating it.<sup>30</sup> It has also been accused of being phallogocentric, i.e. privileging a stereotypical “masculine” perspective: “Modern Western culture associates masculinity with ideals of *separation* or *separativeness*, femininity with ideals of *connection* or *relation*.”<sup>31</sup> Thus, the correlate to ‘*homo economicus*’ becomes the ‘*femina domestica*’ who behaves altruistically behind the scenes of the marketplace, and even the most Rational Choice-based neoliberals admit that this is a necessary role for the market

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<sup>28</sup> Inman, ‘University Economics Teaching to Be Overhauled’; Stockhammer et al., ‘Post-Keynesians Are Staging a Comeback (Open Letter to The Guardian)’.

<sup>29</sup> Nelson, ‘Feminism and Economics’.

<sup>30</sup> In economics, Paula Nelson critiques the “Cartesian ideal” of disembodied analysis while Paula England discusses how the model of the “separative self” in Rational Choice Theory fails at acknowledging discrimination, while Diana Strassman argues that the methodological assumptions in mainstream economics serve an exclusionary function that privileges a narrow demographic perspective (Nelson, ‘The Study of Choice or the Study of Provisioning?’; England, ‘The Separative Self: Androcentric Bias in Neoclassical Assumptions’); Strassman, ‘Not a Free Market’. In philosophy the model has been critiqued for having misogynist implications by many feminist scholars including Lorraine Code, Linda Hirshman, Carole Pateman, Seyla Benhabib, and Susan Moller Okin (Code, ‘The Perversion of Autonomy & the Subjection of Women’; Hirshman, ‘Is the Original Position Inherently Male-Superior?’; Pateman, *The Sexual Contract*, 42; Benhabib, ‘The Generalized and the Concrete Other’; Okin, *Justice, Gender, and the Family*).

<sup>31</sup> Ferber and Nelson, *Beyond Economic Man*, 10 (italics in original).

to function and thus admit that the model of the solitary individual does not represent all of humanity.<sup>32</sup>

Gender-based inequality is not the focus of this dissertation but it would be a grave omission not to acknowledge the great debt it has to feminist theory for providing analytical tools and concepts - in particular the works of Carole Pateman whose *The Problem of Political Obligation* was an early inspiration that pointed me in the current direction.<sup>33</sup> The feminist analysis is not exclusively relevant for gender-issues, though. None of us perfectly inhabit the role of ‘homo economicus’ or ‘femina domestica’ regardless of our gender, and neither do they perfectly describe our attitudes in respectively market and family relations. Models based on the solitary, rational and calculating, selfish individual are not good descriptions of any of us, and policies and institutional designs based on them affect us all.<sup>34</sup> The thesis draws heavily from empirical behavioral studies to show how this model gets us wrong. When describing how the model shapes political institutions and policies I have attempted to draw as much as possible (although most literature in these topics is from the Anglophone world) upon examples from the Nordic countries, in particular from the place I know best; there will therefore be quotations (which I have translated) from Danish and other Nordic media by politicians and pundits. This might provide a small counterweight to the geographical imbalance within Academia but also to any preconceived notions that the Nordic welfare states are somehow “special” and immune to global ideological currents. These quotations are also intended to illustrate that this is not mere abstract theory; philosophical thoughts and ideas have effects in the ‘real world’ - they shape the world and are shaped by the world.

## Overview

This dissertation is divided into two sections. Section One: *Life in Solitary* is a critical reading of some of the literature that has been foundational in shaping current ideological discourse and political structures. The title refers both to Hobbes' claim about life in the state of nature as “solitary, poor, nasty, brutish, and short”<sup>35</sup> and to the fact that the

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<sup>32</sup> “Gary Becker makes this point explicitly when he argues that the familial incentive toward altruism is as central to the constitution of the free market “(Cooper, *Family Values*, 57).

<sup>33</sup> Pateman’s *The Problem of Political Obligation* helped me crack the code for my MA thesis which was a critique of Robert Paul Wolff’s philosophical account of anarchism (Sandberg, ‘Anarki og Fællesskab’; Wolff, *In Defense of Anarchism*).

<sup>34</sup> “*Homo economicus* may not be a good description of women, but neither is he a good description of men [...] What is needed is a conception of *human* behavior.” Nelson, ‘Feminism and Economics’, 136.

<sup>35</sup> Hobbes, *Leviathan*, 84.

section engages with theories of humans as solitary, atomistic individuals. It also brings forth associations to the punitive system: Solitary confinement is among the most destructive sentences that can be imposed on a human being, having detrimental effects on cognitive, emotional, and somatic functions.<sup>36</sup> As such, it is hardly an appropriate metaphor for the “natural” human condition: it is something that is imposed by force upon human beings against their will and it changes and destroys their normal personality. The inspiration for this theme is the famous, and immensely influential, thought experiment, *The Prisoner’s Dilemma*, which is introduced in the opening chapter. Hobbes’ political theory has been interpreted as being based in this hypothetical scenario, Rawls uses it, and it is ubiquitous and foundational in the Rational Choice Theories that have influenced policy designs for decades.<sup>37</sup> I am indebted to the economist Elinor Ostrom, who addresses the problem of designing policies based on a metaphor of human agents as helpless beings trapped in a cruel game that does not allow them to cooperate or influence their structural settings thusly:

What makes these models so dangerous - when they are used metaphorically as the foundation for policy - is that the constraints that are assumed to be fixed for the purpose of analysis are taken on faith as being fixed in empirical settings, unless external authorities change them. The prisoners in the famous dilemma cannot change the constraints imposed on them by the district attorney; they are in jail. Not all users of natural resources are similarly incapable of changing their constraints. As long as individuals are viewed as prisoners, policy prescriptions will address this metaphor.<sup>38</sup>

The title of Section Two: *A World Outside* continues the theme. It is borrowed from the Danish title (“En Verden Udenfor”) for the American movie *The Shawshank Redemption*. One of the themes of this movie (based on a Stephen King novella) is how the manipulative power structures of the prison system change the inmates so much that when the narrating character, “Red,” is finally released he struggles to adapt to life in “normal” society.<sup>39</sup> How humans are affected by theories of “human nature” and the policies build upon them is the theme of the second section. While firmly rejecting the idea that life in solitary is the “natural condition” for human life, I am not claiming that “the world outside” - or “normal society” - is either. The claim is rather, that there is no “outside” from where we can make claims about “human nature.” Human subjectivity and behavior are shaped by narratives, ideologies, social interactions, and material structures, which we are all inside of from the beginning. Claims about human nature are part of this struc-

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<sup>36</sup> Smith, ‘The Effects of Solitary Confinement on Prison Inmates’.

<sup>37</sup> Rawls uses the Prisoners Dilemma - “of which Hobbes’s state of nature is the classical example” - in *A Theory of Justice*, 238.

<sup>38</sup> Ostrom, *Governing the Commons*, 1990, 6–7.

<sup>39</sup> Darabont, *The Shawshank Redemption*; King, ‘Rita Hayworth and Shawshank Redemption’.

ture; they affect how we perceive ourselves and others, they inform our political theories and policies, and as such, they work back on us and influence our behaviors and interactions. They can become self-fulfilling prophecies when the actual humans conform to the idealized models of “human nature” (which may be based on observations of actual humans which are still socially influenced by other models) but they might just as likely create a distorted reflection where there is never full congruence between the reflected and the reflection - even when people align with our assumptions about “human nature” we sometimes get unintended consequences from our policies. Having said that there is no ‘outside’ I do maintain that we are always outside in a different sense: *We are always outside ourselves as these selves are shaped by factors outside ourselves*; our subjectivities are never created fully from ‘the inside’. Even the ‘solitary’ individuals, concerned only with their own survival and prosperity, are products of social forces.

The prison theme is introduced in the opening chapter which is a short introduction to ‘the Prisoner’s Dilemma,’ a hypothetical construct developed in game theory that has had a significant impact in many academic fields as well as on actual policies - from models of nuclear deterrence and human mating to environmental and economic policies.<sup>40</sup> Thousands of pages have already been published on this construct but it is necessary to introduce the reader to it here as it is relevant for the following chapters.<sup>41</sup> This, and other constructs within game theory, is foundational in Rational Choice Theory which is one of the main topics of this dissertation. The chapter summarizes the ideas about human rationality contained within this hypothetical dilemma and what is missing from it: It is a model of human interactions for socially isolated individuals who cannot communicate with each other, who are only motivated by short-term self-interest, who are unaffected by social relations in their past and uninterested in the social relations of their future, and who have no collective or individual agency in the structures of their situation. This is not a model we should accept for human interactions, and neither does it describe how humans typically behave, but we can still learn something by examining the factors that can change behaviors and outcomes in experiments using this game because they reveal not just that the model is wrong but what it is missing: By positing the agents trapped in a perpetual present, isolated from each other and from their own past and future, their decisions are already made for them. But real people have a past, care about their future, and typically have a desire to maintain certain relations to other people and themselves -

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<sup>40</sup> Some of this literature is Poundstone, *Prisoner’s Dilemma*; Colyvan, ‘Mating, Dating, and Mathematics’; Ostrom, *Governing the Commons*, 1990, 3; Bénassy-Quéré and Pisani-Ferry, *Economic Policy*, 118.

<sup>41</sup> I am in particular indebted to the works of Amadae, *Rationalizing Capitalist Democracy*; Amadae, *Prisoners of Reason*; Poundstone, *Prisoner’s Dilemma*; Axelrod, *The Evolution of Cooperation*; Taylor, *The Possibility of Cooperation*.

all of which means they are affected by and take into account many other factors beyond the immediate incentive structures of the game.

*Chapter 2* examines the solitary individuals in Hobbes' "state of nature" which has been a major inspiration for Rational Choice Theorists. Hobbes' claims are compared with more recent findings in sociology and developmental and moral psychology, not so much to refute him as to open a more interesting conversation about *how* he is wrong - which will give a more nuanced view of human psychology and cognition - and to illustrate the model of subjectivity and rationality implied even in modern theories. Hobbes' epistemology is first considered as it is the foundation for his further theories of humans and society. In Hobbes, individuals spring out of the Earth "like mushrooms" without past social engagements, and from there they start sensing the world and calculating the benefits of various actions.<sup>42</sup> But already at the level of epistemology, before we get to politics, the theory is missing important parts: The way we perceive the world, the ways we feel, what we desire, etc., are all shaped by prior social influences. Adult humans do not merely pick up individual sense-data but perceive objects that already come with cultural meanings. Solitary individuals, like the ones Hobbes describes, would be radically different creatures epistemologically, psychologically, cognitively, and perhaps even biologically. Politically, Hobbes tells a tale of a situation in which there is no society, just isolated individuals in a perpetual state of war, by which he does not mean literal fighting but a state of mutual distrust that could at any time lead to fighting or deceit.<sup>43</sup> This situation is not desirable to any of the parties and the question of how to break out of it has often been interpreted as similar to the Prisoner's Dilemma: without a "common power to keep them all in awe" - an external and centralized power - there is no guarantee that if I promise to cooperate you will do so too, and neither can you trust that I will not break my promise.<sup>44</sup> For RCT, this is the essential condition of humanity: Everyone is constantly choosing their actions based on calculations of what will benefit their own interests which is why RCT is preoccupied with designing institutional structures that maintain a system of incentives to guide people towards the desired actions. Political prescriptions thus follow from an often-unstated epistemology: A certain idea of human rationality. RCT diverges from Hobbes though, as Hobbes only meant to describe a world without society; once society is established, he argued, we have a natural and rational obligation to abide by the rules. This normative component is incompatible with a strict RCT approach in which mutual distrust and opportunistic behavior also characterize human life

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<sup>42</sup> Hobbes, *De Cive*, 117.

<sup>43</sup> Hobbes, *Leviathan*, 84.

<sup>44</sup> Hobbes, 84.

in society.<sup>45</sup> RCT is thus more ‘Hobbesian’ than Hobbes and is partially based on a caricature of his philosophy. Nevertheless, this caricature plays an important role in the popular imagination and political theory, including that of Rawls.

*Chapter 3* critically examines the most influential work in contemporary political philosophy: John Rawls' *A Theory of Justice*.<sup>46</sup> This work draws directly and heavily upon RCT and was written in correspondence with the main RCT proponents.<sup>47</sup> It also has many similarities with Hobbes: The primary concern of both Rawls and Hobbes is political stability and the question of how to ensure that the participants in society consent to the political structures and both deploy a heuristic device intended to show that it is in the rational self-interest of each individual to do so.<sup>48</sup> Like Hobbes', Rawls' hypothetical situation is populated by opportunistic individuals seeking only to get the most out of life for themselves, and from this starting point, they devise the constitutional structures of a society they can all consent to.<sup>49</sup> This starting point shapes the endpoint: The methodological commitment to premising the theory in mutually disinterested, atomized individuals makes it hard to analyze relational interests and structural power as they exist in the social world. Despite being the main philosopher credited with bringing egalitarianism back into liberal philosophy, Rawls has little to say about how to prevent the continual transfer of wealth through the consolidation of existing class hierarchies. He admits that his system will be one in which inequality is passed down through generations as the children of the “entrepreneurial class” will have better life prospects than the children of “unskilled laborers.”<sup>50</sup> Rawls' concern is for the least well-off individual, whose envy or justified resentment might cause a threat to the stability of the social order, and his solution relies on the better-off individuals to act as the morally superior whose privileged position gives them an obligation to consider those below them fairly.<sup>51</sup> An egalitarian

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<sup>45</sup> On the “Hobbesian” foundations of Public Choice Theory see Rowley, Rowley, ‘Gordon Tullock at Four Score Years’. For discussions on how RCT diverges from Hobbes, see Kliemt, ‘Public Choice from the Perspective of Philosophy’, 237; Amadae, *Prisoners of Reason*, 188.

<sup>46</sup> Although working on many of the same problems for most of his career, Rawls did develop his theory significantly in works like *Political Liberalism*; *The Law of Peoples*; and *Justice as Fairness: A Restatement*. In this text I focus on *A Theory of Justice* which is the most influential of his works and also the one most based upon Rational Choice Theory.

<sup>47</sup> Rawls repeatedly states in that his theory of justice and his model of rationality are based in Rational Choice Theory, for example in page for example in page 16, 124, 149, 385, 361 and 365 of *A Theory of Justice*. On the historical connection between Rational Choice theorists like James Buchanan and John Rawls see Amadae, *Rationalizing Capitalist Democracy*, 258-.

<sup>48</sup> Rawls: “The problem of stability is fundamental to political philosophy.” (*Political Liberalism*, xvii). See also Rhodes, ‘Reading Rawls and Hearing Hobbes’; and Klosko, ‘Rawls’s Argument from Political Stability’.

<sup>49</sup> “One feature of justice as fairness is to think of the parties in the initial situation as rational and mutually disinterested [...] Moreover, the concept of rationality must be interpreted as far as possible in the narrow sense, standard in economic theory, of taking the most effective means to given ends.” Rawls, *A Theory of Justice*, 12.

<sup>50</sup> Rawls, 67.

<sup>51</sup> Rawls, 64.

philosophy can do better than to rely on the moral fairmindedness of those who have an interest in maintaining the structural inequalities.

Hobbes and Rawls stay with us for the discussion in the next chapters which focus more explicitly on Rational Choice Theory and related disciplines. To fully cover this research program, which has dominated large parts of the social sciences for decades, would be an impossible task so the text focuses on some central questions and problems while drawing upon a few of the main thinkers (chiefly authors like Garrett Hardin, Mancur Olson, James Buchanan, George Tullock, Kenneth Arrow, Gary Becker, and William Riker). *Chapter 4* gives an overview of some of the core elements and problems of the theories, starting with the problem of cooperation. The inability of agents to cooperate freely is a feature of the design of the Prisoners Dilemma but as this dilemma has been used to explain all sorts of social issues, from environmental problems (Garrett Hardin) to labor unions (Mancur Olson), it has been seen as the default position of humans in general. By seeing humans as prisoners, the policies prescribed by these theories will be limited: As they do not recognize self-regulating communities they proscribe policies that might undermine those communities.

Other questions to be explored are what is meant by “rational” and by “choice” in Rational Choice Theory? The theories assume all humans make decisions based on a motivation to maximize our preferences, but it has precious little to say about the preferences we ostensibly seek to maximize. There are many sorts of preferences, not all of which can be understood by seeing people as isolated individuals - we have other-regarding preferences, social preferences, and preferences that are interdependent upon the preferences and behaviors of others. These are also factors in the choices we make, although they are sometimes disregarded as mere “emotions” that do not belong in “objective” analysis. Furthermore, our choices are not individual - they take place in structural power-relations which means that different choices have different effects. *Chapter 5* goes into these questions while focusing on the question of inequality: When interdependent, relational preferences are included we get more reasons to be concerned about inequality than Rawls provides, and also some reasons to doubt the sufficiency of his theory of distributive justice.

*Chapter 6* focuses more on the implicit ideological baggage that is carried in with theories based on methodological individualism and the anthropological model of incentive-driven, preference-maximizing individuals. Often it is admitted that these assumptions do not necessarily correspond fully with the motivations of real people but that it is still a useful model which is ideologically neutral because it does not make overly social assumptions about “human nature.” But the overly asocial model has an inbuilt ideological bias, leading to specific political conclusions while foreclosing other options. To see people as driven exclusively by private interests while ignoring their social character



rules out any political and economic system that is not based on direct material incentives in the form of reward and punishment. People are considered as helpless prisoners who need to be guided by an external agent, whether the state or the market. Little attention is given to the way the state and the market have shaped the people in ways that legitimate the two institutions. Structural inequalities become difficult to analyze in a model that only sees individuals in isolation, but these individuals also become incomprehensible as their motivations, preferences, values, etc., have no social origins and are unaffected by social factors. This necessarily leads to a limited view of human behavior which prioritizes certain political conclusions. The methodological assumptions are not ideologically neutral.

In *Section Two* the individualistic theories are left in favor of some more social and relational analyses. *Chapter 7* focuses on the social construction of “human nature.” It draws on Ian Hacking and Charlotte Witt to argue that there can be a “looping effect” between theories of human nature and the actual human beings because the concept “human” is an interactive kind that is responsive to how it is modeled. A model of human nature can either influence subjects directly, by making them internalize it as normative, or indirectly, by inspiring policymakers to create institutional structures based on the model and thereby changing human interactions. If people respond by conforming to the model, their behavior can then be taken as empirical proof of the model's validity, despite the behavior being induced by the model itself. This self-justifying circular system is a form of ideology that becomes material reality. Next, the relationship between “ideology” and “material reality” will be discussed by putting Judith Butler in dialogue with Robert Axelrod in revisiting the Prisoner's Dilemma, this time in the iterated version. To my knowledge, there has not been any attempt to connect Axelrod's works, which changed both game theory and made contributions to evolutionary biology, with the theories of Judith Butler, whose works changed feminist philosophy and gender theory, but I find some striking similarities between them. For both Axelrod and Butler, and evolutionary theory in general, *time* and *repetition* are key to the materialization of certain subjectivities. Our actions are not just temporarily isolated singular events, as in the standard Prisoner's Dilemma, but repeated interactions that take place in structures where certain norms are forcibly upheld so that some behaviors are more likely to thrive than others. This applies to biological evolution as well as cultural development. Humans are social animals first, that is how norms can evolve, but that does not necessarily make us “nice” or “naturally cooperative” animals. The subjects that materialize from the sociable nature are molded in the existing social structures and hierarchies which can promote different behaviors. The individualized subject is just as much a result of social structures as the social and cooperative person is. Political theorists often focus on ideologies as discursive and semantic fields but ideology also contains an *affective* force that shapes our bodily

and emotive reactions.<sup>52</sup> A successful ideological description of human nature is one that creates humans in its image.

*Chapter 8* takes a closer look at one of the dominant contemporary ideologies, neoliberalism, and how it affects human subjects and their desires. First though, the topic of desire - or preferences - is examined. To assume that humans are driven by certain motivations can have counter-productive effects when the appeal to those motivations interact with and push aside other motivations. If there already is a motivation in place, the introduction of additional incentives would seem to be either neutral or reinforcing the desired behavior, but human psychology tends to be more complicated than that. Different motivations do not necessarily have additional effects but instead act as different mindsets that analyze the situation differently. To introduce incentives that emulate those of the marketplace into a situation that was not previously understood as such can thus change the subjects' behavior in unpredicted ways by putting them into a "market mentality." One of the primary features of the market is competition and seeking to maximize one's own gain, which crowds out tendencies towards cooperation and social responsibility. The attempt to introduce market relations, and thus market subjectivity, into more spheres of life, is a feature of neoliberalism. Neoliberalism has been classified as an "academic catchphrase," an "essentially contested concept," a "slippery concept," a thing that "does not exist," and as nothing but a "leftwing insult."<sup>53</sup> It is a tired trope to claim that the term is simply meaningless. Many concepts are essentially contested and hard to pin down to one precise definition. Unlike most schools of political thought though, neoliberalism has historical meetings, journals, and official membership lists, which constitute its birth; few ideological movements are as easy to document historically.<sup>54</sup> It was not a meaningless term that only exists as an insult but a name a specific group of people proudly gave to themselves and the project they set out to establish. Of course, they did not agree on everything and the ideological tendency has taken different

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<sup>52</sup> On ideology as a semantic field, see Freeden, *Ideologies and Political Theory*, 67. Despite it not being his focus, Freeden does recognize the role of affect in ideologies (see Freeden, 5; as well as *Ideology*, 114–21).

<sup>53</sup> Boas and Gans-Morse, 'Neoliberalism'; Springer, MacLeavy, and Birch, 'An Introduction to Neoliberalism', 1; Altman, 'Neoliberalism? It Doesn't Exist'; Chait, 'How "Neoliberalism" Became the Left's Favorite Insult of Liberals'.

<sup>54</sup> There were antecedents to term "neoliberalism" in and around the 1920s but the birth of the movement we're talking today was formed by a group of intellectuals meeting at the *Colloque Walter Lippmann* in Paris in 1938 who later formed the *Mont Pèlerin Society* (MPS) which still exists today and keeps a record of its members (who have to be invited). The original meeting in Paris defined the central tenets of the new liberalism and set up journals (such as the *Cahiers du Libéralisme*), think tanks and research institutes (including the *Centre international d'études pour la rénovation du libéralisme*) to develop and disseminate the ideas - a strategy the MPS has pursued since with great success: The MPS network has worked as the ideological core of a well-documented network of research programs, university departments, journals, newspapers, politicians, think tanks, etc (including the *Chicaco School of Law and Economics* and the *Virginia Center for Study of Public Choice*) which in Iceland includes the group of people around the journal *Eimreiðin* (1972-5) who were instrumental in the deregulation and privatization of large parts of the Icelandic economy. (Plehwe and Mirowski, *The Road from Mont Pelerin*, 10–26; Wade and Silla, 'Iceland's Meltdown').

forms in different contexts (just like other movements and ideologies) but one of the common elements is a desire to create the world in the image of the idealized “market.”

I reject the idea that neoliberalism is identical to unregulated laissez-faire capitalism and the “withdrawal of the state.”<sup>55</sup> Neoliberals tend to be critical of actually existing capitalism's tendency to create monopolies and other deviations from the textbook definition of “the market” and therefore may support regulations and state interventions to force the real market to conform with the ideal. Rather than promoting a smaller state, it has sought to ‘marketize’ it by introducing competition in as many areas of life as possible. There is thus, an element of constructivism in that neoliberals see that the market relations from the economic textbooks are rarely a naturally existing reality but one that has to be shaped through political processes. This tendency is manifested in several policies, including the ‘New Public Management’ which, through individualized remuneration systems, control and technocratic bureaucracy, and precarious and competitive employment, is meant to create incentives to increase productivity and accountability but has instead (or perhaps in addition) resulted in increased fatigue, demotivation, and frustration among employees in the Nordic welfare states.<sup>56</sup> Despite being premised upon an initial skepticism about the epistemic capacity and psychological motivations of state managers and administrators, neoliberal policies have not resulted in less state authority but rather an actual increase in mechanisms and institutions of regulation and control. This paradox follows, in my opinion, from the theoretical premise: the cynical assumption of selfish individualism may serve to disabuse us of the illusion of benevolent and legitimate authority, but it also promotes mutual distrust which leaves us with no alternatives to raw power and appeals to material incentives.

The chapter ends with a discussion of how Rawls overlaps with and diverges from neoliberal ideas. Rawls' starting point was within the neoliberal discourse of the RCT based intellectuals but he gradually parted way with them as he became more egalitarian although he still retains some crucial elements that make it possible to argue that he represents an egalitarian wing of the broader neoliberal movement: He wants to disperse wealth so that true and fair competitive conditions can be maintained, which is not the case when certain groups hold monopoly or market dominance.<sup>57</sup> Where he diverges from the RCT project is interestingly also where he converges more with the real Hobbes than with the Rational Choice caricature of Hobbes: Both Hobbes and Rawls are first and

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<sup>55</sup> Harvey, *A Brief History of Neoliberalism*, 3.

<sup>56</sup> Kamp et al., ‘New Public Management - Konsekvenser for arbejdsmiljø og produktivitet’; Knudsen, *Fra Folkestyre Til Markedsdemokrati*; Sandberg, *Nordic Lights*; Davies, *The Limits of Neoliberalism*, 116; Hood, ‘A Public Management for All Seasons?’

<sup>57</sup> Rawls, *A Theory of Justice*, xv.

foremost concerned with political stability. For them, that requires subjects that recognize the legitimacy (and fairness) of the political institutions and thus possess a subjectivity beyond that of mere rational self-interest.<sup>58</sup> RCT, on the other hand, reifies the Hobbesian “state of nature” and the competitive individualism of the subjects within it not as a state to be avoided but as the natural and inevitable mode of being, which could be a partial explanation for why the inherent state skepticism of neoliberalism has not resulted in less, but rather more, state power and regulation, as it promotes a view of citizens as unable to act cooperatively and socially without direct appeals to their material incentives in the form of punishments and rewards.<sup>59</sup>

Finally, in *Conclusions*, some of the contemporary crises of our political and economic system - the gradual loss of trust in and legitimacy of the established power structures - are discussed, as is the question of how philosophy (broadly understood to include all who contribute to theories of human nature, political and social institutions, etc.) might have played a role in this situation. The model of abstract individualism has resulted in a paradox: it does away with the political metaphysics which can be appealed to as the foundation for the legitimacy of political authority, but it also justifies inegalitarian power structures which are seen as necessary to regulate the behavior of the solitary individuals. This can result in a cynical or ironic stance towards political structures, or to resentment and disillusionment, which can be exploited by various movements offering either to do away with the resented system or to provide more meaning in the form of nationalist politics of identity and belonging. My intention is not to revive political metaphysics and reenchant the liberal state. As long as we see ourselves as helpless prisoners trapped in an uncooperative game, we will be unable to imagine any alternatives to hierarchical structures and political domination. It is this mentality we need to do away with. Any critique of inequality and domination must be based on a view of humans that enables and encourages us to trust each other and to cooperate, thus allowing us to form different social relations.

After that, the recurring theme of this dissertation is addressed: can theories of human nature become self-fulfilling prophecies? The conclusion is mixed: There is little doubt that these theories can and do affect our behavior and psychology and thus shape us to some extent, but fortunately, they are not the only forces impacting us. The social reality in which we live our lives and acquire our dispositions and habits is multifaceted and we have different interactions in different settings which means one ideological model can never be truly hegemonic or monolithic. While the logic of competitive indi-

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<sup>58</sup> Rhodes, ‘Reading Rawls and Hearing Hobbes’; Neal, ‘Hobbes and Rational Choice Theory’.

<sup>59</sup> Amadae, *Prisoners of Reason*, 182–91.

vidualism produced in market relations can indeed spill over and impact our behavior in other spheres that would be better served by more social and equitable relations, the opposite is also true. The different forms of rationality thus clash and compete with each other.



# SECTION ONE:

## LIFE IN SOLITARY

*How ridiculous then are the ideas of the individualists of the Jean Jacques Rousseau school and of the Proudhonian mutualists who conceive society as the result of the free contract of individuals absolutely independent of one another and entering into mutual relations only because of the convention drawn up among them. As if these men had dropped from the skies, bringing with them speech, will, original thought, and as if they were alien to anything of the earth, that is, anything having social origin. Had society consisted of such absolutely independent individuals, there would have been no need, nor even the slightest possibility of them entering into an association; society itself would be non-existent, and those free individuals, not being able to live and function upon the earth, would have to wing their way back to their heavenly abode.*

~Michael Bakunin<sup>60</sup>

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<sup>60</sup> Bakunin, *The Political Philosophy of Bakunin*, 167.

# CHAPTER 1:

## PRISON MENTALITY

### 1.1 Rationality in the Prison Cell

*The Prisoner's Dilemma* (PD) is one of the most over-used thought experiments within economic, social, and political theory. It is as much a cliché as “trolley cases” are within moral philosophy and moral psychology. Nevertheless, it is worthwhile to discuss this parable for several reasons: *First* because its popularity makes it hard to ignore. Since it was first conceptualized by mathematicians and game theorists in the RAND Corporation in the 1950s it has captured the imagination of theorists of social and political science, biology, law enforcement, mathematics, psychology, and many other fields.<sup>61</sup> It has been extremely influential because of its simplicity and apparent explanatory power but it also has a rarely acknowledged ideological impact on the theories based upon it. *Second* because it is a formalization of an underlying argument in a lot of theory that does not explicitly state itself as a variant of it. For example, Thomas Hobbes' political theory in *Leviathan*, published in 1651, can be seen as a version of The Prisoner's Dilemma concerning the fundamental impossibility of stable cooperation between individuals in the “state of nature,” as can many other examples of past and contemporary theory about cooperation and strategy.<sup>62</sup>

But *third* and *foremost* because a close analysis and deconstruction of the hypothetical dilemma reveal the very specific conditions it assumes and thus the many things it cannot explain. Very few of us find ourselves in normal circumstances that resemble those of a Prisoner's Dilemma. In fact, the conditions the hypothetical prisoners are in are explicitly forced upon them to create a specific frame of mind to ensure a certain outcome. This makes it highly problematic to claim that the hypothetical story reveals great insights about “human nature” or about how we would behave under other, more free, circumstances. A deconstruction of this very influential piece of game theory shows some of the implicit assumptions about human nature, decision making, and social behavior

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<sup>61</sup> Poundstone, *Prisoner's Dilemma*, 8–9.

<sup>62</sup> For an analysis about how Hobbes' (and Humes') political theory translates in to a version of the Prisoner's Dilemma, see Michael Taylor's *The Possibility of Cooperation.*; for a discussion about more contemporary theories within economic and social science see Elinor Ostrom's *Governing the Commons*, 1990.



that prevail in broad areas of scientific theory - theories that have ideological impacts on the policies that structure our societies.

The Prisoner's Dilemma exists in many versions with varying details, but the basic structure is more or less the same: Two individuals have been detained by the police who suspect them of being accomplices in a major crime but do not have enough evidence to convict them for it. Instead, the police charge them both with a lesser crime which they can make stick. The detectives are not really interested in convicting the prisoners of the lesser crime, but it is used as a stick-and-carrot to get them to incriminate each other in the more interesting case. They are placed in separate rooms and both told the same story: If you testify against your partner and say they were the one who did the principal crime, the police will drop the charges against you on the smaller crime and you will go free. If you do not testify against your partner you will go to jail for the smaller crime. Let's say the smaller crime can give a moderate prison sentence, while the more serious one can result in several years behind bars, but if you testify against your partner you can get off scot-free while they take the fall for both crimes. Unless, of course, both of you testify against each other, then the smaller charge is dropped for both of you but you will both get convicted for the major crime - which is the result the police interrogators want. Another outcome is that none of you betray each other and you both get stuck with a short prison sentence for the smaller crime. The incentive structure could look like this (Figure 1):

	B stays silent (cooperate)	B testifies (betray)
A stays silent (cooperate)	A: 1 year in prison B: 1 year in prison	A: 3 years in prison B: Goes free
A testifies (betray)	A: Goes free B: 3 years in prison	A: 2 years in prison B: 2 years in prison

*Figure 1: A possible pay-off matrix for the Prisoner's Dilemma*

The last outcome, in which you both cooperate, is the collectively preferred one for both of you, but as you are both tempted by the individually better outcome of going free (while the other one gets the maximum punishment), then we have a dilemma: The action that could lead to maximizing your individual interest - betraying the other - is the one that does not lead to the best collective situation in which you both cooperate. And vice versa: If you try to strive for the best collective outcome you open yourself to being betrayed and get the absolute worst outcome for you as an individual. No matter what the other one does, your individual interests can be better served by betraying them - if they refuse to testify against you, then you can get free by betraying them, and if they testify then it is better for you to also testify so you don't get stuck with all the charges. And as the other one is in the same situation, testifying is the better individual outcome for each

of you no matter what the other does. This unfortunately leads to the collective outcome that both of you testify against each other and both get convicted of the major crime - an outcome both of you would have preferred to avoid (but which is still better than the alternative of taking the fall as the sole perpetrator). We thus have a situation in which pursuing individual interests leads to a sub-optimal outcome for all the individuals involved (except the police interrogators who set this dilemma up).

One of the first uses of the Prisoner's Dilemma concerned the policies and strategies of the nuclear arms race: The US and the USSR were considered to be in a situation similar to the hypothetical PD in that mutual disarmament would be the best collective outcome but being the state who improved their weaponry while the other disarmed was the optimal strategy for both parties which lead to the sub-optimal outcome of both nations continuing the expensive and potentially destructive arms race.<sup>63</sup> The thought experiment has since then been applied to virtually all other aspects of human and non-human life. Evolutionary biologists have made a slightly different version of it called *The Red Queen Hypothesis* which stipulates all life in a perpetual biological arms race: it would be easier for everyone if they didn't have to spend all their energy on getting bigger, stronger, etc. but as individuals it is best to be the biggest or strongest which leads to the sub-optimal outcome that every life form needs to grow constantly.<sup>64</sup> It is also the *Logic of Collective Action* inherent in large parts of human organization, especially that concerning public goods, according to Mancur Olson, who speculated that individuals who benefit from a public good, whether they contribute to it or not, have no incentive to contribute to it since it is better for each individual to enjoy the outcome without contributing which leads to the sub-optimal outcome that nobody contributes and the public good does not get realized to the detriment of all.<sup>65</sup> The same theoretical assumption leads to what Garrett Hardin calls *The Tragedy of the Commons* in which self-interested individuals will behave contrary to the long-term common interests of the group including themselves.<sup>66</sup>

These and many similar theories, inspired by game theoretical constructs like The Prisoner's Dilemma, have led to the general disciplines of *Rational Choice Theory* and *Public Choice Theory* which attempt to explain social behaviors and outcomes as the results of individuals who pursue their immediate self-interest through what is considered

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<sup>63</sup> Poundstone, *Prisoner's Dilemma*, 129.

<sup>64</sup> The hypothesis was invented by biologist Lee Van Valen to explain why species go extinct (Van Valen, 'A New Evolutionary Law'). The term refers to the Red Queen in Lewis Carroll's novel *Through the Looking-Glass* who proclaims that "it takes all the running you can do, to keep in the same place."

<sup>65</sup> "Indeed, unless the number of individuals is quite small, or unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their common or group interests." Olson, *The Logic of Collective Action*, 2.

<sup>66</sup> Hardin, 'The Tragedy of the Commons'.

rational deliberation by which they mean a ranking of the available options based on their personal costs and benefits to the individual. This is also the background assumptions within the *neoclassical economics* which posits the microeconomic decisions of individuals who act to maximize their self-interest as the foundation of economic structures. As this theoretical framework has been applied to a growing number of human interactions and fields of study it has led to various policy proposals like the need of state regulations of the social structures or privatization of the social goods to change the incentive structures of the people who may be seen as being trapped within something like a Prisoner's Dilemma.

It is not my claim that nobody is ever caught in a PD-like situation or that cost-benefit-analyses based on self-interest does not play a role in human motivations and decisions at all, but as the model of human agency upon which this simplistic hypothetical game is based has become the foundation of still more fields of social theory it is relevant to ask the questions: how much does it really explain and how accurately does it describe the situations most of us find ourselves in most of the time? We can ask ourselves how well the story of the Prisoner's Dilemma describes the situation of real prisoners in a similar situation. To do that, we need to look at the fundamental assumptions necessary for the hypothetical game to work. These include the structural conditions that the participants are isolated from each other and can only interact indirectly through the legal authorities and the behavioral condition that they make their decisions purely based on considerations about the possible prison-terms they might face individually. Furthermore, both their past and their future social interactions have no relevance in the game which is, as the name implies, modeled upon a setting in which the participants are involuntary captives and victims of the will and authority of another person. All of this makes it a game of quite limited and hypothetical relevance, as these conditions rarely describe the circumstances of real people in real dilemmas.

## 1.2 Life is not a game

*First*, there are the *structural* conditions necessary for the situation to truly be a Prisoner's Dilemma: The participants are *isolated* from each other and *unable to communicate*. This is to prevent them from discussing and coordinating their strategies. For the situation to truly be a non-cooperating game it is necessary that the participants cannot influence each other's decisions for example by agreeing on a mutual strategy or by issuing promises, threats or offers or other potential incentive-manipulating communications. Strictly speaking, in the pure abstract version of the game communication can be al-

lowed. As long as the participants have no way of actually carrying out any threats or to have agreements enforced then communication is just irrelevant as the incentive-structure of the game remains the same: No matter what they say to each other, their options are still the ones given to them by the system and the possible punishments remain the same. So in theory, communication shouldn't matter. In reality, it turns out it does - and not just when real suspected criminals are put in this situation to force them to snitch on each other but also have the possibility of taking revenge as soon as they are out of the confines which constitute the game structure. Even when the game is played for fun or as part of an experiment with voluntary human participants who have no reason to believe their decisions will have consequences outside the game, it turns out that both communication and face-to-face contact have significant influence on how real human participants act.

Numerous studies in experimental psychology have shown that the likelihood of participants cooperating with each other rises significantly if they are able to communicate.<sup>67</sup> Some studies have allowed participants to discuss strategies and give each other promises about what they intend to do. Theoretically, this should have no influence on the outcome as any such promises cannot be enforced and thus do not change the actual punishments and rewards the participants receive in the game. If anything, it might increase the temptation to double-cross each other because if A has reason to believe B intends to keep their promise to keep silent then A has the option to go completely free by betraying B. And yet the mere verbal soliciting of a promise to cooperate, even though it has no binding force, actually does make people much more likely to keep that obligation.<sup>68</sup> This behavior directly contradicts the assumption of humans as purely "rational" maximizers of individual self-interest and Hobbes' dictum that "covenants, without the sword, are but words" with no strength to secure cooperation.<sup>69</sup> Clearly, words alone actually have some strength. Interestingly, giving the participants the opportunity to talk about things not relevant to the strategies of the game, i.e. having personal conversations and getting to know each other, increases the rates of cooperation even further. Experiments where the participants have been allowed some social chat before the game not only make them more likely to cooperate but also better at predicting whether the others are going to cooperate or not.<sup>70</sup> Again, the theoretical assumption would be that partici-

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<sup>67</sup> See David Sally's meta-study 'Conversation and Cooperation in Social Dilemmas'.

<sup>68</sup> "[T]he solicitation of promises by the experimenter raises cooperation by 12%-19% in the logistics models and by 30% in the linear equations." Frank, 'The Status of Moral Emotions in Consequentialist Moral Reasoning', 78.

<sup>69</sup> Hobbes, *Leviathan*, 111.

<sup>70</sup> "Our subjects had conversations in groups of three for 30 minutes, at the end of which time they played prisoner's dilemma games with each of their conversation partners. Subjects were sent to separate rooms to fill out

pants who can predict that the other will cooperate should be even more tempted to exploit this knowledge to their advantage and cheat on their partner, but instead, the opposite happens. Even just having visual contact with each other during the game increases the tendency for participants to cooperate.<sup>71</sup> So, *the structural setting* of the game is highly relevant: for participants to act as if they are truly in a Prisoner's Dilemma, they must be isolated and have no social contact with each other.

*Second*, there are the assumptions about the participants' *motivations* and *preferences*: The participants are assumed to only consider the pros and cons of their options based on calculations of the various possible prison sentences; no other factors enter their deliberation. Furthermore, it is assumed that they conduct these calculations based purely on their own personal outcome; if the participants were to aim for the best overall result (i.e. the lowest combined prison sentences) then they'd both have a preference to cooperate and there would be no dilemma as there would be agreement between their personal preference and the result of their combined actions (i.e. the minimum sentence to both of them). In other words, the model of human behavior and rationality assumed in this game-theoretical scenario is that of *homo economicus*: the individual who acts and deliberates in order to maximize their private utility and ranks the available choices according to narrow definitions of self-interest. This is also the model assumed in Rational Choice Theory, neoclassical economics, and much of contemporary political theory at the policy-level.<sup>72</sup>

The model which assumes agents will simply rank the alternatives they are presented with based on their simple utility functions for the individual is appealing as it allows for mechanistic predictions of human behavior and social outcomes. Unfortunately for the model real human participants do not seem to be quite that simple in their deliberations. As we have seen, when participants get the opportunity to communicate, socialize or have visual contact, something happens to their motivations. All of this should have no influence on people's decisions and the outcomes if they were indeed only considering

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forms on which they indicated, for each partner, whether they were going to cooperate or defect. They also recorded their predictions of what each partner would do when playing with them. [...] When someone predicted that a partner would cooperate there was an 81 percent likelihood of cooperation (as opposed to the 74 percent base rate). On the defection side, the base rate was just over 26 percent, but partners who were predicted to defect had a defection rate of almost 57 percent. This seems an astonishingly good prediction on the basis of just 30 minutes of informal conversation." Frank, 'The Status of Moral Emotions in Consequentialist Moral Reasoning', 78.

<sup>71</sup> Sally, 'Conversation and Cooperation in Social Dilemmas'; Gardin et al., 'Proxemic Effects on Cooperation, Attitude, and Approach-Avoidance in a Prisoner's Dilemma Game'; Behrens and Kret, 'The Interplay Between Face-to-Face Contact and Feedback on Cooperation During Real-Life Interactions'.

<sup>72</sup> See for example Charles K. Rowley's summation: "The hard core of the constitutional political economy research program combines the assumptions of Rational Choice, methodological individualism and *homo oeconomicus*" in Rowley and Schneider, *The Encyclopedia of Public Choice*, 24 (italics in original). Similar assumptions are the foundation for the economic model which has been the basis for policies of shifting governments in Denmark since 1997; it bears the telling name "Danish Rational Economic Agents Model" (DREAM).

the incentive-structures build into the game (i.e. the possible imaginary prison sentences or the various rewards the scientists might be offering the participants) from the perspective of their own self-interest. But clearly, real participants behave differently from the abstract utility-maximizers assumed in mathematical game theory - they are motivated by factors which in theory should be completely irrelevant to their decision making process. It is not unreasonable to speculate that the social interaction and the making of promises trigger motivational factors that are not included in the model - motivations like empathy, which makes one care for the fate of the other participant and not just oneself, or a sense of obligation to keep a promise, or a feeling of mutual trust. These are factors that vary between individuals and are thus unpredictable and hard to put into a general model of human behavior. Nevertheless, they are real elements in human interaction and their effects depend on the structural circumstances.

*Third*, the participants have *no past*. Sure, in the game they are suspected of having planned and committed a crime together but apparently, they do not know much about each other. They are supposed to be individually making their decision to cooperate or betray without having any idea what choice the other is likely to make. But surely two people who are supposed to have collaborated on a major crime are likely to have some other prior relations which would give them each a sense of the other person's character and dispositions. In fact, in order to start their alleged criminal endeavor, they would have had to already have some level of trust in each other - including the trust that they would not bend to pressure or temptation such as that provided by the interrogation officers of the Prisoner's Dilemma. Perhaps they even care for each other and thus individually have a preference for the well-being of the other. It does not matter much whether they are isolated during the interrogation if they have already had the social relations and communications which make them more likely to trust each other and cooperate. In other words, the hypothetical scenario requires that the participants have also been historically isolated from each other - that they have no past together. Otherwise, that past will affect their decisions.

Their mutual past is not the only thing that does not exist. It seems that for at least some people to truly be the simplistic selfish utility-maximizers assumed in the model they must have no social past at all - or at least a very particular past. The participants are supposed to only consider the available options and rank them according to their potential payoffs for them as individuals. This is what 'rationality' amounts to in this model of human behavior. But most humans make their decisions based on many other considerations and factors: Ideas of what is the morally right thing to do (utilitarian, deontolog-

ically or otherwise), their self-perception as people who possess certain virtues (as brave, caring, loyal, honest, etc.), or maybe some emotional disposition (a dislike of authority figures or an attachment to the other participant, a lack of self-worth, etc.).<sup>73</sup> This is far from an exhaustive list of potentially relevant motivational factors and it expands as the model of human “rationality” is applied to other settings, making predictions even harder as the human factors get more “messy.” For example, when economic models only operate with the incentives provided by income and neglect the various other reasons people might have for going to work, they might lead to wrong predictions and to policies with unintended or harmful consequences.<sup>74</sup>

Some of these motivational factors work through conscious deliberations while others are unconscious dispositions and behavioral patterns but all of them require a personal and inter-personal *past*. We do not suddenly spring into being and find ourselves equipped with the tools to make decisions based purely on calculations of the available options. We develop these tools - values, preferences, deliberations, feelings, etc. - through prior experiences such as education and contemplation, participation in social practices, upbringing, socialization, relationships, and past experiences in similar situations.<sup>75</sup> These past experiences are crucial in the formation of a human agent who is capable of making decisions. The so-called “rational” purely utility-calculating agent is actually not very good at decision-making in a complex world. Neuroscientist António Damásio describes patients suffering from brain damage that inhibits their emotional and social capacities: They might be quite capable of understanding abstract rules and weighing pros and cons of clear-cut incentive structures, but given more complex dilemmas, or even choices between equally preferred options, they are either bad at making the right choice or unable to make one at all.<sup>76</sup> It seems that to “make up our mind” we have to rely on the mind which has already been formed by past experiences and interactions.

That the participants’ personal pasts are relevant for their deliberations and behavior in the Prisoner’s Dilemma is illustrated by experiments where scientists have asked people of different educational backgrounds to play this or similar games. As the model of human behavior assumed in the game, *homo economicus*, is one that dominates in the field of economics, many studies have been done comparing economic students with stu-

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<sup>73</sup> On the role of virtues in our self-understanding and behaviour, see MacIntyre, *After Virtue*. On the role of care, see Held, *The Ethics of Care*. Taylor’s *Rationality and the Ideology of Disconnection* also contains examples of motivated behavior that are seemingly unintelligible from the simplistic model of ‘rationality.’

<sup>74</sup> For example when the Danish organization of employers regularly argue that the comparatively high unemployment benefits reduces the incentive to work (Jyllands-Posten, ‘Gevinsten Ved at Arbejde Er Mindst i Danmark’). This claim overlooks the fact that Denmark has *both* some of the highest unemployment benefits *and* some of the highest employment rates (OECD, ‘Employment Rate’). People thus do work even though they could chose not to from a purely financial calculation - perhaps other motivations are in play?

<sup>75</sup> Cozolino, *The Neuroscience of Human Relationships*, 128.

<sup>76</sup> Damásio, *Descartes’ Error*, 34-.

dents in other fields. In these experiments, students of economics have been found to be less likely to contribute to public goods, they make lower offers than others in The Ultimatum Game, and they cooperate less and display less trust in the Prisoner's Dilemma<sup>77</sup> - in other words: they tend to behave more in accordance with the model of human behavior which their discipline is based upon and teaches. Comparing participants across other backgrounds show that American male students tend to be less cooperative than female, and - breaking with the tendency to extrapolate generalizations about "human nature" from experiments conducted on university-educated people in rich Western countries - anthropological studies have found vast behavioral differences when people in different cultures are asked to play such games.<sup>78</sup> In other words: Our upbringing and past experiences have great influence on our decisions and motivations when faced with what could otherwise be seen as a simple choice between a set of straight-forward incentives.

*Fourth, the future* is of little relevance to them. Yes, the suspected criminals are concerned about the prospect of spending time in jail but that is the only element in their possible futures to be considered. All each of them cares about is getting as short a conviction as possible. But is it not likely that some rugged criminals might be worried about other possible consequences of their actions in the interrogation room? What might happen to a member of an organized criminal gang who betrays their co-conspirators in order to get a shorter prison sentence? Is it not possible that there would be repercussions, if not while they are both in prison then when they get out? Maybe these retaliations would not be carried out by the colleague who got betrayed but then by others who are offended by this violation of the criminal code. At the very least, the prisoner who snitches on their partner would have a hard time finding people in their community who would be willing to cooperate with them in the future if the word got out. The idea that the incentive-structure the prisoners take into account is only the one provided by the respective prison sentences is hardly credible; it is just one of the things in their future they have to worry about. Betraying the other might result in a small reward but it might also result in greater negative results, even for the individual who is only concerned with his own well-being. If that is true for the hypothetical prisoners, then surely it is true for others whose success in life depends on their continued ability to cooperate with others and therefore need to prove that they can be trusted to cooperate.

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<sup>77</sup> Marwell and Ames, 'Economists Free Ride, Does Anyone Else?'; Carter and Irons, 'Are Economists Different, and If So, Why?'; Frank, Gilovich, and Regan, 'Does Studying Economics Inhibit Cooperation?'

<sup>78</sup> Ortmann and Tichy, 'Gender Differences in the Laboratory'; Henrich, Heine, and Norenzayan, 'The Weirdest People in the World?'; Henrich et al., 'In Search of Homo Economicus'.



This problem has been intensively studied. Until around 1980 cooperative and altruistic behavior in animals was somewhat of a mystery for evolutionary biologists who relied on a theory much like that of the Prisoner's Dilemma: Clearly, cooperation benefits the whole flock, but by cooperating with other members of a flock an animal might expose itself to danger or it might spend time and energy which it could spend more efficiently on the survival of itself and its offspring. So, what benefit does cooperation have for each individual? The best strategy would surely be to free-ride and let the others do the dangerous or time-consuming work. The animal that came upon this strategy would be better off and would propagate its genes more than the others. If that is the case, then cooperation cannot be an evolutionarily stable strategy; free-riding would become dominant and the genetic codes for altruistic behavior would go extinct.

This theory got turned upside down when the political scientist Robert Axelrod hosted a series of tournaments in which people could write short computer programs to play a version of the Prisoner's Dilemma against each other.<sup>79</sup> The version is called *the Iterated Prisoners' Dilemma* because it consists of several rounds where the subjects meet each other repeatedly. It is important to stress that the participants here are programmed computer algorithms so they should not be affected by the "irrelevant" factors which make real humans act "irrationally" - the software was written with the strategies the authors thought might win based purely on the payoff structures within the game. The strategy which almost consistently fared the best was the one called *Tit-For-Tat* written by Anatol Rapoport. It is quite simple: when meeting a new "opponent" the program starts by cooperating and after the initial round it simply copies the previous behavior of the other player. This strategy of initial trust followed by reciprocity became dominant because it allowed the software to initiate mutually advantageous cooperation both with the "naive" strategies of unconditional trust and with versions like itself. The software that was programmed to behave like the model of rationality assumed in the game theory - to always try to get the best result for itself in each round - did not do very well: Facing versions with similar strategies they would get the result predicted in the hypothetical PD: They would both end up with the worst outcome. Facing the naive always-cooperating one they would, of course, get the optimal result but that got outweighed by the fact that they could not establish cooperation with anyone. If the never-cooperating program met a tit-for-tat strategy then it would win the first round but after that, the initial trust would be broken, with the result that tit-for-tat would only lose each initial round. The overall best strategy in an Iterated Prisoner's Dilemma is to trust and cooperate unless the opponent has displayed a behavior that gives reason to act otherwise.

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<sup>79</sup> Axelrod, *The Evolution of Cooperation*.

The reason for this is that the players do not just meet once but multiple times. If it was just a one-round game, then they would be in a true Prisoner's Dilemma but in the iterated version they are not just faced with the possible payoffs of their current choice but also need to consider how it will affect their future choices. In the one-round game, there is no way to influence the decisions of the other player but in the iterated version the other player can adjust their actions based on your past behavior. This changes the game radically. Regardless of whether you intend to build stable cooperation or to betray the other player in a future round you need to build trust by cooperating in the present - as long as there is the possibility of future interactions, then cooperation is the strategically wise choice in each round. In Axelrod's words "The future can therefore cast a shadow back upon the present and thereby affect the current strategic situation."<sup>80</sup> Even mindless computer algorithms programmed only to win a game have to consider their relations to the others if they "care" about their future outcomes. Only when future interactions do not matter are the participants truly caught in a Prisoner's Dilemma. But the future matters to most of us. In human societies, as in the animal world, we tend to meet each other and have interactions more than once. Therefore, we need to act as if our future relations with other people, our reputation as trustworthy and cooperating members of a community, matters to us. And for many of us it does - which might explain why real humans behave differently than the theory of narrowly self-interested "rational" agents say they should. Even when just playing one-round games of PD, human participants tend to cooperate more than the theory expects, particularly if they are allowed social interaction.<sup>81</sup> Most humans have, to some degree, been both socialized and evolved to care about their relations with others.

*Finally*, the conditions they are in are *imposed upon them*. The Prisoner's Dilemma is often used as an example of the impossibility or difficulty of establishing cooperation between free and equal individuals. The participants both have the same options and no way of coercing or influencing each other's decisions. This simplistic analysis overlooks the power-relations in the game whose very name betrays the fact that they are indeed not free but prisoners and as such under the domination of other people. If we consider the scenario carefully, it is clear that the two prisoners are not the only participants in this game and that they never chose to be in a situation where they are forced to decide between the given incentives. This is all forced upon them by the police authorities who have restricted the prisoner's freedom, placed them in isolation, and presented them with

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<sup>80</sup> Axelrod, 12.

<sup>81</sup> "Nevertheless, it is safe to say that one-trial games reveal very little rationally self-interested behavior: A single round game offers participants protection from punishment and shelter from social pressures; it allows no chance to enforce any agreement, and yet conversation enhances an already robust rate of cooperation!" (Sally, 'Conversation and Cooperation in Social Dilemmas', 80).

two undesirable options. There is a highly relevant element of inequality and unfreedom in this scenario - it is the authorities who decide which options the prisoners get to choose between and they designed the incentive structures intended to create a certain outcome.

The influence of this type of power and authority should never be overlooked. It is relevant even when the participants are not prisoners but rather the typical voluntary or paid test-subjects of psychological experiments. Famous experiments like the *Milgram Experiment* (in which participants were willing, though reluctant, to administer what they thought to be increasingly painful electric shocks to another person when the scientific figure urged them to do it) and the - now-debunked - *Stanford Experiment* (in which a group of students were assigned the roles of guards and prisoners and ostensibly so internalized these power relations that the experiment had to be aborted early because of abuse and the risk of mental harm) have shown the influence of power relations and authority on people's behavior. In the first of these, the participants did not feel good about it but overwhelmingly went against their own moral beliefs and emotions to satisfy the commands of the scientific authority. The second is famous for showing that the participants who were themselves imbued with power tended to forget about any moral convictions they had prior to this situation and became sadistic, while those who were given the subservient role lost their sense of self-esteem and also became less cooperative among each other. Recent evidence has emerged though, that at least some of the students were nudged and guided by the researchers to behave in certain ways or adapted their behavior to what they thought the researchers wanted, which place the conclusions more in line with those of the *Stanford* experiment: the subjects adapted their behavior to please those in authority.<sup>82</sup> These experiments were extreme, but the power of authority has also been established in more standard psychological tests, like those involving the Prisoner's Dilemma. David Sally's meta-study shows that the language used by the scientific instructors greatly influences the strategies of the participants; if the scientist emphasizes cooperation it increases the cooperation rate but if they are told to compete then it increases the defection rate.<sup>83</sup> This indicates that the decision to defect can be just as much caused by cooperation as by self-interest; the defecting participants might simply be co-

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<sup>82</sup> On the *the Milgram Experiment*, see Milgram, 'Behavioral Study of Obedience'. On the methodological flaws of the *Stanford Prison Experiment*, see Le Texier, 'Debunking the Stanford Prison Experiment'. The Milgram Experiment has been reproduced several times with consistent results (BBC, 'People "Still Willing to Torture"').

<sup>83</sup> "In a result surely not surprising to social psychologists, participants appear to follow instructions ordering them to cooperate or to compete. The range of coefficients on the former instruction represents a 34%-40% gain in cooperation, whereas the latter command increases defection by 20%-33% (with notably less significance). It must be emphasized that these figures are slightly bewildering to an economist, because the instruction to cooperate does not change the stated payoffs of the game or the seemingly obvious dominance of defection." Sally, 'Conversation and Cooperation in Social Dilemmas', 78.

operating with what they perceive to be the wishes of the scientist. The authority figures and the power relations must therefore be considered a part of the social structure of the game and included in the analysis of the potential outcomes.

The fact that the participants have no choice or control over their circumstances also means that we need to be very careful about extrapolating from this hypothetical scenario to general situations in our everyday life. There are indeed situations in which we as individuals or as groups are trapped in dilemmas beyond our control, but this is not nearly as often the case as it has been claimed to be. Political economist Elinor Ostrom has documented and analyzed several cases from real life in which people were faced with what on the surface could appear to be Prisoner's Dilemmas and which have indeed been treated as such by economic and political policy-makers and analysts.<sup>84</sup> These are cases in which individuals have had to set aside their immediate self-interests to cooperate on long-term common goals such as maintaining common resources for fishing, irrigation, etc. Contradicting the simplistic Rational Choice models, people actually do succeed in creating and upholding social agreements and structures facilitating long-term cooperation, indeed some of the institutions Ostrom analyzes have been working stably for hundreds of years. Whether they succeed or fail depends on various factors, some of which we have already mentioned: Do the participants have social relations before and after the particular choice-situation? Can they communicate and form agreements and give promises? Can they adjust their future strategies in the light of the past behavior of the others and their interest in maintaining future relations?<sup>85</sup>

A key factor is the degree to which they collectively can control their situation and design the operational rules of the "game." Analysts who consider the participants to be like helpless prisoners trapped in what can only be a non-cooperative game tend to suggest policies that require some external force to change the structure, but this policy stays within the prison mentality and might create a PD-like structure where there originally was none.<sup>86</sup> It takes control away from the participants and places them under exogenously chosen power and incentive structures. It is crucial to remember that the extremely restricted incentive structure and options available for the prisoners in the PD is the *result* of the institutional structure imposed upon them; it is the very fact of this power

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<sup>84</sup> Ostrom, *Governing the Commons*, 1990.

<sup>85</sup> "When conditions in the world approximate the conditions assumed in the models, observed behaviors and outcomes can be expected to approximate predicted behaviors and outcomes. When individuals who have high discount rates and little mutual trust act independently, without the capacity to communicate, to enter into binding agreements, and to arrange for monitoring and enforcing mechanisms, they are not likely to choose jointly beneficial strategies unless such strategies happen to be their dominant strategies." Ostrom, 183.

<sup>86</sup> "Further, policies based on models that represent the structures of situations as unchanging or exogenously fixed, even if repeated, lead to policy recommendations that someone external to the situation must change the structure." Ostrom, 184.

structure that makes it a Prisoner's Dilemma.<sup>87</sup> Thus, even though the metaphor of the PD might be appropriate in some, very restricted, situations, Ostrom concludes that "These models demonstrate what individuals will do when they are in a situation that they cannot change. We do not learn from these models what individuals will do when they have autonomy to craft their own institutions and can affect each other's norms and perceived benefits."<sup>88</sup>

*To sum up*, the Prisoner's Dilemma and the theories about human behavior and rationality inspired by it have some very specific conditions and assumptions: It is a model of human interactions for socially isolated individuals who cannot communicate with each other, who are only motivated by short-term self-interest and thus only consider the possible rewards and punishments they as individuals might receive, who are unaffected by social relations in their past and uninterested in the social relations of their future. Finally, it is a model of human behavior built upon the metaphor of a prison and it requires that an institutional set of power relations is imposed upon the participants to force them to adopt this prisoner mentality. This is hardly a general model of "human nature" applicable to the many diverse areas of life and society which it has been used to analyze. But deconstructing the game and its assumptions and conditions does teach us something: It gives us indications about which structural factors are relevant for the deliberations and decisions of real humans; the fact that real participants in PD-like situations behave differently depending on factors which ought to be irrelevant from the theory of homo economicus not only tells us that there is something wrong with that model but also what we need to look further into in order to get a more comprehensive understanding of human agency. The most interesting lesson is not that real humans rarely act as the simplistic model predicts but that *their behavior and motivations change when elements in their surroundings change*: The structure of the game affects the preferences of the participants.

If the model of human behavior implied by the hypothetical Prisoner's Dilemma was merely that of a purely abstract and theoretical example within mathematical game theory, then it would probably not be worth the effort of deconstruction and criticism. Unfortunately, it is quite prevalent and influential in a variety of disciplines and ideologies, including those which shape our societies through legislation and economic policies. It is a bit of a clichéd criticism of liberalism that it advocates a simplistic conception of 'human nature' which resembles the assumptions of the PD: The archetype of a socially

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<sup>87</sup> "Prisoners who have been placed in separate cells and cannot communicate with one another are also in an interdependent situation in which they must act independently. Acting independently in this situation is the result of coercion, not its absence." Ostrom, 39.

<sup>88</sup> Ostrom, 184.

isolated individual, unencumbered by a past and unburdened by obligations to others, suddenly entering society and social relations purely to maximize their own self-interest after which they withdraw again back to their own private sphere of enjoyment.<sup>89</sup> Even though few would say that this is how they really view humans in general, it is still a model that is used, implicitly or explicitly, as the most ‘realistic’ or ‘pragmatic’ by social, political, and economic policy analysts. Of course, we do not all think like this all the time, but the social models can be designed with this model of human behavior as their foundation because they can make good predictions by treating humans “as if” this is how they behave.<sup>90</sup> This view is not uncommon in classical and modern political and economic thought; it dominates much of the contemporary social sciences which are the theoretical foundations for present-day policy-makers on both sides of the political spectrum.

My claim is that the assumptions about human behavior put a constraint on the models which commit them to certain political conclusion. The ideas about human nature are not politically neutral but rather instrumental in shaping policy and ideology. They work as an often-unexpressed justification of the political structures: By implying that humans are the way they are, certain political structures and decisions are made to seem “necessary” or “rational.” What is not taken into account is how these structures and ideologies themselves affect and shape the way humans act.

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<sup>89</sup> See for example Walzer, ‘The Communitarian Critique of Liberalism’; Sandel, *Liberalism and the Limits of Justice*.

<sup>90</sup> See Milton Friedman’s argument about treating hypotheses “as if” their assumptions were true in *Essays in Positive Economics*, 16-.

## CHAPTER 2:

### HOBBS

#### 2.1 Life is Solitary

One of the ‘founding fathers’ of this philosophical anthropology was without a doubt Thomas Hobbes. Though not exactly a proponent of political liberalism - as a theory of limitations on the legitimate coercive powers of the state and the rights of the individual - his defense of the absolute state was premised upon the idea that humans are naturally free and equal, and that political authority must be justified by an appeal to the interests of those subject to it. This was a radical philosophical idea in his time and his theoretical approach became the foundation of many later thinkers within the liberal and enlightenment traditions.

Hobbes invented the modern *social contract theory* by postulating ‘*the state of nature*’ - a hypothetical pre-political and pre-social past in which there was neither political institutions nor human society in a meaningful sense.<sup>91</sup> In this state of nature, all humans are fundamentally equal; they might have different strengths and weaknesses but “when all is reckoned together the difference between man and man is not so considerable as that one man can thereupon claim to himself any benefit to which another may not pretend as well as he.”<sup>92</sup> This natural equality is a problem because it entails that people have an “equality of hope in the attaining of our ends. And therefore if any two men desire the same thing, which nevertheless they cannot both enjoy, they become enemies.”<sup>93</sup> The state of nature thus consists of individuals who compete with each other for the realization of their desires and preferences - preferences that are motivated purely by self-interest. The primary reason for this competition is a struggle for resources arising from the fact that “many men at the same time have an Appetite to the same thing; which yet

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<sup>91</sup> Hobbes writes in *Leviathan* that he does not believe there was ever “over all the world” “such a time nor condition of war,” although there are “many places where they live so now”: “For the savage people in many places of America .. have no government at all, and live at this day in that brutish manner.” He explicates that the historical reality of the state of nature is not so relevant, as it is primarily a hypothetical argument about “what manner of life there would be, where there were no common power to fear.” Hobbes, *Leviathan*, 85.

<sup>92</sup> Hobbes, 82.

<sup>93</sup> Hobbes, 83.

very often they can neither enjoy in common, nor yet divide it; whence it followes that the strongest must have it.”<sup>94</sup>

In this state, in which people have not yet congregated into organized societies, there are no other social rules than that every person “endeavour to protect his life and members” and that that they “must also be allowed a Right to use all the means, and do all the actions, without which He cannot Preserve himself.” The input and considerations of other people are not relevant in determining the right means and actions for the individual: Only “he Himself, by the right of nature, must be judg.”<sup>95</sup> Thus, “it followes, that in the state of nature, To have all, and do all is lawfull for all.”<sup>96</sup> But nobody can have all since they must constantly defend it from everyone else who has an equal claim to it, and so it “cannot be deny'd but that the naturall state of men, before they entr'd into Society, was a meer War, and that not simply, but a War of all men, against all men.”<sup>97</sup> In this state, every individual lives in perpetual fear and distrust of everyone else, and this is a result of their natural equality.<sup>98</sup>

But it is also the mutual fear - not the good will they had towards each other - which was the original cause of the first societies.<sup>99</sup> The perpetual war of all against all is an insufferable condition and since the first duty and desire for every person is to do what is good for themselves and contributes to their safety “to seek Peace, where there is any hopes of obtaining it [...] is the dictate of right Reason.”<sup>100</sup> It is “through feare of each other we think it fit to rid our selves of this condition, and to get some fellowes.”<sup>101</sup> The first societies might be thought to consist of people who banded together for mutual protection against those outside the group, but that would be missing a step. For if these individuals were to come together as equals, they would still internally be distrustful of each other. Hobbes makes it clear that people do not associate because they regard their fellows but only because their own interest might be advanced by it, and so any social relationship in the state of nature can only be “a certain Market-friendship” which is likely

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<sup>94</sup> Hobbes, *De Cive*, 46.

<sup>95</sup> Hobbes, 47.

<sup>96</sup> Hobbes, 48.

<sup>97</sup> Hobbes, 49.

<sup>98</sup> “The cause of mutuall fear consists partly in the naturall equality of men, partly in their mutuall will of hurting: whence it comes to passe that we can neither expect from others, nor promise to our selves the least security: For if we look on men fullgrown, and consider how brittle the frame of our humane body is, (which perishing, all its strength, vigour, and wisdom it selfe perisheth with it) and how easie a matter it is, even for the weakest man to kill the strongest, there is no reason why any man trusting to his own strength should conceive himself made by nature above others: they are equalls who can doe equall things one against the other; but they who can do the greatest things, (namely kill) can doe equall things. All men therefore among themselves are by nature equall; the inequality we now discern, hath its spring from the Civill Law.” Hobbes, 45.

<sup>99</sup> “We must therefore resolve, that the Originall of all great, and lasting Societies, consisted not in the mutuall good will men had towards each other, but in the mutuall fear they had of each other.” Hobbes, 44.

<sup>100</sup> Hobbes, 50.

<sup>101</sup> Hobbes, 50.



to be broken as soon as it is deemed profitable.<sup>102</sup> People in such a condition would not be able to form a social contract as they have no concepts of keeping promises or acquiring social obligations. It is not enough that people rationally see the need to end the state of war - it must be ended by the removal of the condition that caused it: the natural equality.

Let us stop for a minute and consider how this scenario resembles that of a Prisoner's Dilemma. The state of nature is one in which isolated and distrustful individuals face a dilemma. The lack of cooperation and the perpetual competition makes life unbearable; clearly, the better outcome would be if everyone were to give up their rights to everything and cooperate on securing lasting peace. But in the short term, this is not likely to happen because for each individual the optimal outcome would be if the others were to give up their rights while they themselves took the advantage to get out on top. Since each is in the same situation, no one has a reason to trust the others because by doing so they expose themselves to be deceived which would be even worse than the situation of mutual distrust. In Hobbes' words, any "contract" made by such people "in the condition of mere nature" is void, "for he that performeth first has no assurance the other will perform after, because the bonds of words are too weak to bridle men's ambition, avarice, anger, and other passions, without the fear of some coercive power; which in the condition of mere nature, where all men are equal, and judges of the justness of their own fears, cannot possibly be supposed."<sup>103</sup> The result is a Prisoner's Dilemma in which by pursuing their immediate self-interest the participants cannot possibly realize their long-term interest and end with the sub-optimal outcome.<sup>104</sup>

As indicated by the last passage, there is a way out: the fear of some coercive power. Mutual consent, "when men enter into society to helpe each other," is not the only way for people to get fellows.<sup>105</sup> They can also be acquired by constraint "when after fight the Conqueror makes the conquered serve him either through feare of death, or by laying fetters on him."<sup>106</sup> In such a situation of at least temporary domination, the conqueror "may by right compell the Conquered" and coerce him to give a promise of obedience.<sup>107</sup> Such a promise can be extracted because "promises doe oblige when there is some benefit re-

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<sup>102</sup> Hobbes, 42.

<sup>103</sup> Hobbes, *Leviathan*, 91.

<sup>104</sup> For a detailed game-theoretical analysis of Hobbes' "state of nature" see Taylor, *The Possibility of Cooperation*, 129–42.

<sup>105</sup> Hobbes, *De Cive*, 50.

<sup>106</sup> Hobbes, 50.

<sup>107</sup> Hobbes, 50.

ceived” and in this case, the benefit received is being permitted to continue to live.<sup>108</sup> This might sound cynical but it is also the way out of the unbearable dilemma. By establishing a hierarchy by force the conqueror can do more than letting his subjects live - he can provide them with incentives to cooperate by enforcing their mutual contracts and thus removing the element of reasonable suspicion which prevents each of them from performing the first move towards peace. In the state of mutual distrust and perfect equality “where there is no power able to overawe them all” contracts are but words with no binding force but “where there a power set up to constrain those that would otherwise violate their faith, that fear is no more reasonable; and for that cause, he which by the covenant is to perform first is obliged so to do.”<sup>109</sup> The participants might then lose their freedom and equality but they gain something much more valuable: An end to the perpetual state of war of all against all and the ability to enter into binding social contracts.

Thus, the existence of physical power, domination, is what gives cause to the social contract, not the other way around. The social contract could be thought of as an event (real or hypothetical) in which people in the state of nature come together and voluntarily agree to lay down their arms and form a covenant in which they transfer their natural freedom to a sovereign in order to gain the security and prosperity of a political society - in other words: That the state is a result of a voluntary contract among free and equal individuals. This is a wrong reading of Hobbes. For people to associate and trust each other enough to form contracts and social obligations, according to Hobbes, there must first be a power structure, without which social norms and obligations, like the keeping of promises, have no meaning: “before the names of just and unjust can have place, there must be some coercive power to compel men equally to the performance of their covenants, by the terror of some punishment greater than the benefit they expect by the breach of their covenant, and to make good that propriety which by mutual contract men acquire in recompense of the universal right they abandon.”<sup>110</sup> It may be that the subsequent claim to *legitimate authority* of the state comes from an appeal to the social contract but the *physical power* of the state has an earlier origin as it is the precondition for the possibility of any initial contract. It is this structural power that, in Hobbes, transforms the game from an uncooperative Prisoner’s Dilemma to a society in which cooperation is possible and that is what makes its claim to authority legitimate.

Here we might want to stop and ask how credible this story is. We know from the experiments mentioned in the previous deconstruction of the Prisoner’s Dilemma that

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<sup>108</sup> “It holds universally true, that promises doe oblige when there is some benefit received. [...] We are oblig’d therefore by promises proceeding from fear” Hobbes, 58.

<sup>109</sup> Hobbes, *Leviathan*, 91.

<sup>110</sup> Hobbes, 96.

real people placed in conditions made to resemble the “state of nature” (equal freedom to cooperate or not, no way of having agreements enforced, no way to influence the decision of the other, etc) that people rarely behave the way predicted by game theory or by Hobbes’ theory: Even with no common authority to enforce their contracts they still tend to cooperate and make agreements. We also established that the situation the prisoners or participants are in is not a natural state but rather one that is imposed upon the participants by an already existing institution of power or authority: The institutional structures of the game affect the ways the participants deliberate and behave by changing their motivations and preferences. Perhaps Hobbes’ idea of human nature is not premised upon a study of humans as such, but upon humans under certain conditions. He is, after all, a proponent of the idea that changes in structural relations can radically change individual mindsets. He writes that “Man is made fit for Society not by Nature, but by Education,”<sup>111</sup> but what if education of the wrong sorts can also make us “unfit” for society - i.e. unable to trust and cooperate?

## 2.2 Psychology of the Solitary Individual

It might be a surprise to the modern reader who primarily knows Hobbes as a political philosopher to find that his famous political treaty, *Leviathan*, opens with several chapters on human cognition and psychology seemingly unrelated to the social and political message of the opus. He bases his general claims about human nature upon the study of one individual - himself. In order to understand humans in general he believes it necessary to study individual humans in particular, and as the individual he has most direct access to is himself, the method is introspection: “He that is to govern a whole nation must read in himself, not this, or that particular man; but mankind.”<sup>112</sup> But how does introspection grant Hobbes any insights into the psychology of humans in general or humans in the state of nature in particular? Hobbes did not write in a period of perfect equality and freedom but rather in a society that had for a long time been under the rule of various powers and which was now torn apart by civil war. This civil war, in which different political powers fought to be the one legitimate sovereign, was a clear influence on his writings. But the human he found by studying his own psychological content could

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<sup>111</sup> Hobbes, *De Cive*, 44.

<sup>112</sup> “[F]or the similitude of the thoughts and passions of one man, to the thoughts and passions of another, whosoever looketh into himself and considereth what he doth when he does think, opine, reason, hope, fear, etc., and upon what grounds; he shall thereby read and know what are the thoughts and passions of all other men upon the like occasions.” Hobbes, *Leviathan*, 8.

not be one unaffected by political power, but one concerned with ending the strife and war caused by already existing power relations.<sup>113</sup>

Hobbes starts his exploration of the human mind with a description of how it gets its content: through the senses. He writes that “there is no conception in a man's mind which hath not at first, totally or by parts, been begotten upon the organs of sense.”<sup>114</sup> Sensory experiences, according to Hobbes, are caused by “pressure that is, by the motion of external things upon our eyes, ears, and other organs”<sup>115</sup> where they produce motion, or counter-motion, in the brain and heart by “mediation of the nerves, and other strings, and membranes of the body”<sup>116</sup>. All thoughts, from memories to dreams, imagination, and “fancies,” rely on these sensory imprints and are in a sense merely “decaying sense” - the less vivid after-images which remain in the body and can be recalled independent of the object which originally caused them.<sup>117</sup> The motions caused by objects when sensed can also cause a directional motion in the subject. This motion can be either toward or away from the object depending on whether they cause pleasure or displeasure in the sensing body. Hobbes explains all emotions as variations of these two passions: “That which men desire, they are also said to love: and to hate those things, for which they have aversion.”<sup>118</sup> Moral judgments likewise stem from these subjective experiences such that “whatsoever is the object of any man's appetite or desire; that is it, which he for his part calleth *good*: and the object of his hate, and aversion, *evil*; and of his contempt, *vile* and *inconsiderable*. For these words of good, evil, and contemptible, are ever used with relation to the person that useth them.”<sup>119</sup>

Finally, Hobbes describes human reason and will as the result of deliberation and acting on the various internal passions or appetites aroused in the subject. Reason is simply the arithmetical process of conceiving “a sum total, from addition of parcels”<sup>120</sup>, i.e. weighing the subjective pros and cons of the available choices and how best to realize one's desires. The desire resulting from this deliberation becomes the will of the subject

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<sup>113</sup> As the Hobbes-biographer A.P. Martinich concludes: “Much of Hobbes's life had been a struggle for survival [...] Much of what he did was motivated by fear. He lived in exile for a decade because he was afraid of being killed in the English Civil War. He returned to England because he feared the French [...] In short, much of his life was spent in fear of war.” (Martinich, *Hobbes: A Biography*, 357). In his own autobiographies Hobbes mentioned the fear of war as a factor that defined his life from his birth (Martinich, 2).

<sup>114</sup> Hobbes, *Leviathan*, 9.

<sup>115</sup> Hobbes, 10.

<sup>116</sup> Hobbes, 9.

<sup>117</sup> Hobbes, 11.

<sup>118</sup> Hobbes, 34.

<sup>119</sup> Hobbes, 35.

<sup>120</sup> “When a man reasoneth, he does nothing else but conceive a sum Reason, from addition of parcels; or conceive a remainder, from subtraction of one sum from another.” Hobbes, 27.

who then carries it out.<sup>121</sup> Such an action that results from the subject's final appetite, or will, is by definition, Hobbes believes, a voluntary action. Freedom simply means the ability to act according to the ultimate desire without being "hindered by opposition" - any other concept of freedom is nonsense according to Hobbes.<sup>122</sup> This means that even if a decision to act is caused by fear of repercussions or by preferences and circumstances outside the control of the individual, it is still a voluntary action.<sup>123</sup> To sum up, all human volition comes down to is determining which desire is the strongest and how best to realize it, the desires are caused by contemplations on pleasure or displeasure in the individual which has in turn been caused by past sensory experiences. No wonder then, that Hobbes concluded that all voluntary social relations are based on a desire to "carry with them some benefit," for "in all manner of Society we look after the object of the Will, i.e. that, which everyone of those, who gather together, propounds to himself for good." According to Hobbes, we engage in social interactions "not so much for love of our Fellowes, as for love of our Selves."<sup>124</sup>

Leaving aside the metaphysical question of free will and the much-debated one about whether Hobbes was a proponent of pure psychological egoism, we can see how his account of human psychology underlies his political theory.<sup>125</sup> His is a mechanical view of the human mind where physical objects create motions in the nervous system and leave mental images of pain and pleasure which by necessity cause the subject to desire or avoid similar experiences in the future. This all seems very scientific and materialistic, but there is one thing suspiciously absent from the account: *Other people*. True, other humans exist in this narrative as obstacles or means for the realization of our desires or they might function as standards upon which we measure ourselves when we want their praise or jealousy in order to better enjoy what we have. But Hobbes' mechanical theory of the mind posits humans *first* as isolated individuals with preferences, desires, and wills, and *secondly* as subjects who come together with other beings to realize those desires. He neglects the causal influence of other humans and social relations on the *formation* of those desires. It is not strange that an account of humans who are fundamentally isolated individuals and who form their preferences and values through solitary

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<sup>121</sup> "In deliberation, the last appetite, or aversion, immediately adhering to the action, or to the omission thereof, is that we call the WILL; the act, (not the faculty,) of willing." Hobbes, 40.

<sup>122</sup> "And words whereby we conceive nothing but the sound, are those we call absurd, insignificant, and nonsense. And therefore if a man should talk to me of a round quadrangle; or accidents of bread in cheese; or, immaterial substances; or of a free subject; a free will; or any free, but free from being hindered by opposition, I should not say he were in an error, but that his words were without meaning; that is to say, absurd." Hobbes, 29.

<sup>123</sup> "By this it is manifest, that not only actions that have their beginning from covetousness, ambition, lust, or other appetites to the thing propounded; but also those that have their beginning from aversion, or fear of those consequences that follow the omission, are *voluntary actions*." Hobbes, 40.

<sup>124</sup> Hobbes, *De Cive*, 43.

<sup>125</sup> On that debate, see Gert, 'Hobbes and Psychological Egoism'.

deliberation must be an account of primarily self-interested subjects: How should they get any concept of social interests or of caring for and about others when others do not exist until it is time to realize the values? Pre-social individuals must almost by necessity be self-interested. As Carole Pateman concludes: “The well-known features of Hobbes’ state of nature are a direct consequence of this radically individualist perspective.”<sup>126</sup>

But this is not how human preferences are formed. From his theory of deliberation and the formation of the will, over his description of the desires and passions that motivate us, and all the way down to the seemingly simple account of sensory perception, Hobbes (as so many others after him) is missing the formative role of social relations. These things are not just something the individual mind does, but activities it does as a function of being embedded in a network with other minds. We do not first make up our mind and then enter society and engage with other people - society was there from the beginning and it played a crucial role in our ability to make our mind in the first place. Let us follow Hobbes’ analysis and start with the senses.

## 2.3 Social Sensing

Hobbes is certainly on to something when he argues against a simple realist view of perception and insists that there is no 1:1 correlation between our mental images and the objects that cause them: “whatsoever accidents or qualities our senses make us think there be in the world, they are not there, but are seemings and apparitions only. The things that really are in the world without us, are those motions by which these seemings are caused.”<sup>127</sup> In other words, we are not just passive recipients of raw sensory input; our brains and neurological systems have to process the information they receive from the senses for it to become perception. Hobbes does not provide much of an account of how this happens - neither is it fully understood today, so one can hardly blame him for not providing a satisfactory neurological account of perception.<sup>128</sup> But we can say some things without the use of modern brain scanners and other technologies: At any given moment, when we are awake, we are bombarded with innumerable particles, waves, etc. (as well as the electrochemical information from our bodies) - the things Hobbes calls “motions” -

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<sup>126</sup> “Hobbes’ state of nature shows us a world as it would be if inhabited by individuals who are each confined within a purely subjective viewpoint. Since each one is considered singularly, individuals can have no other outlook than an entirely private and self-interested one.” (Pateman, *The Problem of Political Obligation*, 38).

<sup>127</sup> Hobbes, *Human Nature and De Corpore Politico*, 26.

<sup>128</sup> For example, it is still not fully understood how the brain turns the 2-dimensional images on the retina into 3D representations of the world (Finlayson, Zhang, and Golomb, ‘Differential Patterns of 2D Location versus Depth Decoding along the Visual Hierarchy’).

which are potentially audible, tangible, visible, etc. And yet, we only actually perceive a small fraction of these. As Kant discovered without modern technology, the potential sense data must pass through some pre-cognitive filters so we can make sense of our experiences.<sup>129</sup>

This takes at least two forms: On the one hand, we perceive only parts of the whole, as when we only see the objects that are relevant to our current activity and ignore every other visual input which is placed in the “background.” On the other, we see wholes and ignore the parts, as when we are instinctively able to perceive certain composite things as objects without being aware of the many parts they consist of.<sup>130</sup> This is not just true for the visual sense, but for all of them - we do not feel the tactile inputs from our clothes or notice the constant ‘background sounds’ in our surroundings until something causes us to focus our attention on them. And at the same time, we can form coherent ‘images’ of the touch-feel of something even though it is actually created by many different types of input into the somatosensory system, and we recognize certain voices and sounds as a unity even though they “really” consist of many different wave-length-patterns. These processes are necessary for our ability to navigate in the world - without them, we would drown in a constant stream of undifferentiated sensory experiences.<sup>131</sup> This ability is partially *biological* and a result of evolutionary needs, but it is also partially *learned* and a result of social and environmental needs.

Numerous studies have demonstrated the cultural and environmental influences on perception. Anthropologist Colin Turnbull describes the difficulty a person who has lived his whole life in a dense forest can have in determining distance and size when suddenly exposed to the vast open space of mountainous plains: The different conditions provide us with different needs to develop certain filters of perception, making us see the same things differently.<sup>132</sup> This can also trick us, as illustrated by so-called “optical illusions” like the *Horizontal-Vertical Illusion* and the *Müller-Lyer Illusion* (see Figure 2 below). The first has a vertical line touching a horizontal line; the second has two parallel lines, one with outwards and one with inwards pointing arrows at the ends. In both “illusions” we are expected to see one line as longer than the other (respectively the vertical line and

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<sup>129</sup> Kant, *Kritik der reinen Vernunft*, 188.

<sup>130</sup> This is the focus of gestalt-theory in psychology, which is indebted to Kant’s epistemology (Singh, *The Comprehensive History of Psychology*, 296).

<sup>131</sup> “In helping separate the relevant from the irrelevant, it is essentially our mental horizons that enable us to ignore certain parts of reality as mere background and thereby grasp (visually as well as mentally) any “thing” at all. As effective mental limits, they basically protect us from the cognitive predicament of being constantly bombarded by an undifferentiated stream of stimuli.” Zerubavel, *Social Mindscapes*, 36.

<sup>132</sup> “And then he saw the buffalo, still grazing lazily several miles away, far down below. He turned to me and said, ‘What insects are those?’ At first I hardly understood, then I realized that in the forest vision is so limited that there is no great need to make an automatic allowance for distance when judging size. Out here in the plains, Kenge was looking for the first time over apparently unending miles of unfamiliar grasslands, with not a tree worth the name to give him any basis for comparison.” Turnbull, *The Forest People*, 252.

the line that has two arrow ‘tails’ instead of arrow ‘heads’) even though they are actually of the same length.

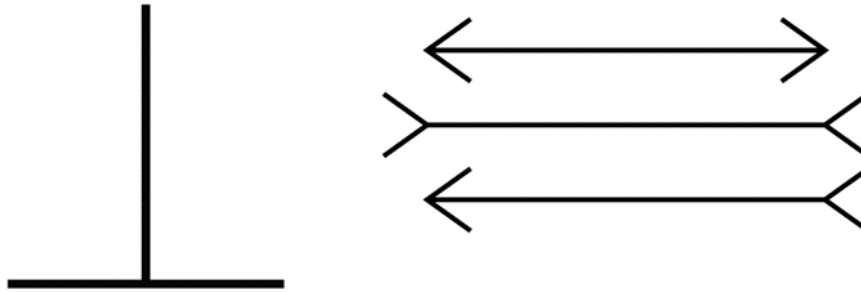


Figure 2: The Vertical–horizontal illusion (left) and the Müller-Lyer illusion (right).  
Source: Wikimedia Commons.

I say “so-called” and “expected” because the degree to which people are tricked by these illusions is culturally variable. A possible explanation for why “we,” i.e. people in the Western, industrialized world, tend to overestimate the length of the vertical line is that we are used to estimating heights and the proximity of vertical objects based on their relation to the horizon - an object line that is as long as the horizon must therefore either be very tall or very close (and things that are near are in a sense “bigger” than those that are far away). Forrest dwellers who have no use of that standard of measurement are less likely to be tricked by the illusion than those who live in cities, while people who live on open plains and constantly need to use the horizon for navigation are the most likely to misjudge the length of the two lines.<sup>133</sup> The Müller-Lyer Illusion is explained by the theory that the angles of the outwards pointing arrows resemble the corners of a room seen from the inside - which means we are “closer” to it - while the inward-pointing arrows are like those of the outside of a building, which makes it seem further away and thus “smaller.” The efficiency of this illusion also has cross-cultural variation - people in urban societies are much more prone to fall victim to this illusion than those in more rural areas - which is explained by the ‘Carpentered World Hypothesis’: Those who live in cities and houses live in an environment dominated by angles, corners, and straight lines, which explains our need to instantly map such representations based on our previous experiences.<sup>134</sup>

These findings indicate that we do not simply receive sense data as isolated individuals with no past - we perceive the world as beings embedded in a structure and interpret it based on our past experiences with navigating in that structure. Even the basic skill of

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<sup>133</sup> Segall, Campbell, and Herskovits, *The Influence of Culture on Visual Perception*, chap. 8.

<sup>134</sup> Segall, Campbell, and Herskovits, 83.



perceiving the world with our senses is influenced by an element of training.<sup>135</sup> In the examples above the training took place in different geographical environments but even this is to some extent a result of human interactions and social factors: Together we decide where to live and how to construct our houses, and that in turn affects how we develop our senses. It is not just our geographical environments that influence our perception. The differentiation in sensory training also takes place within cultures and subcultures, as when different professional occupations require a person to develop the skills to perceive patterns and elements which others would be hard to recognize: A professional musician can hear nuances in a piece of music too fine for others to perceive, while a trained police interrogator or psychologist might be able to pick up the subtle changes in facial expression, body language, and tone of voice which happen when most people tell a lie or want to avoid a topic.<sup>136</sup> These abilities are developed as part of fulfilling certain social roles and functions and only make sense in certain societies. The way we perceive the world is not just biologically determined by build-in structures, and thus universal. Neither are we a 'tabula rasa' who sense everything for the first time unmediated, and thus individually. To some extent our sensory experiences are influenced by factors that are neither universal nor individual but *social*. They require the existence of other people and relations between them and the perceiving individual - people who engage in social practices that give occasion to meaningful interpretations and perceptions. As sociologist Eviatar Zerubavel writes: "our social environment plays a major role in how we actually perceive things. The way we mentally process what we perceive through our senses is to a large extent socially mediated."<sup>137</sup>

If this is true about something so "basic" as our sensory perception, then it is even more relevant in the next steps in Hobbes' account of human psychology: the formation of the passions and preferences and the use of reasoning. None of these are acts that happen in or by the individual without any social background or framework. We do not simply develop appetites and aversions by interacting with the physical world as solitary individuals to find out what causes pain or pleasure. Even these basic psychological phenomena are influenced by social relations. For example, what we enjoy eating, and what

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<sup>135</sup> "The findings we have reported, and the findings of others we have reviewed, point to the conclusion that to a substantial extent we learn to perceive; that in spite of the absolute character of our perceptions, they are determined by perceptual inference habits; and that various inference habits are differentially likely in different societies." Segall, Campbell, and Herskovits, chap. 8.

<sup>136</sup> "The considerable extent to which thought communities' specific cognitive 'biases' affect what their members come to notice is quite evident in science. After all, only after having been 'optically' socialized in a particular way do physicists, for example, come to notice certain objects, structures, and patterns which only other physicists can 'see.' By the same token, it is only radiologists' special professional training that enable them to notice on X rays and sonograms certain pathological formations which no one else can." Zerubavel, *Social Mindscapes*, chap. 48.

<sup>137</sup> Zerubavel, 24.

disgusts us, is hardly just a matter of individual taste, nor is it merely a result of universal human biology - such tastes vary across cultures and within them, and they are socially acquired preferences. It is, at least partially, our parents and the wider society around us, who teach us what to consider good and pleasurable and what to find offensive.<sup>138</sup> These are not just purely subjective experiences and judgments with relation only “to the person that useth them,” as Hobbes claims (prefiguring the assumption in neoclassical economics that interpersonal utility comparison is impossible<sup>139</sup>). They are also social judgments with relations to the community of people who share them. Even if we accept Hobbes’ emotivist view that moral judgments are no more than statements about what we desire or despise, then it is clear that they express more than the subjective preferences of the individual.

## 2.4 Social Feeling

Other people are not only the partial cause of our moral judgments, they are also often the content of them. Humans generally display emotional behavior indicating empathic concern for others within their first year, and they perform acts demonstrating the sympathetic intention to alleviate the suffering of others shortly after that.<sup>140</sup> The studies by Kuhlmeier, Wynn, and Bloom at the Infant Development Lab at Yale University show that babies down to the age of 6 months conduct basic moral evaluations of the actions of others: They have strong preferences for toys which they attributed with helpful intentions towards a third party, and aversions to those toys which have been portrayed as hindering.<sup>141</sup> Whether these findings indicate an innate, biological disposition towards sympathy for others or a very early learned behavior is not the important part here. What is relevant is that this is at least acquired before the development of more advanced cognitive skills such as those of language and deduction. This fits badly with Hobbes’ claim that compassion for others is merely the result of “the imagination that the like calamity

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<sup>138</sup> “Consider also, in this regard, the indisputable social foundations of our basic notions of edibility. Although all cultures indeed distinguish edible from inedible objects, they often vary with respect to the specific contents of those general categories.” Zerubavel, 54.

<sup>139</sup> England and Kilbourne, ‘Feminist Critiques of the Separative Model of Self’. See also Cooter and Rappoport, ‘Were the Ordinalists Wrong About Welfare Economics?’

<sup>140</sup> “We know, for example, that infants and toddlers are distressed by the pain and distress of others [...]. Moreover, soon after a child’s first birthday, he or she can respond empathetically to the pain of others, trying to soothe a hurt friend, for instance [...]. More telling, there are also early signs of empathetic anger upon witnessing the harming of another child [...] as well as evidence that toddlers might feel guilt for hurting another.” Wynn, ‘Some Innate Foundations of Social and Moral Cognition’, 343.

<sup>141</sup> Wynn, 346.

may befall himself.”<sup>142</sup> Such a claim seems to depend on a certain rationality but as Hobbes says: “Children therefore are not endued with reason at all, till they have attained the use of speech.”<sup>143</sup> If Hobbes is right about that, then the fact that children show compassion and sympathy before they attain the use of speech surely indicates that these moral and other-regarding emotions are more fundamental than his theory claims.

In the beginning, the sympathetic emotions might be quite undifferentiated - as when a child feels equal concern for inanimate objects as for other people - but gradually we come to restrict our sphere of empathy. This is part of the same process that enables us to navigate in the world and only perceive what is relevant to our task - indeed, our ability to focus on certain aspects of the world and ignore others is highly ethical, as when we learn what and whom to consider morally relevant or what features of a person (skin color, gender, socio-economic circumstances, mental capacity, etc) we take into consideration.<sup>144</sup> What we perceive is not merely a result of receiving raw sense stimuli; we have to direct our attention to the world in order to make meaning of it, which means we have to orient ourselves towards it with some mental structures of meaning and interpretation which exist prior to the act of perception.<sup>145</sup> These interpretative ‘filters’ are, at least partially, caused by us having been engaged in various social practices and raised in certain social environments. As Zerubavel says: “In short, *we notice and ignore things not only as individuals and as human beings but also as social beings*. While it is certainly nature that equips us with our sense organs, it is nevertheless our social environment that so often determines how we actually use them to access the world.”<sup>146</sup>

In other words, the existence of other people is a pre-condition for the way we perceive the world. We do not engage in it as abstract individuals who then have to find and form society - we are from the start embedded in society, and it is from that starting point that we engage the world. Hobbes’ ‘state of nature’ with its solitary individuals is, therefore, more than just a hypothetical concept of how life ‘might have been’ if there had been no organized society; it is a complete abstraction - an imaginary theory about fundamentally different creatures with psychological and perceptual structures completely unlike those of ordinary humans. It is not just by general accident that other people precede us

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<sup>142</sup> Hobbes, *Leviathan*, 39.

<sup>143</sup> Hobbes, 31.

<sup>144</sup> “Our mental horizons limit more than just our perceptual field. Like their prototypical exemplars, which literally impose visual closure on our physical surroundings, they basically ‘close’ our minds by helping delineate what we consider relevant. [...] The mental discontinuity between the framed and the out-of-frame also applies to people. Indeed, it is hard to find a more blatant manifestation of the role of our mental horizons in regulating what actually ‘enters’ our minds than the way we often treat certain people as irrelevant, essentially excluding them from our sphere of attention despite their obvious physical presence within our perceptual field.” Zerubavel, *Social Mindscapes*, 37–38.

<sup>145</sup> Zerubavel, 24.

<sup>146</sup> Zerubavel, *Hidden in Plain Sight*, 53 (original italics).

as individuals; it is a biological and ontological necessity. Hobbes acknowledges this when he writes that children cannot be considered at any time to be in the state of nature, as they are under the authority and protection of their parents who nourished them.<sup>147</sup> And as the parents exist before the child and provide it with cognitive and moral nourishment and education, so does the wider society. This social context is not one that needs to be discovered by exploration but one that is a precondition for empirical and cognitive exploration. As psychologist Karen Wynn writes: “the social world is not one the infant must laboriously create; it is one that is presupposed.”<sup>148</sup>

Society does not just predate and form each of us as individuals, but also as a species. Humans did not invent social life but evolved from other animals who already lived in organized groups, complete with social practices and customs, cooperation, feelings of care and empathy, structures of hierarchy, etc.<sup>149</sup> This is why the anarchist naturalist and geographer Peter Kropotkin had to remind those who developed “ideas worthy of Hobbes, that the *appearance of societies on the earth preceded the appearance of man*,”<sup>150</sup> and that the “conception of Man as an isolated being is a later product of civilization”:

All other beings live in societies, and human thought runs in this channel. Social life - that is, *we*, not *I* - is the normal form of life. *It is life itself*. Therefore, ‘We’ must have been the habitual trend of thought with the primitive man, a ‘category’ of his mind, as Kant might have said.<sup>151</sup>

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<sup>147</sup> Hobbes, *De Cive*, 48.

<sup>148</sup> Wynn, ‘Some Innate Foundations of Social and Moral Cognition’, 347.

<sup>149</sup> See Frans de Waal’s works *Tree of Origin; Primates and Philosophers*; and *The Age of Empathy*.

<sup>150</sup> Kropotkin, *Ethics*, 152.

<sup>151</sup> Kropotkin, 60.

## CHAPTER 3:

### RAWLS

#### 3.1 Mutual Disinterest

If Hobbes' is an unintentionally abstract view of human agents, the political theory of John Rawls presents an intentionally abstract one. But unlike Hobbes, Rawls does not claim that his is a descriptive view of actual human psychology. Rawls' fame equals that of Hobbes' so I will be brief in the description of the theory and focus on the ways it resembles those of Hobbes' and the game theorists, and on how it too is premised upon a concept of socially isolated, abstract individuals who are forced to make decisions in a social vacuum using only their instrumental rationality as maximizers of their private interests.

Instead of a "state of nature" Rawls asks us to imagine ourselves in an "original position" from which we can contemplate the principles, structures, and institutions of a just society. In order to prevent our individual, social, and historical biases and interests from affecting our contemplation we are asked to place ourselves behind a "veil of ignorance" in which all contingent and particular aspects of ourselves are stripped away:

Among the essential features of this situation is that no one knows his place in society, his class position or social status, nor does any one know his fortune in the distribution of natural assets and abilities, his intelligence, strength, and the like. I shall even assume that the parties do not know their conceptions of the good or their special psychological propensities.<sup>152</sup>

Rawls is explicit that this "purely hypothetical" situation "corresponds to the state of nature in the traditional theory of the social contract."<sup>153</sup> In fact, it is quite similar to the situation that the Hobbesian individuals find themselves in: While the individuals in Hobbes natural state do have different strength, intelligence, and the like, these differences are evened out and made irrelevant by the fact that according to Hobbes we all have abilities which give us "equality of hope in the attaining of our ends."<sup>154</sup> Similarly, Rawls, asks us to abstract from our different abilities and positions in order get a situation in which "all are similarly situated and no one is able to design principles to favor his

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<sup>152</sup> Rawls, *A Theory of Justice*, 11.

<sup>153</sup> Rawls, 11.

<sup>154</sup> Hobbes, *Leviathan*, 83.

particular condition.”<sup>155</sup> This position of abstract equality in which the participants do not know their particular situations ensures that the participants design principles of justice for the basic structure of society based on fairness: Since they do not know whether they will be bodily or socially disadvantaged, they will prefer a society in which everyone has equal opportunities and the least advantaged are as well off as possible (the ‘difference principle’).<sup>156</sup>

Hobbes’ statement about equality in hope of attaining our ends is also relevant to Rawls’ theory in another way, as it is the goal of the original position to have us design principles of justice that ensure just that. Like Hobbes asked us to be aware of the general principles of human passions “which are the same in all men” but disregard the “objects of the passions” because these depend upon the constitution of the individual, so does Rawls veil of ignorance require that no-one “know his conception of the good, the particulars of his rational plan of life, or even the special features of his psychology.”<sup>157</sup> The subjects know that they *will have* interests once they leave the Original Position, but they “do not know what particular forms these interests take.”<sup>158</sup> The point of this abstraction is to prevent the participants from choosing principles of justice that are partial to their private goals and aspirations: They do not know *what* they desire or *what* values they have, only *that* they will have such things, and therefore they should design fair principles that ensure that “each person is to have an equal right to the most extensive scheme of equal basic liberties compatible with a similar scheme of liberties for others.”<sup>159</sup>

Furthermore, Rawls requires the participants to abstract from any “ties of natural sentiment” they might have, i.e. any feelings of care or sympathy for the others. The parties are supposed to be “mutually disinterested” and “not willing to have their interests sacrificed to the others.” This is of course a condition that matches Hobbes’ description of humans in the state of nature and the primary assumption of *homo economicus* in abstract game theory. Rawls introduces it to make sure his theory can work for a society in which there are competing interests, as that is the situation in which questions of justice are relevant. Although he admits that “once the veil of ignorance is removed” - that is, once they become real humans in a real society - the parties might find that they have sentiments which cause them to “want to advance the interests of others,” he nevertheless claims that allowing people to contemplate principles of justice from a position in

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<sup>155</sup> Rawls, *A Theory of Justice*, 11.

<sup>156</sup> “Social and economic inequalities are to be arranged so that they are both (a) reasonably expected to be to everyone’s advantage, and (b) attached to positions and offices open to all.” Rawls, 53.

<sup>157</sup> Hobbes, *Leviathan*, 8; Rawls, *A Theory of Justice*, 118.

<sup>158</sup> Rawls, *A Theory of Justice*, 131.

<sup>159</sup> Rawls, 53.

which they have concern for others would be tantamount to create principles for “an association of saints” in which disputes about justice would not occur.”<sup>160</sup>

It might be objected that if the participants do not know what they want, what interests, values, desires, and life-plans they have, how can they choose anything? If they do not know what concept of the good they have, how can they decide principles of justice? And if they do not know what particular interests they have, then how can they determine which society might be most suitable for realizing those interests? Rawls defuses this objection with the introduction of “primary goods.” These are the things to be distributed, and they are “things that every rational man is presumed to want” because they “have a use whatever a person’s rational plan of life.”<sup>161</sup> In other words, they are the things that can be assumed that we will all desire because they are instrumental and potentially necessary for realizing our subjective desires. Rawls is here talking about political rights and financial income: The two things the distribution of which the participants are to come to an agreement about. Since the participants in the original position are supposed to maximize their own interests without knowing what those interests are, they can be assumed to want to maximize their own portion of the things which are instrumental for whatever interests they might turn out to have. Even if they should end up with desires that do not require much to be fulfilled, it is better to be prepared for any outcome and they will thus “assume that they normally prefer more primary social goods rather than less.” Like Hobbes, Rawls assumes that different people will have different subjective preferences, and like neoclassical economics, he assumes the impossibility of comparing utilities, but money is a meta-good that can stand in for other goods, which leaves income and wealth as the only categories that can be compared and considered in his difference principle.<sup>162</sup> From the standpoint of the original position, it is therefore “rational for the parties to suppose that they do want a larger share” of the available financial wealth.<sup>163</sup>

The purpose of this exercise is to create a hypothetical situation for the readers to consider as the background for evaluating what a just society might look like. It is a situation in which they have no knowledge of and are thus uninfluenced by their past, their social relations, and even their future. They are only allowed to have general and abstract knowledge about certain facts about human society such as the principles of economic

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<sup>160</sup> Rawls, 111–12.

<sup>161</sup> Rawls, 54.

<sup>162</sup> Rawls directly draws on the ordinalist school of economics which asserts that utility cannot be measured but only ordinally ranked (Rawls, 79). This leaves money as the only good that can be measured. As Barber says: “Comparability has been won only by gutting the category of primary good and leaving a shell called income behind.” (Barber, ‘Justifying Justice’, 668).

<sup>163</sup> Rawls, *A Theory of Justice*, 123.

theory, laws of psychology, and the basis of social organization - all of which are mentioned as if they are uncontested and universally accepted facts.<sup>164</sup> From this situation, they are supposed to come up with principles of justice they can all agree to. It is a condition that resembles that of a piece of game theory like the Prisoner's Dilemma: They all want to maximize their interest but the outcome depends on the decisions they all make, which puts a constraint on the individual's options. Unlike in the Prisoner's Dilemma, they do not act simultaneously and uncoordinated but are supposed to deliberate together and are not allowed to put the decisions into practice until they all agree on a strategy. Rawls' game is thus designed to force the participants to cooperate.

He believes they will come up with the two principles, maximum equal liberty and the difference principle of distribution, because those are the safest options, and thus the only "Rational Choice": As they do not know what positions in society they might end up in, and do not know what interests and life-plans they might have, then it is better to design society so that even if they should happen to find themselves in the worst-off situation then it will still be better than in the alternatives. They could consider principles of justice in which a minority would have all the benefits and privileges, but then they would expose themselves to the risk of materializing in the under-advantaged majority with severely restricted rights and resources. They could also consider a totally equal distribution of resources, but according to Rawls that might be one in which they are all worse off than they could have been had they chosen one in which some inequality was allowed as long as it could be justified by the claim that it benefits those who have the least. Therefore, the only rational strategy for self-interested individuals, Rawls believes, is to "play it safe" and agree to his two "fair" principles of justice.

Rawls' theory is an example of *Rational Choice-theory* under idealized conditions. The conditions are deliberately designed so to ensure a certain outcome under the assumptions that the agents are mutually disinterested in each other and are rationally trying to make sure that their individual interests are taken care of. Since they all have to agree, the situation is one of "social choice" or "collective action" - fields typically dominated by game theory and the model of homo economicus, as well as a certain concept of human rationality. Rawls admits as much when he writes that the concept of rationality invoked in his theory "is the standard one familiar in social theory" and in a footnote refers to proponents of Rational Choice-theory.<sup>165</sup> Rationality in this theory consists of the ability to rank the available options "according to how well they further his purposes" and

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<sup>164</sup> Rawls, 119. Philip Green analyzes several of these supposedly neutral general "facts" and discusses how different people could reasonably prefer to base their decision on other facts about social life (Green, 'Equality Since Rawls').

<sup>165</sup> Rawls, *A Theory of Justice*, 124.



to calculate which plan of action “will satisfy more of his desires rather than less.”<sup>166</sup> Rationality is thus purely instrumental to the desires of the individual and something which is carried out by the pure and unaffected thought processes of the individual. This also resembles the view of reason and decision-making in Hobbes.

For Hobbes, rational deliberation consists in the evaluation of one’s desires and ends - in ranking them and revising them according to their likelihood of being realized, etc. The “last appetite” resulting from such deliberation is what Hobbes refers to as “the will,”<sup>167</sup> if one can carry it out without being “hindered by opposition” then one is free according to Hobbes.<sup>168</sup> Similarly in Rawls, “free persons conceive of themselves as beings who can revise and alter their final ends”<sup>169</sup> and freedom, or liberty, consists of the requirements that “this or that person (or persons) is free (or not free) from this or that constraint (or set of constraints) to do (or not to do) so and so.”<sup>170</sup> These are accounts of rationality and freedom which leaves little room for analyzing the structural conditions under which some ends come to be seen as more desirable and rational than others - they are simply “chosen” by the individual and then ranked and reevaluated after instrumentalist rational contemplation. For Rawls, the preservation of this freedom - the freedom to choose one’s ends - takes priority over the ends themselves, including the distribution of the means to those ends.<sup>171</sup> This means the principle of equal liberty must be established first before the principles of fair distribution can be determined.<sup>172</sup>

Thus, Rawls’ Original Position is one in which subjects with no subjectivity other than the desire to make sure they are free to do what they might decide to desire and that they have as much as possible of the means to realize those desires, come together to agree on the principles of justice for their society. They are completely disembodied, with no particular psychologies, and utterly unsituated as the position they’re in has no structure and therefore no available positions. They are free-floating individuals who can theoretically occupy any position and adopt any psychological profile using only abstract reason. This is meant to guarantee that the principles they come up with are unbiased by social roles or historical circumstances and that they can be universally recognized as fair and rational regardless of ideology. As we shall see though, the abstract subjects in this

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<sup>166</sup> Rawls, 124.

<sup>167</sup> Hobbes, *Leviathan*, 40.

<sup>168</sup> Hobbes, 29.

<sup>169</sup> Rawls, *A Theory of Justice*, 131.

<sup>170</sup> Rawls, 177.

<sup>171</sup> “They do not think of themselves as inevitably bound to, or as identical with, the pursuit of any particular complex of fundamental interests that they may have at any given time, although they want the right to advance such interests (provided they are admissible). Rather, free persons conceive of themselves as beings who can revise and alter their final ends and who give first priority to preserving their liberty.” Rawls, 131–32.

<sup>172</sup> “The priority of liberty means that whenever the basic liberties can be effectively established, a lesser or an unequal liberty cannot be exchanged for an improvement in economic well-being.” Rawls, 132.

position are not at all ahistorical or unideological, but rather specifically designed and constrained to give us specific principles of justice intended to legitimize a specific historical society.<sup>173</sup> Besides the model of human subjectivity, there is another way element of the Original Position that resembles that of the Prisoners' Dilemma: The constraints on the options available to the participants and their lack of control of the situation in which they are to make their decisions. Again, the situation is presented as one of perfect freedom and equality, but the choice has already been made for the participants by the structure they find themselves in: They are presented with a world in which state-enforced private property is a given fact, and where the wealth is for reasons of economic efficiency going to be unevenly distributed, a world where there will be owners of the means of production and workers to produce for the former, and their task behind the veil of ignorance is then to arrange the distribution of these inequalities in wealth and power. Their role is to be *consumers* of a particular society, not *producers* of it, and they are forced to act and decide as individual consumers with a narrow interest in maximizing their private utility within these constraints:

In a word, rational choice theorists posit the individual in the role of an individual *consumer* rather than a collective *producer*. [...] Even Rawls, who promises and on the whole delivers the most general theory of justice of all, fails to transcend this approach. For him too the individual functions as an entirely passive consumer of a world which is always, as Marx said of the world of an earlier methodological individualist, "found ready-made," and about which "absolutely nothing is done to ensure that there should be something which can in fact be found."<sup>174</sup>

### 3.2 Input Determines Output

I have emphasized the ways in which Rawls' theory is similar to that of Hobbes. Both are premised upon an initial assumption about competing individuals who must then come together and form a social contract the justification of which rests upon their recognition that it is the only *reasonable* alternative. Hobbes argues that it is against reason to argue against his social contract because it is the only thing that can ensure peace and security

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<sup>173</sup> As Macpherson writes, Rawls "model of man [...] bears the very hallmark of bourgeois man" (Macpherson, 'Rawls's Models of Man and Society', 246). Green argues that the principles Rawls insists the participants behind the veil of ignorance would agree to are particular to specific societies and positions within them (Green, 'Equality Since Rawls').

<sup>174</sup> Green, 'Equality Since Rawls', 980–81. See also Tucker: "Control over the circumstances of the Social Contract which Rawls allows himself (in that he is able to lift "the veil of ignorance" and define the problems to be addressed as specifically or broadly as he chooses) enables him to guide the reasoning of the negotiators towards liberal democratic commitments. Given the problems Rawls forces them to address and the knowledge he allows, only a few solutions seem feasible." Tucker, *Essays on Liberalism*, 76.

which reason commands us to hold most dear.<sup>175</sup> The problem with Hobbes' justification is that it appeals purely to the self-interest of the individual: Sure, it is rational for me, according to Hobbes, to want to avoid the state of nature and enter regulated human society. But what I primarily want is for *everybody else* to follow the regulations of the social contract while I leave open the possibility of violating those rules when I can get away with it. Of course, the state is there to make sure we rarely get away with it, but that means the resulting society is one in which the members are only bound to each other and obligated to follow the rules because of fear of getting caught. Social order is in this state merely a "*modus vivendi*" - a temporary situation in which people tolerate each other because it is in their own interest but secretly reserve the right to break the social order if things should change. This is not a stable social order, and stability of the institutions and the social order is of great concern to Rawls.<sup>176</sup>

Therefore, Rawls also draws upon Kant to justify his principles of justice.<sup>177</sup> According to Kant, what is reasonable is not just that which is in our private interest, but that which we would want *anyone* to do: When acting morally and rationally we should follow rules of conduct which we can at the same time want to become universal laws without contradiction. Following this rule, we cannot preserve the option for ourselves to break the social contract when convenient lest we want the social contract to collapse altogether - as it would if everybody disregarded it. When we act this way, we act as rational beings rather than as beings with particular interests and mere instrumental reason; we become autonomous in that we give universal laws to ourselves and moral in that we treat others as subject to the same laws of reason. To do this, we cannot rely on our embodied and situated selves, which are determined by their contingent and particularist interests and desires but must instead act in the capacity of *noumenal selves* or as "rational will." Rawls' original position is meant to emulate Kant's moral theory: By placing ourselves behind the "veil of ignorance" we strip ourselves from any particularity - of our "phenomenal self" - and allow ourselves to see how the rules would be rational to follow no matter what temporal and embodied position we might end up inhabiting. It allows us to see that these rules are good from any perspective. Rawls writes:

The description of the original position resembles the point of view of noumenal selves, of what it means to be a free and equal rational being. Our nature as such beings is displayed when we act from the principles we would choose

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<sup>175</sup> "Whosoever therefore holds, that it had been best to have continued in that state in which all things were lawfull for all men, he contradicts himself; for every man, by naturall necessity desires that which is good for him [...] Wherefore to seek Peace, where there is any hopes of obtaining it, [...] is the dictate of right Reason" Hobbes, *De Cive*, 49–50.

<sup>176</sup> For Rawls' discussion about why a "modus vivendi" does not provide "stability for the right reasons" see Rawls, *The Law of Peoples*, 44–.

<sup>177</sup> See "The Kantian Interpretation of Justice as Fairness" in Rawls, *A Theory of Justice*, 221–.

when this nature is reflected in the conditions determining the choice. Thus men exhibit their freedom, their independence from the contingencies of nature and society, by acting in ways they would acknowledge in the original position.<sup>178</sup>

In this sense, Rawls' subjects are not just rationally selfish but also "moral persons." The veil of ignorance forces them to adopt a minimal sense of morality which consists of the ability to adopt the viewpoint of others and the willingness to try to understand their reasons as well as to give reasons of one's own in order to reach a "mutually acceptable conception of justice."<sup>179</sup> When everyone must evaluate the principles of justice from any possible vantage-point, and determine that they would indeed be just, it is possible to create a stable system which "generates its own support" because there is a "corresponding sense of justice, an effective desire to act in accordance with its rules for reasons of justice."<sup>180</sup> When the Rawlsian subjects return to the actuality of their "well-ordered society" they would not just follow the rules because they happened to be to their advantage but also because they, upon reflection, find them just as they "match the principles which would be chosen in the original position."<sup>181</sup> This, supposedly, makes the Rawlsian society different from the Hobbesian state, which is merely a "modus vivendi" or a "private society," the chief features of which are that the persons comprising it "have their own private ends which are either competing or independent," that the "institutions are not thought to have any value in themselves" because "each person assesses social arrangements solely as a means to his private aims" and no-one "takes account of the good of others."<sup>182</sup>

But does it really? Rawls' Kantian argument - and his later talk about the sociability of human beings<sup>183</sup> - seems to be thrown in to compliment his original argument based on a social contract theory from the original position. As Benjamin Barber writes: "The argument from the original position with its rather uncertain foundations in Hobbesian ratiocination is thus shored up by Kantian braces drawn from a priori matériel not admissible in the original position."<sup>184</sup> Recall that the subjects in that position were precisely individuals who were "mutually disinterested" in each other, were stripped of "any ethical motivation" and who "decide solely on the basis of what seems best calculated to further their interests so far as they can ascertain them."<sup>185</sup> Recall also, that he dismissed any more social concept of the subjects because "an association of saints agreeing on a com-

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<sup>178</sup> Rawls, 225.

<sup>179</sup> Rawls, 297.

<sup>180</sup> Rawls, 230.

<sup>181</sup> Rawls, 456.

<sup>182</sup> Rawls, 457.

<sup>183</sup> Rawls, 458.

<sup>184</sup> Barber, 'Justifying Justice', 674.

<sup>185</sup> Rawls, *A Theory of Justice*, 512.

mon ideal” would be irrelevant to a theory of justice, as “justice is the virtue of practices where there are competing interests and where persons feel entitled to press their rights on each other.”<sup>186</sup> This surely seems to exclude his well-ordered moral social union based on the foundation that the members share a common ideal about justice and consider their institutions to have value in themselves. How can we have it both ways? If the position of moral consideration is one in which each person “decide solely on the basis of what seems best calculated to further their interests” then surely it is one in which “each person assesses social arrangements solely as a means to his private aims.”<sup>187</sup>

When Rawls fills his original position with competitive atomistic individuals how can he get anything else out of it? Behind the veil of ignorance, they might be forced to consider the basic structure from the vantage point of any possible position, as they do not know which they will finally occupy, but as this is motivated purely in self-preservation there is nothing to guarantee that they will not try to get more than their fair share or “press their rights on each other” once they do enter historical society. It turns out, that the individuals in the original position are aware of this. Like Hobbes’ individuals who rationally want to leave the state of nature but are wary of taking the first step because they all mutually distrust each other, the Rawlsian subjects also “lack full confidence in one another” and will carry a “suspicion that others are not honoring their duties and obligations.” And like in Hobbes this leads to the necessity of establishing a political hierarchy in which “the coercive powers of government” can provide an “authoritative interpretation and enforcement of the rules” and thereby ensure the “stability of social cooperation.”<sup>188</sup> Rawls writes that “although men know that they share a common sense of justice [...] a coercive sovereign is presumably always necessary” because “by enforcing a public system of penalties” the government removes the grounds for thinking that others are not complying with the rules. This is of course nothing more and nothing less than the political theory of Hobbes’ Leviathan, and Rawls is aware of it.<sup>189</sup>

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<sup>186</sup> Rawls, 112.

<sup>187</sup> Rawls, 512, 457.

<sup>188</sup> Rawls, 211.

<sup>189</sup> “This proposition and the reasoning behind it we may think of as Hobbes’s thesis.” Rawls, 211.

### 3.3 Lifting the Veil

Rawls' Hobbesian conclusion is a result of the participants only being allowed to view themselves as isolated individuals. It starts from the assumption of free and equal individuals who then give up a part of their freedom to the state so that it can protect them from other people encroaching on their liberties and threatening their safety.<sup>190</sup> The state is thus seen as a perfectly neutral mechanism for distributing and enforcing political justice. And how can it be anything but neutral, since, in the original position, where there is no social structure, people have no relations other than as undifferentiated individuals? But what happens when they lift the veil of ignorance and find themselves in a society structured around social groups, with stratifications based on class, gender, ethnicity, various affinities, etc.? Sure, they agreed that this society would be one in which everyone had equal liberties and where economic opportunities and distributions were arranged so that they benefitted those who are the least advantaged, but would that prevent the least advantaged from feeling a certain resentment when they discover that the system they designed left some people better off?

Rawls takes for granted that “even when the social injustices which now exist are removed” there will be structural inequalities which mean that “those starting out as members of the entrepreneurial class” have a better prospect of life “than those who begin in the class of unskilled laborers.”<sup>191</sup> But why is it taken for granted that people behind a veil of ignorance would choose to design a society divided into classes of “entrepreneurs” who own the means of production and laborers who work for them? If this division guarantees unequal life prospects, they would be bound to consider different models of ownership. Rawls believes this structural inequality is justified “if lowering it would make the working class even more worse off” and presents the possible argument, which is now known as “trickle-down theory” or “Reaganomics,” that “the greater expectations allowed to entrepreneurs encourages them to do things which raise the prospects of laboring class.”<sup>192</sup> But this makes his requirement that “inequalities are to be arranged so that they are attached to positions and offices open to all” an empty formality: In a class-divided society, as Rawls is perfectly aware, “a son of a member of the entrepreneurial class [...] has a better prospect than that of a son of an unskilled labourer.”<sup>193</sup>

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<sup>190</sup> “[I]n limiting liberty by reference to the common interest in public order and security, the government acts on a principle that would be chosen in the original position. For in this position each recognizes that the disruption of these conditions is a danger for the liberty of all.” Rawls, 187.

<sup>191</sup> Rawls, 67–68.

<sup>192</sup> Although he only uses it as a hypothetical argument which *might* justify inequality: “I shall not consider how far these things are true. The point is that something of this kind must be argued if these inequalities are to satisfy by the difference principle.” Rawls, 68.

<sup>193</sup> Rawls, ‘Distributive Justice’, 224.

Once we lift the veil we are no longer considering a static distribution of resources to consume, but an ongoing process in which those who happened to own and control certain resources have the means to accumulate more - and to pass it on to their children - and also hold power over those who did not end up in that position and are therefore forced to sell their labor. Even if that labor is rewarded fairly it does not translate into the same power or generational transfer of wealth.<sup>194</sup> Neither does it translate into the political power that the ownership of finance and the means of production does.<sup>195</sup> Surely, *even* if we accept the premise that the life prospects of the working class would be worse under a different initial distribution, the children born into a situation with less opportunity than others would be hard-pressed to find such a system, and their position within it, intuitively ‘fair’ and ‘just.’<sup>196</sup>

In fact, they might want to change it. Some might express their discontent with the position they find themselves in by acts of individual rebellion, by disregard for the rules of the social contract, or perhaps by ensuring some larger portion of the “primary goods” than was distributed to them in violation of the principles of property-ownership. Others might decide to organize and fight collectively for a distributive level and a politico-economic system which they find more just, regardless of what they thought back when they were merely contemplating the possibilities as abstract and isolated individuals. As individuals in the original position we might not be able to imagine what we can do about systematic and structural inequalities, so we accept the ‘best of the worst,’ but once we find ourselves organized in social groups who do have the capacity to take an interest in each other and “agree on a common ideal” the situation might be different. What seems to be the optimal distribution in the original position might then be improved. This requires not only that people are permitted to acknowledge themselves as belonging to social groups, to acknowledge their common position in a class structure, but also that they are willing to take risks. Rawls assumes the participants in the original position will be psychologically conservative<sup>197</sup> and “play it safe” - not trying to optimize their situation if

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<sup>194</sup> “Those who own means of production have, as a class, a monopoly on the wherewithal to set the labor of others in motion; they need simply wait to be begged for work on terms that will assure them a profit. Those who own no means of production cannot set their own labor in motion, and will therefore (competitively) do the begging, obtaining work on terms that assure them no profit at all.” (Green, ‘Equality Since Rawls’, 982).

<sup>195</sup> “once this social division of labor has been established, so too is the political division of labor, regardless of procedural fairness, equal access to office, and rules about equal liberty. Productive enterprise is a society’s lifeblood; those who legally control it—who monopolize both the authority and the power to set it in motion—have a special claim on the attention of the governing elite, even if the latter’s members are not themselves capitalists or even morally sympathetic to the rule of private capital. People who are merely dispensable bodies have no claim at all, as such.” (Green, 982).

<sup>196</sup> For a discussion about conflicting intuitions about inequality see Nielsen, ‘On the Very Possibility of a Classless Society’.

<sup>197</sup> “[I]f the original position has been described so that it is rational for the parties to adopt the conservative attitude expressed by this rule, a conclusive argument can indeed be constructed for these principles.” Rawls, *A Theory of Justice*, 133.

it entails the risk that they might be worse off because of it. This is not, though, how people have consistently behaved throughout history when they have been aggravated by a sense of injustice. Often, yes. But occasionally people have risked everything, including their own lives, to improve the social order - even when they could have settled for conditions others might find “tolerable” and “better than nothing.” Rawls does not, of course, imagine his society to be one with injustices grave enough to warrant such risky behavior. It is one that is “nearly just” and where the forms of legitimate dissent are limited to those which stabilize the system rather than disturbing it.<sup>198</sup>

But his theory does allow for - and assume as a given - systematic inequalities based on class and birth. There is no reason why those who find themselves in the same underprivileged class should not realize their common interest and fight for a larger proportion of the primary goods needed to lift their life prospects. One way they can do this is by organizing as a class in the labor movement - i.e. stopping to see themselves as mere individuals - and demand higher salaries and thus a change in the distribution levels. This might of course require a willingness to accept a temporary setback in their financial means as they would have to pay union dues and fill up a strike box, and perhaps go without pay during a strike or be unemployed because they refuse to work for less than the required conditions. They might even accept even greater temporary setbacks as the economy grinds to a halt while they strive to realize more radical demands such as a greater democratic influence on and ownership of their workplace. The point is that these collective actions might, at least temporarily, lead to the conditions of those who are worst off in the distributive system to be even worse off, which is prohibited by the Rawlsian difference principle. It would of course be in order to realize an even more egalitarian system but as there are no guarantees that they will succeed, the conservative-minded and risk-averse Rawlsian subjects would have to be reluctant or even opposed to this strive towards greater justice. Barber suggests that this would force those who took Rawls’ theory literally to act as strike-busters and scabs - against their instinctive sense of justice which favor equality, to be sure, but compelled by their belief that they are living in the “maximally” just society and their reluctance to risk making things worse.<sup>199</sup>

The dilemma of having to choose between the current maximally just distributive level and a potential future more just level does not get much attention in Rawls’ theory. His is an ‘ideal theory’ that attempts to consider society from the position of ‘eternity,’ abstracted not just from all social but also from all temporal points of view.<sup>200</sup> The result

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<sup>198</sup> Rawls, 293.

<sup>199</sup> Barber, ‘Justifying Justice’, 669.

<sup>200</sup> Rawls, *A Theory of Justice*, 514.



is a static ideal unable to deal with historical developments and dynamics. The participants in the original position may think they can establish some maximal level of equality in a “timeless vacuum” but they are unable to choose between different alternative historical levels “without reference to considerations of time, place and putative laws of development” not given by his two rules.<sup>201</sup> This makes the theory “not merely undialectical and ahistorical” but also “anti-historical” and “predisposed to inertia.”<sup>202</sup> This is also the famous criticism raised by Robert Nozick: After the just distribution level has been established and realized in the timeless vacuum it can quickly get changed once time and history starts again, and if this happens without actions which violate any other principles of justice then how are we to say that this new distribution level is unjust?<sup>203</sup> Nozick uses the argument to justify even greater levels of *inequality*, but as we have seen, the historical developments might also lead to greater equality - that depends on the interaction of social forces which cannot be accounted for by Rawls’ abstract and asocial individuals.

Rawls does not treat the different classes in society as social forces with different historical dynamics; he seems to merely think of them as different income groups. When he theoretically justifies the greater wealth of the capital-owning “entrepreneurs” because their “better prospects act as incentives so that the economic process is more efficient, innovation proceeds at a faster pace, and so on” which “encourages them to do things which raise the prospects of laboring class”<sup>204</sup> he is treating money and wealth as merely incentive-creating goods which might be nice to have because they make their owners lives a little more enjoyable. What he neglects is the *power* they also entail - the functional role they play in maintaining and altering power relations and distribution levels among the social classes. The wealthy entrepreneurs do not just spend their money on nice things for themselves and developments which raise the prospects of the laboring class. In order to stay wealthy, they also invest them in things that allow them to make even more money. Sometimes this might be the creation of new technologies that benefit everyone, but at least as often it takes the form of changes to the current mode of production that allow for greater extraction of profit - in other words, an increase in exploitation of the laboring class.<sup>205</sup>

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<sup>201</sup> Barber, ‘Justifying Justice’, 669.

<sup>202</sup> Barber, 669.

<sup>203</sup> Nozick’s famous example is that of people voluntarily giving money to see Wilt Chamberlain play basketball and thereby changing the distribution level. In *Anarchy, State, and Utopia*, 160-.

<sup>204</sup> Rawls, *A Theory of Justice*, 68.

<sup>205</sup> “What is omitted is any consideration [...] of capitalist market forces, the force of which derives from the desire of entrepreneurs and firms to increase their capital, and their ability to do so by virtue of the property institutions which facilitate and require exploitation. [...] Rawls, however, does not see exploitative relations inherent in capitalism.” Macpherson, ‘Rawls’s Models of Man and Society’, 243.

The greater wealth of the property-owning class can thus be used to transfer wealth from the laboring class to attain the goal of even greater wealth for the first: Inequality breeds inequality. By treating financial wealth as merely a means to an end, and social classes as merely defined by differences in income, Rawls “does not see that class division in any society, not least in his free market society, is based on such continuous transfer: the transfer is the means and the result of class division.”<sup>206</sup> Wealth and income are therefore not just the means to buy nice things, it is also power, and structural differences in wealth entail certain power-relations: When the previously mentioned workers decide to organize and go on a strike for higher wages, their chance of success depends, among other things, upon the financial security of their employer - the richer he is the longer he can afford to wait while they empty their strike-box and struggle to pay their rent. The greater the disparity of income is the greater is the differences in bargaining power. The abstract individuals in the original position, who decide that a certain level of inequality is fair, might therefore be surprised when they throw off the veil of ignorance and discover that this inequality does not just grant different people different life prospects in an absolute sense but also entails a relational power which can and will be used to increase the inequality even further.

### **3.4 Dealing with Discontent**

Finding their place in society and discovering that it is not what they expected from behind the veil of ignorance participants might come to resent their situation. Whether they choose to resist it by the aforementioned forms of individual rebellion where they break the rules and perhaps take for themselves what they were not given in the original distribution, or by organizing to try to change the terms of the contract altogether, they would violate the social contract. And this is where the question of the neutrality of the state comes in. For Rawls, the state is merely a neutral mechanism for interpreting and enforcing the rules agreed upon by all individuals in the original position. It is there to prevent the suspicion the participants might have “that some are not doing their part” and the temptation “not to do theirs.”<sup>207</sup> This distrust is understandable when the abstract individuals are socially isolated and self-interested, and the state thus works as a restraint on

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<sup>206</sup> Macpherson, 239–40.

<sup>207</sup> Rawls, *A Theory of Justice*, 211.

individual self-interest once the participants take their positions in society.<sup>208</sup> And since there are no social structures in the original position it will seem to work in the same way for all of them. But once they become social beings in historical society, things work differently.

Once the veil is lifted, they will occupy social positions where some are structurally more privileged than others. The desire to maintain the stability of these social arrangements will therefore not be as politically neutral as Rawls assumes. Some social groups will have more interest in preserving the status quo than others. When the function of the state is to preserve the original distribution levels it will therefore not be neutral; it will be to the advantage of some and the disadvantage of others depending on their positions in the given structure. The state and the legal system for Rawls is “a coercive order of public rules addressed to rational persons for the purpose of regulating their conduct and providing the framework for social cooperation.”<sup>209</sup> But in a society in which class conflict is a build-in feature social cooperation is not necessarily the best way to achieve justice. The least privileged might have an interest in cooperation among each other but rejecting cooperation with those who profit from their labor. The ‘coercive order’ of the state will thus take the form of repressing the redistributive tendencies of the lower classes. Furthermore, the state is likely to use its ‘penal machinery’ more forcefully against the organized and class-conscious efforts to change the terms of the social contract altogether than against the forms of individual protests and violations, as the former cause more instability than the latter.<sup>210</sup> This is not just the historical function of the state but seemingly also in line with Rawls who believes that state coercion is justified when the purpose is to ensure stability.<sup>211</sup>

Rawls is therefore right when he says that “the strength of the sense of justice will not be the same in all social groups.”<sup>212</sup> And neither should it, as the realized “justice” will not have the same strength and implications for all social groups. This fits with Rawls’ statement: “There is, I believe, no political obligation, strictly speaking, for citizens gen-

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<sup>208</sup> “Of course, on Rawls’ view that the individual is isolated by nature, the principles of justice will be seen primarily as checking individual self-interest, not group tendencies. It is individual abuse of wealth and individual cheating, not the more or less coordinated efforts of group members to restrict liberties and maintain the maldistribution of income, that concern Rawls.” (Fisk, ‘History and Reason in Rawls’ Moral Theory’, 72–73).

<sup>209</sup> Rawls, *A Theory of Justice*, 207.

<sup>210</sup> “[T]he state more forcefully displays its coercive mechanism in precautions taken against conflicts arising from membership in antagonistic groups than in precautions taken against instances of freeloading by random individuals. This observation is explicable. It is these group conflicts, and not temptation to freeload, that are the roots of social instability.” (Fisk, ‘History and Reason in Rawls’ Moral Theory’, 61).

<sup>211</sup> “The establishment of a coercive agency is rational only if these disadvantages are less than the loss of liberty from instability.” (Rawls, *A Theory of Justice*, 211).

<sup>212</sup> Rawls, 437.

erally.”<sup>213</sup> How can the same obligation apply equally to people who are so differently situated in the same political system? Rawls sort-of acknowledges that his social contract primarily applies to those who are privileged by it. They are the “better-placed members of society” who “are best able to gain political office and to take advantage of the opportunities offered by the constitutional system.”<sup>214</sup> “The principle of fairness,” he writes, “binds only those who assume public office, say, or those who, being better situated, have advanced their aims within the system.”<sup>215</sup> By taking advantage of their privileges within the system these people acquire political obligations. The rest, though, are not free to disregard the rules. Instead of political obligation, which is the result of voluntary acts in most contract theories, everybody else is bound “to support and to further” the institutional arrangements “irrespective of his voluntary acts.”<sup>216</sup> For them, Rawls’ theory is thus not a contract theory proper, but a theory of natural duty and obedience.<sup>217</sup>

Rawls believes we have a natural duty to respect and comply with “those institutions or aspects thereof which must inevitably apply to us since we are born into them and they regulate the full scope of our activity,” assuming they are moderately just. This applies by default to all of us regardless of our position in the basic structure and regardless of our influence in its design. Those who do have influence, and who have “freely done certain things as a rational way of advancing” their ends also acquire certain positive obligations.<sup>218</sup> Thus, because the basic structure of Rawls’ society carries different benefits to its members, the most privileged acquire political obligations through the “aristocratic ideal” of “*noblesse oblige*,” which require them to consider the welfare of all and the justice of the system at large,<sup>219</sup> while the rest is not just an economic and social but also a “moral proletariat”<sup>220</sup> who are merely required to obey the laws which have been found just by their superiors. This of course assumes, that the aristocratic class of law-makers is perpetually confined within the abstract original position in which they always adopt the point of view from eternity and everywhere, ignorant of their own special interests - in his theory of “the ideal legislative procedure,” each “rational legislator is to vote his opinion as to which laws and policies best conform to principles of justice.”<sup>221</sup> It

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<sup>213</sup> Rawls, 98.

<sup>214</sup> Rawls, 302.

<sup>215</sup> Rawls, 100.

<sup>216</sup> Rawls, 293–94.

<sup>217</sup> “The term ‘obligation’ will be reserved, then, for moral requirements that derive from the principle of fairness, while other requirements are called ‘natural duties.’” (Rawls, 303). “For the most part the natural duty of justice is the more fundamental, since it binds citizens generally and requires no voluntary acts in order to apply.” (Rawls, 100).

<sup>218</sup> Rawls, *A Theory of Justice*, 302.

<sup>219</sup> See Rawls, 64 & 100.

<sup>220</sup> Pateman, *The Problem of Political Obligation*, 127.

<sup>221</sup> Rawls, *A Theory of Justice*, 317.

is difficult to see how this could be anything other than an ideal theory for an ideal world - or perhaps an “association of saints” - rather than a realistic analysis made by people who “understand political affairs and the principles of economic theory” and “know the basis of social organization and the laws of human psychology.”<sup>222</sup>

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<sup>222</sup> Rawls, 112, 119. For critiques of ideal theory, see Pateman, *The Sexual Contract*; Mills, *The Racial Contract*; Mills, “Ideal Theory” as Ideology’.

## CHAPTER 4:

# RATIONAL CHOICE THEORY

### 4.1 Policies for Prisoners

The political conclusions of both Hobbes and Rawls depend greatly upon their assumptions about human nature. In Hobbes, this is a rather misanthropic view of humans as selfish individuals who act in disregard of the interests of others unless constrained by power structures. For Rawls, the concept of human nature is a deliberate, artificial construction intended to wield certain political conclusions - he explicitly writes: “We want to define the original position so that we get the desired solution.”<sup>223</sup> Rawls clearly does not believe actual humans are as constrained in their motivations and deliberations as the artificial, abstract participants in his original position, but nevertheless, these latter constructs are the premise and foundation of his political theory, and this affects the conclusions. Like in Hobbes, the Rawlsian subjects start out as individual maximizers of personal interest, and only when they enter political society, with its structures of power relations and inequality, do they become social beings.

It is ironic that even though both are “liberal” philosophies in the sense that they start from the assumption of the fundamental equality and liberty of everyone, their account of the initial position in their theories is more like that of a prison where the inmates are forcibly yanked out of their social environments and have to establish terms of survival with mutually distrustful others. The prison warden tells them that in here, “we do not care who you were” (they have no past) “or what you want to be when you get out” (they have no future), “we just care that you behave and do not cause any trouble while you’re here” (stay within the motivational structure). And to ensure that the inmates behave, they are often subjected to detailed disciplinary systems of rewards and punishments which are supposed to keep them motivated purely by the incentive structures imposed upon them. Many prisons also have strict restrictions on communication among prisoners (as well as with the outside) to prevent them from building the mutual sympathies which are instrumental in cooperation, and they transfer prisoners or have other

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<sup>223</sup> Rawls, *A Theory of Justice*, 122.

measures to prevent them from forming group identities and social bonds. We hardly need to dwell on the fact that social isolation - ‘solitary confinement’ - is the ultimate punishment and threat within the modern prison system.<sup>224</sup>

All of this is of course to prevent the inmates from cooperating and organizing among themselves. The development of social bonds or mutual sympathies prevents the authorities from enforcing social order in the prison. It is much easier to manage a population when they are stuck in a position as socially isolated individuals - when the inmates are motivated purely by the structural incentives controlled by the authorities their behavior is more predictable and can be regulated. Like the game-theoretical construct of the Prisoner’s Dilemma, this situation does not occur “naturally” but must be imposed upon the prisoners in the form of structural conditions designed to bring about certain behaviors. The assumption of the penal system might be, that the inmates are anti-social beings who will be at each other’s throats if they are not adequately controlled by the power and incentive structures, but it can also be argued that it is those very structures that prevent sociability and force the prisoners to be individual self-maximizers. Thus, the assumptions of the ideological system confirm themselves by creating the conditions in which they become self-fulfilling. To premise a political theory upon a concept of socially isolated or abstracted individuals who are only allowed to deliberate based on a personal ranking of the options in a given incentive structure is to premise the theory in a way that can only wield certain results: The justification, and even necessitation, of power relations designed to keep these individuals in check.

Social and political theories can also be premised upon this prison mentality in a more metaphorical sense. Rational Choice-Theory (or “theories” because it comes in different forms)<sup>225</sup> has been one of the fastest-growing fields in social theory and has been used to analyze virtually every part of human (and non-human) society and behavior. It originates in the developments of game theory and neoclassical economics in the 1950s. These fields share some basic assumptions: That social outcomes are the aggregated results of the choices of individuals who attempt to maximize their utility-functions motivated by their individual desires or preferences and guided their reason which determines the best way of realizing those preferences. They are thus generally (with a few

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<sup>224</sup> Solitary confinement has repeatedly been labeled a form of torture as it has numerous adverse emotional and health effects on the inmates (including depression, psychosis, and increased aggression). In the UK and the US it is used as an extra disciplinary measure to regulate the behavior of inmates, while in Scandinavia it is often used as part of the pre-trial investigation process for remand prisoners. Both of these practices have been widely condemned by various human rights bodies. For an overview of the literature see Smith, ‘The Effects of Solitary Confinement on Prison Inmates’.

<sup>225</sup> “A more accurate depiction is that most practitioners agree on some, but not all, features of the definition of Rational Choice. As a result, there is no single Rational Choice Theory or unambiguous standard for assigning the label “Rational Choice” to a theory.” Green and Shapiro, *Pathologies of Rational Choice Theory*, 13.

exceptions) committed to the principles of methodological individualism and instrumental rationality - two features they share with the theories of Hobbes and Rawls.

Rational Choice-theory has been described by its practitioners as “the economic approach” to social analysis and human behavior, and both by its defenders and critics as “economic imperialism,” i.e. as an encroachment of the methods and assumptions of the field of economics into other sciences.<sup>226</sup> Neoclassical economists attempt to explain market outcomes as a result of the individual economic agents’ (primarily consumers and producers) pursuit of self-interest while Rational Choice-theorists apply this method to other spheres of life. The goal of both disciplines is to predict individual behavior, and thus the social outcomes, from assumptions about how the individuals will react to various incentive-structures. Both make extensive use of game theory. Furthermore, all three fields share basic analytical techniques and concepts, including those of *Nash-equilibrium* (when no individual in a “game” can benefit personally by changing their strategy assuming the strategies of the other participants remain the same) and *Pareto-efficiency* (a social outcome in which some might increase their utility as long as no others have theirs diminished). For Hobbes, who can be described as an “embryonic” Rational Choice theorist,<sup>227</sup> the state of nature is a Nash-equilibrium in that no one has any personal incentive to change their strategy. But this situation is *Pareto-inferior* as everyone would benefit from a different social order. Like the Prisoner’s Dilemma, the state of nature is, therefore, an “uncooperative game” - until, that is, the power structures change and the state provides the personal incentives for everyone to change strategies to a *Pareto-superior* state. Rawls attempts to bypass the uncooperative Nash-equilibrium by placing the participants behind the veil of ignorance so that they will all have an abstract personal interest in establishing the Pareto-efficient solution.<sup>228</sup>

Two of the greatest subjects - and mysteries - of Rational Choice-analysis are cooperation and collective decision making. Some examples: In 1951, using mathematical models, Kenneth Arrow demonstrated that if different individuals (say, voters) all have different personal rankings of various social outcomes (called “social welfare functions”) then there can be no democratic (non-dictatorial) way of choosing between them.<sup>229</sup> In 1957 Anthony Downs argued that if people participate in electoral democracy motivated by the desire to maximize their own utility, it would not be rational for them to partici-

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<sup>226</sup> Becker, *The Economic Approach to Human Behavior*. For a critical assessment of this tendency see Fine and Milonakis, *From Economics Imperialism to Freakonomics*. For a more exalted appraisal see Lazear, ‘Economic Imperialism’.

<sup>227</sup> Green and Shapiro, *Pathologies of Rational Choice Theory*, 18.

<sup>228</sup> Rawls explains how his principles of distribution are to be considered an example of Pareto-efficiency in *A Theory of Justice*, 59–63.

<sup>229</sup> Arrow, *Social Choice and Individual Values*.



pate because each vote has such small influence that it does not provide enough incentive for the voter to invest the time and resources in casting it or in gathering the relevant information about the representatives.<sup>230</sup> In 1965 Mancur Olson disputed the claim that groups will act to further their collective interest by arguing that if the collective good benefits all the group's members then no individual member will have an incentive to work for the collective good.<sup>231</sup> In 1968 Garrett Hardin applied a similar argument but took it one step further when he argued that independent, rational individuals will often act *against* the collective interest when their personal gain of doing so is greater than their personal share in the collective good.<sup>232</sup> We will take a closer look at the last two examples.

Olson argues that “*rational, self-interested individuals will not act to achieve their common or group interests*” unless they are motivated by some additional “selective incentives” (incentives that do not affect the group in general but apply to each member selectively).<sup>233</sup> The reason is that if all the individuals in a group would gain when they achieved their group objective then it will be rational for every individual member to *not* participate in the realization of that objective as they will benefit from it regardless of their own contribution. In such a case, the rational option for each individual is to “free-ride” and let the rest of the group do the work. But if everyone follows this reasoning - that is, if every member is “rational” in this particular and peculiar sense - then nobody will benefit since the collective good will not be realized at all because no-one will do their part. They are caught in an uncooperative Nash-equilibrium much like that of Hobbes' state of nature: everybody would prefer if *everybody else* behaved cooperatively. This problem grows with the size of the group as everyone's share of the collective good and the utility of their individual contribution diminishes: In a small group I might see how my own contribution is to my advantage (besides benefitting everyone else) but in a large group in which many others are already cooperating my contribution does not add much extra, so a cost-benefit calculation would advise me to spend my time and resources pursuing more personal interests.

Olson's argument theoretically applies to all non-exclusionary public goods - those goods which benefit all members regardless of their contribution - but he applies it particularly to trade unions: Since all workers of an industry regulated by a general contract benefit from the terms negotiated by the union then there is no incentive for each individual worker to join the union and pay the dues. But without enough due-paying mem-

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<sup>230</sup> Downs, *An Economic Theory of Democracy*.

<sup>231</sup> Olson, *The Logic of Collective Action*.

<sup>232</sup> Hardin, 'The Tragedy of the Commons'.

<sup>233</sup> Olson, *The Logic of Collective Action*, 2, 51 (italics in original).

bers, the union cannot function and will be too weak to negotiate higher wages. Since they cannot rely on voluntary participation from workers' who are rationally self-interested Olson argues that labor unions only exist today because of their coercive nature: Either by the use of "closed shop" policies where non-members are excluded from working at a given workplace or by "coercive picket-lines" preventing scabs from taking jobs during a strike.<sup>234</sup> In short, Olson believes, that "the development of collective bargaining for large groups must normally restrict economic freedom" and that "the large labor union [...] must be coercive, if it attempts to fulfill its basic function and still survive."<sup>235</sup>

While Olson argued that self-interest prevents the rational individual from voluntarily contributing to collective goods even though their realization would benefit the individual, Hardin's famous essay "The Tragedy of the Commons" claimed that rationality will lead each individual to a course of action that will bring about "universal ruin."<sup>236</sup> He bases this claim on a hypothetical story about a group of herdsmen who all put their cattle out to graze on the common pasture. The pasture is a *commons* in the sense that it is equally open to all who belong to it regardless of their contribution; it is thus, a non-exclusionary public good for the group who use it.<sup>237</sup> This pasture is not an infinite resource; there is a limit to how many cows it can sustain without being deteriorated by overgrazing. It is therefore in the collective interest of all the herdsmen to limit the number of cows on the field. But here is the tragedy: When determining whether they should put another animal on the common pasture each individual will conduct a personal cost-benefit analysis which will necessarily lead to a conclusion in which they will destroy the natural resource that provides the foundation for their own survival. On the benefit-side of the calculation, they will have the positive utility-value of the additional animal - a utility they get all to themselves. On the cost-side, they will have the effect of overgrazing created by one animal, but this negative effect is shared with all the other users, so in the personal utility-calculation it is only a fraction of the total cost. Since the "rational being," according to Hardin, "seeks to maximize his gain" by asking "What is the utility *to me*" they must conclude that "the only sensible course of action is to add another animal." But

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<sup>234</sup> Olson, 75.

<sup>235</sup> Olson, 96.

<sup>236</sup> Hardin, "The Tragedy of the Commons".

<sup>237</sup> A commons, or a "public pool resource" does not have to be "open to all" as Hardin assumes. Its access can also be restricted to a certain group of people. This is relevant to the question of managing the commons as it can help us localize the agents capable of acting as an organized collective rather than isolated and unrelated individuals. See Ostrom, *Governing the Commons*, 1990, 48.

as this conclusion is reached by each and all of the appropriators of the commons, “each pursuing his own best interest,” they will all be rushing towards collective ruin.<sup>238</sup>

For Hardin, this story is just an example of a more general problem: That of unrestricted access to collective goods which, given human nature defined as rational self-interest, will lead to the suboptimal provision or protection of the goods we all rely on. The problem, Hardin believes, applies to all such goods but the over-arching problem is that of population growth. Referring to the Malthusian doctrine of exponential population growth in a world of finite resources Hardin argues that we must ultimately “deny the validity of the Universal Declaration of Human Rights” and “control the breeding of mankind” by “mutual coercion.” Appeals to conscience, moral norms, social responsibility, etc. are insufficient as most humans are at bottom self-interested: Such attempts to “browbeat a free man” into acting “against his own interest” is “an attempt to get something for nothing.” Even worse, it might be self-defeating: If only those with a moral conscience decide to restrain themselves, those without such constraints will become dominant: “To make such an appeal is to set up a selective system that works toward the elimination of conscience from the race.” Hardin, therefore, argues that we must exonerate the word “coercion” and give up our concepts of freedom and justice: “Injustice is preferable to total ruin,” he says, and freedom of the commons is nothing more than freedom “to bring on universal ruin.” Coercion need not be in the form of total prohibition - it could also be in the form of restricted access and fencing off, such as privatization (also known as “enclosure of the commons”), or of making certain choices more expensive (for example by taxing them) and thus less attractive to the self-interested individual.<sup>239</sup> Hardin thus sees two possible solutions to the “tragedy” of the commons: Turning them over to either the Market or the State: privatization or coercion.

Both Olson’s and Hardin’s theories are versions of the Prisoner’s Dilemma and rely on the same problematic assumptions. They assume that people in general act and think as if they are prisoners forced by the institutional setting to only consider their own survival and utility with no control over the incentive-structures or any way to influence the behavior of others. For them, there are no social norms or structures of collective decision-making - only individuals acting independently and unorganized. The failure to cooperate is a result of this individualist mindset. But as Elinor Ostrom says about the allegorical prisoners who cannot cooperate or communicate: “Acting independently in this

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<sup>238</sup> All quotations in this and the following paragraph are from Hardin, ‘The Tragedy of the Commons’.

<sup>239</sup> “The tragedy of the commons as a food basket is averted by private property, or something formally like it. But the air and waters surrounding us cannot readily be fenced, and so the tragedy of the commons as a cesspool must be prevented by different means, by coercive laws or taxing devices that make it cheaper for the polluter to treat his pollutants than to discharge them untreated.” (Hardin).

situation *is the result of coercion*, not its absence.”<sup>240</sup> The form of rationality assumed to be natural is in fact imposed upon the subjects. The Prisoner’s Dilemma is an abstract construct that, even in its hypothetical version, requires that the subjects are isolated from each other by a coercive authority and made unable to communicate and coordinate their actions. “Unlike prisoners,” Ostrom says, “most CPR [common pool resource] appropriators are not coerced into acting independently.”<sup>241</sup> To view people as if they are incapable of organizing their actions collectively and exercise control over their circumstances and institutions - to view them as prisoners - is bound to restrict the scope of the social theory and limit the conceivable “solutions.” When people are viewed as prisoners the result will be policies for prisoners.

What makes these models so dangerous - when they are used metaphorically as the foundation for policy - is that the constraints that are assumed to be fixed for the purpose of analysis are taken on faith as being fixed in empirical settings, unless external authorities change them. The prisoners in the famous dilemma cannot change the constraints imposed on them by the district attorney; they are in jail. Not all users of natural resources are similarly incapable of changing their constraints. As long as individuals are viewed as prisoners, policy prescriptions will address this metaphor.<sup>242</sup>

## 4.2 Testing the Assumptions

Rational Choice Theory is an attempt to apply “scientific” methods to the domains of political and social theory. It works by putting a set of assumptions into a mathematical model which should then be able to predict the social outcomes from various changes in the institutional incentive-structures given that the individual motivations and preferences remain fixed. Some theorists believe their psychological assumptions really do reflect “real” human nature, others insist that the question about the realism of the assumptions is irrelevant as long as they are useful for predicting outcomes. The latter view was famously defended by Milton Friedman who argued for a pragmatic theory of scientific models. These can make use of unrealistic or unexplained assumptions, but they do not have to claim that these assumptions are what is really going on as long they lead to accurate predictions about outcomes. The model treats them “as if” they are true and is judged by its predictive ability alone - the assumptions themselves cannot be tested.<sup>243</sup> Rational Choice Theorists do not have to believe that each human individual really does

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<sup>240</sup> Ostrom, *Governing the Commons*, 1990, 39 (my emphasis).

<sup>241</sup> Ostrom, 39.

<sup>242</sup> Ostrom, 6–7.

<sup>243</sup> Friedman, ‘The Methodology of Positive Economics’, 17–18.

make an informed personal cost-benefit analysis based on personal preferences and utility-maximization when making a decision. All they need is to say is that a model of humans as utility-maximizers leads to the most accurate predictions of social outcomes. Contrary to Friedman I argue that such “as if” assumptions are not neutral and that they can indeed affect the thing that is measured, especially when that thing is human behavior: To be treated as if you have a certain personality can change the way you behave. But for now, we will look at how well the assumptions in this model predict actual behavior.

Despite its immense influence, RCT has been plagued with the difficulty of making accurate predictions.<sup>244</sup> Even though it seems “irrational” to this model, millions of real humans *do* actually take the time to participate in elections despite knowing that the weight of their individual vote is almost insignificant. People *do* contribute to causes they find worthy and they *do* join unions and other organizations without getting private benefits from it. I believe they do these things *not* just because they get personal gratification from it, although that is also relevant, but because they feel *it is the right thing to do* or because they *care* about the common good of which they are a part or about the *welfare of others*, and maybe because it is important for them to sustain a consistent *self-perception* and *identity* as a person who does these things.

To address Olson’s claim that labor unions can only function and survive by coercive membership we merely need to look at present reality in Scandinavia. In Denmark, as in most of the industrialized ‘Western’ world, union membership has declined somewhat over the last decades but as of 2013 it was still around 67% of the workforce who were members of their respective unions.<sup>245</sup> This is a high number considering the fact that almost all workers are covered by the same general agreements negotiated by the unions *regardless* of whether they are members of them or not, *and* considering that the practice of “closed shop” and compulsory membership was abolished following a 2006 ruling by the European Court of Human Rights.<sup>246</sup> Prior to this ruling, the scope of the practice was very limited as it was only used in areas *not* covered by the general basic agreement, and the ruling has not created a large drop in union membership. In conclusion: For the majority of union members, membership was and is voluntary. In Iceland things are quite different as union membership is compulsory and happens by default - the dues are simply subtracted automatically from your salary like your taxes. But it is not my impression - pace Olson - that the Icelandic labor unions are stronger and better at fulfilling their function than their Danish counterparts. Quite the contrary. Why is

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<sup>244</sup> Green and Shapiro examines the results of decades of RCT research in *Pathologies of Rational Choice Theory*.

<sup>245</sup> OECD, ‘Trade Union Density’.

<sup>246</sup> Jørgensen, ‘ECHR Rules against Danish Closed-Shop Agreements’.

that? I believe this is not only a case of assumptions about human motivations that lead to wrong predictions but also of policies based on these assumptions affecting the outcome by changing the motivations.

There are probably many different reasons which determine the relative strengths of the labor forces (there are different historical developments of the labor movements, different cultural factors, etc.) but I will venture the hypothesis that the compulsory default-membership in Iceland might have a negative effect on the *qualitative* membership level - i.e. on the level where the members are actively *engaged* in the union and *identify* with it. The default-membership means it is not something you have to make a choice about, and the automatic tax-like dues make the unions more like an institution of the state. Unlike their Danish counterparts, the Icelandic unions do not have to work to retain their membership by convincing new workers why they should join the union. This might make the union leadership take their members for granted and make the members see the union as something they have no or little influence on. A lot of this is also the case in Denmark where there is often little identification between the workers and their supposed 'representatives' at the top of the union hierarchy. But the voluntary membership in Denmark does mean that the unions have to *justify* themselves to their members. This is often done at the local level where organizing can be less institutional and more community-like. It is here that people can form meaningful relations with other people as peers and engage in mutual cooperative practices. It is also here - and through these social relations - that people can develop *norms and values*: ideas about what they *ought* to do and about what is *right* (such as contributing your fair share to the collective good). In other words, this is what makes them act like members of a group or a community rather than as unrelated and independent individuals. Meanwhile, the Icelandic unions' main selling point is that their members can get discounts on renting summer cabins: an appeal to private benefits, not to group membership and collective struggle.<sup>247</sup>

Like the Prisoner's Dilemma, Hardin and Olson's theories have also been tested in controlled laboratory experiments with human subjects to examine their willingness to contribute to public goods.<sup>248</sup> The participants are provided with an initial endowment of a sum of money. They can then each decide to anonymously invest any portion of that in a group project. The total of these contributions will then be doubled and divided among all the participants. According to the assumptions of Rational Choice Theory, it would be 'irrational' for any participant to contribute anything to this common pool, even though

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<sup>247</sup> Alþýðusamband Íslands, 'Declaration by Drífa Snædal, president of the Icelandic Confederation of Labour (ASÍ)'.

<sup>248</sup> For an overview of this type of public goods experiments and their results see Ledyard, 'Public Goods: A Survey of Experimental Results'.

they want it to be as large as possible, since they benefit from the total contributions regardless of how much they contributed themselves. This tendency grows with the number of participants. Let's say we are 4 people who start with 1 unit each. For each unit I contribute to the public good I get half a unit back ( $1 \times 2$  divided by 4). That is a negative incentive for me. But of course, for each unit everyone else puts in I also get half a unit back, so collectively we are better off if we all contribute - in that case, I would get 2 units for every unit each of the four of us invested ( $4 \times 2$  divided by 4). I would be even better off, though, if the three others contribute as much as possible while I do not - that would bring me 1.5 units in return from their investments ( $3 \times 2$  divided by 4) while I retained my initial endowment giving me a total sum of 2.5. The incentive is thus to "free ride" on the contributions of everyone else. But if everyone uses this reasoning nobody will contribute anything which means that the public good will not be provided and none of the participants will benefit.

Like in the experimental testing of the Prisoner's Dilemma real human participants do not behave according to the theoretical model. Andreoni, himself an economist, writes, "the persistence of cooperation in public-goods experiments has become an important puzzle for economists." A survey of different experiments found that in general total contributions are between 40% to 60% of the group optimum.<sup>249</sup> This is not comforting for those who wish to believe that humans are total self-sacrificing saints but neither does it confirm the theory of humans as pure maximizers of individual self-interest. More interesting is the fact that changing the variables of the institutional setting has great effect on the behavior of the participants. Again we see that allowing communication, especially face-to-face communication, between the participants increases the rate of cooperation while total anonymity reduces it.<sup>250</sup> Unsurprisingly, friendship and group solidarity also increase cooperation towards the common good, while unequal starting points - differences in the initial endowment - tend to lower the cooperation rates.<sup>251</sup> In his survey of the experimental results, Ledyard concludes that it is "*possible to provide an environment in which at least 90% of subjects will become selfish*" while it also "*possible to provide an environment in which almost all of the subjects contribute toward the group interest*" by manipulating various parameters in the experiments.<sup>252</sup> What we can conclude here is that human behaviors and motivations are not fixed or given outside the structures of the game: They are shaped in and by those structures. Different settings can promote cooperative or non-cooperative behaviors.

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<sup>249</sup> Ledyard, 113.

<sup>250</sup> Ledyard, 172.

<sup>251</sup> Ledyard, 164, 132.

<sup>252</sup> Ledyard, 172 (original italics).

The game can also be modified to resemble Hardin's story of the commons. In this case, the participants must decide how much to invest in a common pool resource which yields a profit that diminishes with the total amount that has been put in. It can, in other words, be over-used and deteriorate. Here the conflicting interest for each participant is that they individually want to put in *as much* as possible while also wishing that the total amount everyone puts in is as little as possible. They must in other words practice some form of self-restraint. Hardin's theory claims that they cannot. Again, experiments with real humans show that they can work it out given the right conditions.<sup>253</sup> This type of experiment has been analyzed by Elinor Ostrom but we need not restrict ourselves to studying human interactions in a laboratory game because she is also known for her studies of how people manage *real* commons. In *Governing the Commons* she describes successfully managed commons like mountain pastures and forests in Japan and Switzerland, water resources, dams, and irrigation facilities in Spain and the Philippines, as well as more mixed-success stories like the water basins of California and fisheries around the world.<sup>254</sup> Common to all of them is that they are vital for the livelihood of the people who use them and that they are either limited but renewable or require maintenance. This means there is a great incentive for each appropriator to either take more than their fair share or not contribute their part to the maintenance of the resource. That individual incentive plus the fact that many of these resources are fragile eco-systems means there's a continual danger of them turning into the tragedies imagined by Hardin.

And yet they do not - at least not always. Some do better than others, but some have been successfully managed by self-governing communities for many centuries. So why does this bumblebee fly, when the mathematical models say that it shouldn't be able to?<sup>255</sup> The reason is not, as we would think following Hardin, that the successful examples have been the ones that had the most strictly enforced regimes of well-defined private proper-rights or that they were controlled by a strong centralized state who decided who could use them and when. That would be to imply that they were not really commons - that the bumblebee was actually a common bee. In some of Ostrom's examples, state institutions have played a role in facilitating solutions when there were conflicts within the community or between the community and others outside it, but in many cases, govern-

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<sup>253</sup> For various versions of this game and their results see Ostrom, Gardner, and Walker, *Rules, Games, and Common-Pool Resources*.

<sup>254</sup> Ostrom, *Governing the Commons*, 1990.

<sup>255</sup> The popular joke about how the bumblebee should not be able to fly according to scientific models, probably stems from Antoine Magnan's 1934 *Le vol des Insectes* in which he does claim that he could not explain their flight using what he knew about the laws of air resistance. Of course, scientists both know that bees can fly and understand the dynamics of how they do it (Altshuler et al., 'Short-Amplitude High-Frequency Wing Strokes Determine the Aerodynamics of Honeybee Flight'). Bees simply don't fly the same way aeroplanes do, and thus utilize different aerodynamic forces. The direct relevance of this story is in the danger of using simplified models that work in one situation thinking they can be applied to everything else.



ment interference has instead had a negative impact on these self-regulating communities. The same is true for the market-approach: Many of these communities have had a mix of private and common property - they might tend their land or do their fishing as individuals and sell their products on a local market, but they have all made use of a resource they shared in common and managed collectively, and the introduction of either private property rights to this resource or the opening of it to a larger competitive market have often led to the destruction of the local management scheme. The secret is that these common pool resources have been managed by the *communities* of the people using them. This might seem like an obvious answer with little information-value but it is not so obvious for the analysts who are blinded by the metaphor of people as socially isolated prisoners trapped “caught in a trap from which they cannot escape” or the assumptions of humans as asocial “rational” calculators of narrow self-interest.<sup>256</sup>

Neither is it without informational value: Although there are many differences in the organizational structure of the communities who have successfully managed their common resources, there are also some fundamental similarities - particular institutional features that not only enable them to cooperate on the maintenance of their collective goods but are also essential for them to *be* communities in the first place. They are constituted by members who are aware that they have a common interest in maintaining the resource they all depend upon for their livelihood and are connected to through many generations and have a common interest in maintaining the social relations between themselves as members. It is not just the water reservoir or the pasture that breaks down if too many of the appropriators free ride and do not do their share, it is also the community itself. A community is not just a group of people who share certain cultural norms and ideas. It is constituted by people who have meaningful, direct, and many-sided reciprocal relations with each other, and who are capable of cooperation and internal behavioral regulation.<sup>257</sup> This implies that they have ways of communicating, of establishing rules or norms of good behavior, and ways of enforcing said rules and of settling disputes. Without this, they would not be a community, and these features are also what allows them to regulate the use of their shared resource.

The first valuable information is that the absence of a centralized and formally institutionalized political authority - a Leviathan - does not by itself mean that there are no rules for the appropriation or maintenance of a common good, nor that these rules cannot be enforced. All of Ostrom’s successful examples involved intricate systems of mutually agreed-upon rules and reciprocal enforcement of said rules as well as the institutions

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<sup>256</sup> Ostrom, *Governing the Commons*, 1990, 14.

<sup>257</sup> This is part of the definition Michael Taylor gives in *Community, Anarchy, and Liberty*, 26–33.

where these rules and their enforcement could be debated, contested, and renewed. In these cases “the users of the commons are also the governors of the commons.”<sup>258</sup> They are not helpless individuals with no relations to each other and no influence on their institutional structure - they are not prisoners and do not need to be assigned a warden. These communities can be destroyed - and with them, the commons which they took care of. For example when a centralized government undermines their communal structures of decision making and behavioral regulation. It might do this because it ideologically insists that it alone has the sovereign authority, but it could also be for more benign reasons: a social analysis that fails to see the informal communal structures of regulation, and treats the participants “as if” they have specific mindsets and relations might impose new power structures on them in order to “help” them. Those externally imposed structures can compete with, undermine, and change the ones that already existed, creating the unregulated commons they were designed to prevent. A social analysis that treats a common which is without formal property-rights ‘as if’ it is open access, when it was in fact used only by the appropriators in a community, might also create the problem it assumed to exist when privatization and marketization (which are also mechanisms of state regulation) forces the appropriators into competition among each other and with stronger outside forces who are indifferent to their internal rules.<sup>259</sup> Such events can change a community from being one of reciprocal relations among people who all depend on the same resource to one of estranged individuals who behave more like the Rational Choice Theory assumes that they “naturally” did in the first place.

The second piece of information is that this is not how people necessarily behave: They do not always make their choices based on calculations of the immediate material incentives. The communities have rules, and these rules are enforced through social sanctions, but it would be a mistake to think that the *only* reason a member of such a community would follow the rules is that the possibility of sanctions makes it too expensive to break them (which they generally do not). The community, its rules and norms, the social relations and practices, its collective decision-making procedures, and perhaps its connection to the natural environment, are not just a setting in which the individual must navigate to realize their private preferences. It is also *constitutive* for that individual’s identity, self-perception, values, and preferences. We do not always merely consider what we can get away with and what other members of the community might do to us if

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<sup>258</sup> Ostrom, ‘How Inexorable Is the “Tragedy of the Commons?” Institutional Arrangements for Changing the Social Structure of Social Dilemmas’. Parallel with Ostrom, Michael Taylor has also analyzed how horizontal communities can enforce rules and provide for public goods and how these social relations can be undermined by state or market interventions (Taylor, *Community, Anarchy, and Liberty*).

<sup>259</sup> See for example Ostrom’s description of the failures of nationalizing forests or regulating fisheries in *Governing the Commons*, 1990, 23, 173.

we perform a certain action. We also ask ourselves *who we are*, who we *want to be*, and what actions and preferences we consider as reflective of this. Included in this consideration is the question of whether we want to be and be recognized as - by ourselves and the others - members of a particular community. And if the answer is yes, then the self-imposed normative rule to do your fair share and take part in a reciprocal cooperative scheme might have greater weight than the short-term gains you can get from free riding. It might even over-rule and eliminate this incentive.<sup>260</sup> These important elements of human thinking and feeling are what Rational Choice Theory not only neglects but also undermines when it results in policies that promote the narrow mindset it assumed to be natural in the model. In the following, we will take a closer look at some other features of the RCT model of humans.

### 4.3 Maximizing What?

As Green and Shapiro note, “there is no single Rational Choice Theory.”<sup>261</sup> As a research platform RCT is the theory that rational action involves personal preference maximization of some sort, and that rational individuals act to pursue their objectives in the most effective way given what they know and believe. The goal of the theorist is then to explain and predict collective outcomes by reference to the maximizing actions of individuals. This still leaves plenty of room for debate and disagreements among Rational Choice theorists.<sup>262</sup> One of the disagreements concerns the question of *what* is to be maximized - what are the preferences and desires of the individuals in the theory? This is an important question: We will get extremely different views of human behavior, and thus different political and social theories, if we assume people always aim to maximize their possession of money and property rather than friendship and communal esteem, or if we assume they strive towards immediate hedonistic desire satisfaction rather than more long-term and complex life-goals. The different assumptions can make the difference be-

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<sup>260</sup> For an elaboration of such a theory of the self and a critique of the view of human rationality assumed in Rational Choice Theory, see Taylor, *Rationality and the Ideology of Disconnection*, 35–41. Also see MacIntyre: “Each one of us to some degree or other understands his or her life as an enacted narrative; and because of our relationships with others we have to understand ourselves as characters in the enacted narratives of other people’s lives. Moreover the story of each of our lives is characteristically embedded in the story of one or more larger units. I understand the story of my life in such a way that it is part of the history of my family or of this farm or of this university or of this countryside; and I understand the story of the lives of other individuals around me as embedded in the same larger stories, so that I and they share a common stake in the outcome of that story and in what sort of story it both is and is to be.” (MacIntyre, ‘Is Patriotism a Virtue’.)

<sup>261</sup> Green and Shapiro, *Pathologies of Rational Choice Theory*, 13.

<sup>262</sup> Green and Shapiro, 13; for a summary of the generally accepted assumptions and the competing views among Rational Choice theorists, see chapter 2 in their book.

tween whether we see them as trapped in a Prisoner's Dilemma or not, and policies and philosophies can be determined by this difference.<sup>263</sup> In the following, we will investigate and complicate the concepts of rationality, maximization, and preferences, starting with the latter.

A thin-rational account can be mute on this topic and simply assume that people have preferences which they are able to rank and pursue consistently and rationally but that the content of these preferences can vary greatly. In such a thin theory, anything might count as a self-interested preference - including suicide, if that is what the person genuinely wants, and a desire to promote the welfare of others even at the cost of the agents own material well-being, as long as we interpret this desire as a quasi-selfish objective that the agent wants to pursue for their own reasons.<sup>264</sup> Such a theory would allow for people to have greatly different and sometimes conflicting preferences, and even allow them to change over time and in different circumstances. All a thin-rational theory needs to assume, according to John Ferejohn, is that "individuals act as though they are maximizing *something*" though we cannot make any substantial claims about what that something is.<sup>265</sup> A minimalist thin RCT thus assumes, in the words of William H Riker, that "everybody is presumed to be self-interested, choosing what provides the most satisfaction, but the content of the self-interest is not specified."<sup>266</sup> Riker admits that this view can seem tautological - it amounts to saying that people do whatever they want to do - but it is not entirely trivial. Any given individual might have a set of preferences and be unable to pursue them all. The model then assumes that rational agents are able to rank their preferences and contemplate which is most likely to be fulfilled and that people will then pursue the preference or desire that has the highest priority when adjusted for its likelihood of realization. "Rationality as so defined requires merely the best choice from the choice set."<sup>267</sup>

While a thin-rational theory might seem plausible - people do indeed seem to be motivated by many different desires - it has a serious drawback: It lacks the power of prediction which is the hallmark of scientific theory. Without a theory of what motivates people, the Rational Choice Theory is indeterminate. It may assume that they act to "efficiently employ the means available to pursue their ends"<sup>268</sup> but if we do not know what those ends are, we cannot predict what their actions will be. Riker, therefore, calls the

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<sup>263</sup> For examples from within a RCT-framework, see Riker, 'The Political Psychology of Rational Choice Theory'.

<sup>264</sup> Riker, 'Political Science and Rational Choice', 173.

<sup>265</sup> Ferejohn, 'Rationality and Interpretation', 396 (my emphasis).

<sup>266</sup> Riker, 'Political Science and Rational Choice', 173.

<sup>267</sup> Riker, 173.

<sup>268</sup> Ferejohn, 'Rationality and Interpretation', 396.

behaviorist model, which treats intentional states as fundamentally unknowable, as a dead end.<sup>269</sup> Some generalization about intentions from observed behavior must be possible, he insists: “When reasonable people who have the same goals are placed in similar social situations they behave similarly. This then becomes the basis for generalization about intentions.”<sup>270</sup> Generalization is also necessary: The policy-maker would like to know how people are going to behave if certain changes in their incentive structures are modified and that requires that the people in question have more or less similar preferences that can be affected by the same incentives. If they have a wide range of different preferences, they might react differently and unpredictably to the same policies. To make predictions an RCT model must assume some homogeneity of preferences if it is to apply equally to all persons under study. As David Goetze and Peter Galderisi note: “If utility functions and perceptions differ widely [...] and if people have very different combinations of altruistic and self-interested motives then the construction of adequate explanatory models might be frustrated.”<sup>271</sup> RCT will therefore often rely on some sort of “thickly-rational” account which includes “some additional description of agent preferences and beliefs.”<sup>272</sup> These additional descriptions need not be universal and essentialist claims about human nature where people are always driven by the same desires. A model can instead assume people have certain preferences in specific circumstances, or when they act in specific roles. Thus a theory can apply a thick account of rationality when analyzing the behavior of workers who would be assumed to desire higher wages or shorter working hours, and of company owners who have a preference for higher profits, while it can utilize a thinner account when describing consumers who are assumed to maximize their unspecified utilities. Of course, most individuals are simultaneously workers, consumers, taxpayers, users of welfare services, parents who would like more time with their family, etc., and thus might have conflicting interests.

Let me here note, that concepts like ‘consumer,’ ‘worker,’ ‘business owner,’ ‘taxpayer,’ ‘family member,’ are all examples of social relations. They are products of certain historical, economic, legal, and cultural relations that are beyond the control of, and existed prior to, each individual who exists in these roles. A model that defines preferences as being defined by the agents’ situatedness in a social role is thus a model that explains individual motivations by referring to social conditions. Yet, this is the opposite of what most

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<sup>269</sup> Riker, ‘The Political Psychology of Rational Choice Theory’, 26. See also Green and Shapiro’s discussion on this: “some rational choice theorists have flirted with abandoning the intentionality requirement entirely [...] This theoretical move obviates the need to identify intentional causal mechanisms, but at a considerable cost from the standpoint of empirical testing.” (*Pathologies of Rational Choice Theory*, 21).

<sup>270</sup> Riker, ‘Political Science and Rational Choice’, 175.

<sup>271</sup> Goetze and Galderisi, ‘Explaining Collective Action with Rational Models’.

<sup>272</sup> Ferejohn, ‘Rationality and Interpretation’, 396.

Rational Choice Theories are committed to. Standard RCT uses microeconomic explanations in which “it is by reference to the maximizing actions of individual persons that collective outcomes must be explained.”<sup>273</sup> But if collective outcomes are determined by the choices of individuals, which in turn are based on individual preferences that are determined by the agents’ positions in social structures, the model becomes a closed feedback loop. It amounts to saying that the Prisoners’ Dilemma arises, not from individual rational choices that lead to irrational outcomes but rather from these individuals being positioned in a role as prisoners in a prison-structure and making decisions in that capacity - a claim I would agree with. There is little explanatory value in the claim that “society, not being human, cannot have preferences” when it is equally clear that humans do not have preferences independent of society.<sup>274</sup> A theory about individual human preferences and choices must also somehow include a theory of where those preferences and choices come from. As I will later discuss, the commitment to methodological individualism is not very well suited for that.

In general, Rational Choice theorists do subscribe to a broad definition of what motivates all humans. Ferejohn writes: “At the most abstract level, rational choice theorists are committed to a principle of universality: (all) agents act always to maximize their well-being as they understand it, based on their beliefs, preferences, and strategic opportunities. This commitment to a universal description of agents is what permits rational choice theorists to believe in the possibility of prediction.”<sup>275</sup> The word “well-being” is open to many meanings though: are we talking immediate hedonistic desire-satisfaction or more general welfare-maximization? Well-being can also be defined as the elimination of wants and desires and the attempt to be satisfied with little - in which case “maximization” attains a very different meaning. We are, thus, not much wiser. These conceptual questions have also been posed within utilitarianism. While utilitarianism is the *normative* claim that we ought to improve the overall utility of people in general, RCT is the *descriptive* claim that we do in fact act to improve our (own) personal utility. But what is utility? Utilitarians are divided: Some lean towards hedonistic preference-utilitarianism according to which the subjective desires of each individual are what ought to be realized and maximized, others prefer the perhaps more paternalistic welfare-utilitarianism according to which we ought to advance the objective and long-term welfare of each individual. The same question can be raised for the descriptive RC-Theory: Do people act to

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<sup>273</sup> Green and Shapiro, *Pathologies of Rational Choice Theory*, 16. Some RC theorists reject the commitment to methodological individualism, which significantly changes the model (Satz and Ferejohn, ‘Rational Choice and Social Theory’).

<sup>274</sup> Riker and Ordeshook, *An Introduction to Positive Political Theory*, 78.

<sup>275</sup> Ferejohn, ‘Rationality and Interpretation’, 396.

realize their immediate preferences or their long-term welfare goals (or if it is a mix, when do we do one more than the other?) This question is relevant if the model is to be able to predict how people react to various incentives: Are they willing and able to pay a cost and have some immediate preferences frustrated to maximize long-term welfare, or will they have to be steered towards some goal by incentives that promote each step? Policy-makers need to know if they are to base their decisions on these models. For example, a model that assumes a high degree of rational autonomy and capacity for long-term planning might lead to the conclusions of neoclassical Welfare Economics which prescribe that competitive markets and free consumer choices will lead to the most efficient distribution of welfare.<sup>276</sup> For others, such as Garret Hardin, the Rational Choice approach might lead them to call for more authoritarian state intervention when the model shows that individual short-term utility-maximizing strategies lead to undesirable social outcomes. Located somewhere in between these two, Behavioral Economics has challenged the assumption of perfect rationality and claimed that people are often driven by more immediate but less “rational” dispositions and thus need to be nudged to do what is in their own best interest.<sup>277</sup> The anthropological assumptions thus lead to important differences in policy.

Many policies have the goal of encouraging or discouraging certain behaviors, and Rational Choice Theory has been very influential in shaping such policies, none more influential than Gary Becker whose economic approach to criminology treats anti-social behavior as a simple market. The approach “assumes that a person commits an offense if the expected utility to him exceeds the utility he could get by using his time and other resources at other activities. Some persons become ‘criminals,’ therefore, not because their basic motivation differs from that of other persons, but because their benefits and costs differ.”<sup>278</sup> Becker treats humans as generally interchangeable in that they do not have fundamentally different motivations or preferences, nor do they change their preferences.<sup>279</sup> Anyone is thus equally a potential criminal - we will all defect when the incentive structures are right, i.e. when the potential utility gain outweighs the potential cost. The solution is then to make crime more costly by issuing penalties on it (the severity of penalties cannot be infinite, as punishment also has a cost to society who must then make its own utility-calculation about how badly it wants to deter crime vs how much it is willing to pay for lower crime rates). This would make it more undesirable for the potential crim-

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<sup>276</sup> Hindriks, *Intermediate Public Economics*, 33.

<sup>277</sup> Camerer, Loewenstein, and Rabin, *Advances in Behavioral Economics*. Leggett, “The Politics of Behaviour Change”.

<sup>278</sup> Becker, ‘Crime and Punishment’, 176.

<sup>279</sup> “The establishment of the proposition that one may usefully treat tastes as stable over time and similar among people is the central task of this essay.” (Stigler and Becker, ‘De Gustibus Non Est Disputandum’).

inal to realize his preferences, although they would still exist as preferences - nothing changes in the mind of the subject, except the calculation of marginal utility that leads to a ranking of preferences.

This approach treats desires as simple, fixed, and independent of the social structures. It also leads to simple policies. It is also quite wrong. Take the example of addiction - a topic Becker has written so extensively on that it has created a whole subfield called “the rational addiction model.”<sup>280</sup> An agent who has a strong desire to smoke cigarettes, drink alcohol, or eat pastries would in the Rational Choice model be expected to maximize their access to these goods. They would of course be ranked in a calculation compared to their price and the relative preference for other goods. There are thus no contradicting processes going on: the desire to pay rent does not cancel out the desire to acquire the addictive substance, they are merely ranked in terms of importance and preference. Should the substance become cheaper - also in Becker’s criminological sense - we should expect to see a rise in demand, while making it more expensive, for example by increasing punishments, we should see a fall. None of this is true - not at the individual or the social level. As Harry Frankfurt noted, a person can have both a desire and a desire not to have that desire (or not to act on it).<sup>281</sup> They might therefore make decisions that seem “irrational” from the purely instrumental view of reason as they make it harder for them to get what they know they desire: Rather than buying the desired good in bulk (and thus cheaper) they might force themselves to go out and get it each time the craving appears, they might decide to only allow themselves to submit to it in specific circumstances, or they might take actions to remove themselves from the temptation altogether. The former Rational Choice theorist, Jon Elster, calls such behaviors self-imposed “precommitment devices.”<sup>282</sup> This means we cannot merely from the presence of a desire predict that a person will behave in a way that maximizes that preference, nor can we in a simple way conclude from their behavior exactly which preferences they might have.

At a policy level, this is important. In the Rational Choice model, we expect use to rise when a product becomes more accessible or cheaper. But this has not been the case in places like Portugal where the use and possession of formerly illicit drugs were decriminalized in 2001. A study published in the British *Journal of Criminology* concluded that “contrary to predictions” the evidence indicates reductions in problematic use and drug-related harms in that country after the change of policy.<sup>283</sup> Why might this be? For Elster

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<sup>280</sup> Stigler and Becker; Becker, *Accounting for Tastes*; Becker and Murphy, ‘A Theory of Rational Addiction’; Ferguson, ‘Interpreting the Rational Addiction Model’.

<sup>281</sup> Frankfurt, ‘Freedom of the Will and the Concept of a Person’.

<sup>282</sup> *Ulysses and the Sirens*; Elster, ‘More than Enough: Review of Accounting for Tastes’; *Ulysses Unbound*.

<sup>283</sup> Hughes and Stevens, ‘What Can We Learn From The Portuguese Decriminalization of Illicit Drugs?’



and Frankfurt, rationality is not merely the instrumental ranking of preferences but also the ability to evaluate which desires one identifies with and takes responsibility for, which desires one wants to become efficient and worthy of consideration in a calculation, and perhaps even the ability to change such desires - for Frankfurt, this is the definition of autonomy and personhood.<sup>284</sup> I suspect that conditions in which a person is constantly stressed due to the criminalization of their drug of choice or the struggles to provide the financial means to it are less than conducive to autonomous reflection and self-control. If those conditions are relaxed, it might indeed be easier for the person to activate their second-order desires (Frankfurt) and their 'precommitment devices' (Elster) in order to become a person with the desires they want to have.

Whether we strive to realize immediate desires or long-term welfare-goals is thus not decided by human nature alone, but by the social conditions in which this nature is expressed. Policies based on models of fixed and stable preferences can only take the form of changing the incentive structures determining the marginal utility of realizing the given preferences - i.e. making it more or less costly. What it overlooks is its own role in shaping those preferences. If the policy prescriptions recommended by the social model change people's preferences (and not just their cost-benefit analysis of whether to realize them or not) then the model itself become part of creating the subject it is intended to analyze: They might behave in ways predicted by the theory but only because the application of the theory made them behave in this way. Or vice versa: A theory of people's desires and behaviors could be true until policies based on that theory made them change their attitudes. The theory of how people behave thus becomes part of a feedback loop that determines how people behave.

Elster has written about the problems of adaptive and counter-adaptive preference-formation. The latter is exemplified in sayings like "the grass is always greener on the other side" or "forbidden fruit is sweet" - i.e. when preferences for a certain thing are created by the *unavailability* of that thing. This is a problem for utilitarianism, as Elster writes: "If someone wants to taste the forbidden fruit because it is forbidden, should we count it as a welfare loss that he is excluded from it? And would it be a welfare gain to give him access, if this would make him lose his taste for it?"<sup>285</sup> An example of the former is the "sour grapes" where an agent comes to "decide" they *do not* want a thing simply because they *cannot* have it - i.e. where desires are adapted to the set of feasible options. Would it then be the utilitarian choice to expand the available options, thus creating desires that did not previously exist, or to constrain them and letting people be satisfied

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<sup>284</sup> Frankfurt, 'Freedom of the Will and the Concept of a Person'.

<sup>285</sup> Elster, 'Sour Grapes: Utilitarianism and the Genesis of Wants'.

with what they have? In either case, it is hard to say that the preferences are genuinely realized as they are more likely to simply be byproducts of the circumstances - they are created ex-post the possibility of realization. Echoing Nietzsche, Elster notes that “the oppressed may spontaneously invent an ideology justifying their oppression, but this does not mean that they have invented the oppression itself” - if their preferences and beliefs are the results of adaptation to the structural circumstances and institutions then it is highly problematic to legitimize those circumstances and institutions by referring to the prevailing preferences and beliefs.

Elster, therefore, insists that utilitarianism and ethics in general needs history: “Information about the present may be insufficient to guide moral and political choice in the present” - we also need to know how the current situation and the current desires came to be, in order to know what we ought to do about them.<sup>286</sup> This is true for Rational Choice Theory too. RCT has many affinities with utilitarianism, in that it is typically focused on the question of the most efficient allocation and distribution of welfare and utility. But even if was a purely descriptive theory, the social origin and adaptation of preferences constitute a problem for the individualistic theory: If people’s preferences are created by the circumstances that make their realization more or less likely, then the model where individuals *first* have preferences and *then* use their reasoning powers to maximize them in a society, simply has it backwards. The model requires that preferences are somehow anchored in the agents themselves so that it can make predictions about how they will behave when there’s a change in the structural incentives. But if we adapt too much to the social structures and incentives, then the applicability of the model is restricted to the particular social setting in which the particular preferences are dominant. It would thus fail to be a general model of human behavior, as Gary Becker, one of the most influential Rational Choice theorists, believed it could be.<sup>287</sup>

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<sup>286</sup> Another problem for utilitarianism is of course that we might not consider all preferences legitimate - such as desires to oppress, abuse or discriminate, or pedophilic tendencies - not merely that they should be weighed against the harm they do but that they should not be counted as worthy of realization.

<sup>287</sup> “I have come to the position that the economic approach is a comprehensive one that is applicable to all human behavior” (Becker, *The Economic Approach to Human Behavior*, 8). Becker’s works influenced criminology, economics, policies, health policies, discrimination law, and “transformed entire subfields in sociology” (Coleman, “The Impact of Gary Becker’s Work on Sociology”).

## CHAPTER 5:

# DISCUSSIONS ON EQUALITY

### 5.1 Interdependent Preferences

An individualist model of social behavior can admit that human preferences and the ways we relate to them are the results of complex historical procedures such as individual upbringing, societal ideologies, etc. This need not complicate the model too much as long as we can claim that once people have their preferences, they do in some way belong to them and they can be expected to rationally attempt to realize them as individual agents in a stable way. For such a model to work, its basic units - the individual agents - need to remain relatively stable and pursue their inherent interests in a coherent way independently of the interests of others; other agents might be obstacles or instruments for the pursuit of the individual actor and thus be factors in the cost-benefit analysis of which action to perform, but they should not alter the basic preferences. If they did, we could not take the individual preference-maximizer as the basic unit of social analysis. In the case of the Prisoner's Dilemma (or Harding's herders or Olson's union members), I might decide upon my action after taking your preferences into account because they give me an insight into your likely actions which is relevant for how I can best realize *my* preferences, but they do not *change* my primary preference and objective which is to get as little jail-time as possible. The social outcome is the result of the interdependent actions taken by individuals pursuing their private and independent interests.

As Hobbes was aware, we do sometimes take an interest in the welfare of others and our preferences are affected by theirs. He is often (although controversially) mentioned among the fathers of "psychological egoism" - exemplified by his statement that his decision to help a beggar was motivated by the fact that "I was in pain to consider this miserable condition of the old man; and now my alms, giving him some relief, doth also ease me"<sup>288</sup> - but even this example is one of interdependent preferences: Hobbes' act of charity was not merely motivated by the "hope to gain a reputation of charity" as he mentions among the possible causes of giving to others (by which the actual wellbeing of the recipient is irrelevant), but by "the pain of compassion" which he mentions in the same

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<sup>288</sup> According to his biographer John Aubrey. Quoted in Hobbes, *Leviathan*, xxix. On the discussion about psychological egoism in Hobbes, see Gert, 'Hobbes and Psychological Egoism'.

list.<sup>289</sup> It may be that compassion as in “Grief for the calamity of another” really “ariseth from the imagination that the like calamity may befall himself” but it is nonetheless a form of “fellow-feeling” which directly links his own wellbeing to that of the other.<sup>290</sup> Compassion is of course not the only other-regarding emotion. One can also be motivated by envy which causes one to feel “grief for the success of a competitor in wealth, honour, or other good.”<sup>291</sup> His general pessimism about human nature indicates that he probably thought the latter was the more dominant of these passions but both are examples of the existence of an individual preference being dependent on the realization of the preferences of others - of two people whose wellbeing is directly interconnected and relational not merely because our actions hinder or help the realization of our personal preference but because the preference itself is *in* the welfare of the other (positively or negatively). He makes this clear in the statements that the joy of “man” “consisteth in comparing himself with other men” and “if all things were equal in all men, nothing would be prized” - one person’s welfare and desires is thus intimately connected to that of others.<sup>292</sup>

This is contrary to the idealized citizens that form the basis of Rawls’ political theory. It is a fundamental part of the design of his Original Position that the parties in it are “mutually disinterested,” not in the sense of being “egoists” he claims, but in the sense of “not taking an interest in one another’s interests” (which could easily be a common-sense working definition of “egoism”).<sup>293</sup> He explains that they “do not seek to confer benefits or to impose injuries on one another; they are not moved by affection or rancor. Nor do they try to gain relative to each other; they are not envious or vain.”<sup>294</sup> Each individual “have their own private ends which are either competing or independent, but not in any case complementary. [...] No one takes account of the good of others, or of what they possess.”<sup>295</sup> In other words, he rejects the concepts of interdependent utility functions and other-regarding preferences. Rawls’ concept of a rational actor here is one whose preferences and values are isolated and unaffected by others - it is the *homo economicus* of Rational Choice Theory where:

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<sup>289</sup> Hobbes, *Leviathan*, 89.

<sup>290</sup> Hobbes, 39.

<sup>291</sup> Hobbes, 39.

<sup>292</sup> Hobbes, 113, 45. It is interesting to note that the moral relevance of relational affects such as sympathy and envy were commonly acknowledged by classical thinkers - besides Hobbes, we can mention Hume, Kant, Nietzsche, and Adam Smith who all wrote about moral sentiments. The unaffected (in both senses of the word) calculating individual is a more recent invention.

<sup>293</sup> Rawls, *A Theory of Justice*, 12. I leave aside here, the fact that there are other, more technical uses of the concept “egoism” within philosophy, such as Max Stirner’s *The Unique and Its Property*.

<sup>294</sup> Rawls, *A Theory of Justice*, 125.

<sup>295</sup> Rawls, 457.

[A] rational person is thought to have a coherent set of preferences between the options open to him. He ranks these options according to how well they further his purposes; he follows the plan which will satisfy more of his desires rather than less, and which has the greater chance of being successfully executed.”<sup>296</sup>

The welfare of others do not affect the preferences of this atomistic individual; they are only connected in so far as they share an abstract sense of justice concerning which structures would be preferable when you do not know which position you have. This anthropological model - which in Rawls is not to be taken as a description of actual humans but as a model for idealized agents contemplating justice - is one that has been prevalent in economic theory where it has, though, often been admitted that it is restricted to “the theory of the market,” i.e. to those parts of human relationships which are purely economic.<sup>297</sup> Economists and Public Choice theorists (a branch of RCT) James M. Buchanan and Gordon Tullock call this economic man “who is motivated solely by individual self-interest in all aspects of his behavior” a “man of fiction” and a “caricature designed by those who have sought to criticize rather than to appreciate the genuine contribution that economic analysis can make.” This contribution, of the “accepted theory of markets” according to the authors, is that it “can explain behavior and enable the economist to make certain meaningful predictions - *in so far* as the subjects act in a purely economic way, i.e. as long as the agents do not take into account the interests of others. They emphasize that this “economic theory does not try to explain all human behavior.”

Nonetheless, they - like Rawls - go on to build a *political* and *normative* theory about the constitution of states on this exact 'man of fiction' with his limited applicability.<sup>298</sup> The anthropological assumption and building blocks of their political theory are similar to that of Rawls: “Reduced to its barest essentials, the economic assumption is simply that the representative or the average individual, when confronted with real choice in exchange, will choose ‘more’ rather than ‘less’.”<sup>299</sup> Their term, rather than “mutual disinterestedness” is “non-tuism,” which they borrow from the economic theory of Philip Wicksteed. He, like Rawls, is at pains to define it not as egoism but simply as not taking others into consideration:

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<sup>296</sup> Rawls, 124.

<sup>297</sup> Buchanan and Tullock, *The Calculus of Consent*, 16–17.

<sup>298</sup> Indeed, there is “considerable overlap between the two moral contrarians” (Reisman, *James Buchanan*, 46). Rawls initially presented an early draft version of his theory at Buchanan’s Committee for Non-Market Decision Making in 1964 (Amadae, *Rationalizing Capitalist Democracy*, 149). Buchanan and Rawls had considerable correspondence and initially saw each other as working on the same project (Levy and Peart, *Towards an Economics of Natural Equals*, 36–39).

<sup>299</sup> Buchanan and Tullock, *The Calculus of Consent*, 16–17. Compare with Rawls’ view of the Rational Man who “follows the plan which will satisfy more of his desires rather than less.” (Rawls, *A Theory of Justice*, 124).

The specific characteristic of an economic relation is not its “egoism,” but its “non-tuism.” It may be urged, however, that since, as a rule, “ego” and “tu” fill the whole canvas, not only to the spectator, but to the actors also; that is to say, since a man, when he is doing business, is generally only thinking of his own bargain, and how to deal with his correspondent, and not of any one else at all, the exclusion of “tu” is tantamount to the solitary survival of “ego.” So that, after all, “altruism” has no place in business, and “non-tuism” is equivalent to “egoism.” And, indeed, it may be true enough that, as a rule, the average man of business is not likely to be thinking of any “others” at all in the act of bargaining, but even so the term “egoism” is misapplied, for neither is he thinking of himself! He is thinking of the matter in hand, the bargain or the transaction, much as a man thinks of the next move in a game of chess or of how to unravel the construction of a sentence in the Greek text he is reading. He wants to make a good bargain or do a good piece of business, and he is directly thinking of nothing else.<sup>300</sup>

Wicksteed’s book was published in 1910. 68 years later it was still the foundation of microeconomic theory (another discipline founded upon RCT). Thus, a textbook from 1978 states:

We shall suppose that the happiness of A depends only on how much  $x$  and  $y$  he gets. If he were altruistic, his happiness would also vary directly with what B got; if he were envious, it would vary inversely with what B got. Adding such interdependencies does not alter the basic structure of the problem, but for simplicity we omit them.<sup>301</sup>

But does it really not alter the basic structure in relevant ways if we add interdependencies of preferences such as altruism and envy? In a descriptive model, it certainly makes predicting the action of any individual agent more complicated. If I have a preference for something so that getting it will increase *my* happiness but my happiness is also increased to some extent by an increase in *your* welfare by you obtaining that thing (assuming it is a non-shareable thing) then it is hard to predict what I will do since both *obtaining* the thing and *not obtaining* it will weigh positively on my utility-calculation. In the case of the Prisoner’s Dilemma and other game-theoretical experiments, such cases of altruistic sympathy and other-regarding motivations mess up the predictions from the pure Rational Choice perspective. Nonetheless, they are quite real and do happen and not only when we value the welfare of another *individual*. Another case is when agents put a positive weight on the utility-function of the *social group* they’re part of rather than only considering their private utility. Experiments with Public Goods games consistently show that participants do in fact contribute to the group even when they would gain more by free-riding, and - just like the participants in Prisoner’s Dilemma games - they are more likely to cooperate when they have had social interaction or when they identified as

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<sup>300</sup> Wicksteed, *The Common Sense of Political Economy*, 180.

<sup>301</sup> Layard and Walters, *Microeconomic Theory*, 5.

members of a group even though these conditions had no structural effect on their incentives and are thus not of any strategic relevance for the individual.<sup>302</sup> Whether this is a result of what psychologist John Turner calls “self-categorization” in which the agents “shift toward the perception of self as an interchangeable exemplar of some social category and away from the perception of self as a unique person” or simply a case of “kindness” as economist James Andreoni puts it, the evidence indicates that we do tend to put some value in the interests of others when we decide our course of action.<sup>303</sup>

Of course, altruistic sympathy is not the only other-regarding emotion that can make utility-functions interdependent. Equally relevant is its functional opposite in which the increased utility of another agent detracts from my personal welfare or, less dramatic, where my desire for an object is a result of your possession of it. This is typically referred to as “envy.” In simplistic economic theory, as we’ve seen, other-regarding utility-functions are not part of the standard model of human behavior because it complicates the descriptive and predictive purpose: Models are simpler when they assume each individual agent to be an atomic unit which seeks to maximize its independent desires. Such a model would predict that if I desired a given object, I would seek to realize that desire regardless of what other individuals might acquire. But if I were disposed to envy this prediction might fail. First, because my desire in the first place might not be self-generated but rather a result of my neighbor having something where I would not desire it if it was not for the fact of my neighbors having it. In economic theory this is known as the case of “keeping up with the Joneses” where “individuals value their own consumption (or income) relative to that of others” and it has relevance for consumer behavior and society in general: from environmentally damaging over-consumption (a public goods problem) and taxation levels to debt and financial policies.<sup>304</sup>

Here’s a historical example of why this is important: The higher the income of an individual the bigger a proportion they tend to save of that income, and - correspondingly - the smaller a proportion of that income will be spent on consumption. And if that well-off person experiences an increase in income, they will save an even higher proportion. One would therefore expect that if there is a general rise in absolute income in a society then there will be a correspondingly higher amount of total savings, but this is not always the case. In 1949 the economist James Duesenberry introduced the “Relative Income Hypothesis” which proposed an explanation of why total societal levels of savings did not

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<sup>302</sup> See Ledyard, ‘Public Goods: A Survey of Experimental Results’; Ostrom, Gardner, and Walker, *Rules, Games, and Common-Pool Resources*; Sally, ‘Conversation and Cooperation in Social Dilemmas’; Bornstein and Ben-Yossef, ‘Cooperation in Intergroup and Single-Group Social Dilemmas’.

<sup>303</sup> Turner et al., *Rediscovering the Social Group*, 50; Andreoni, ‘Cooperation in Public-Goods Experiments’.

<sup>304</sup> Aronsson and Johansson-Stenman, ‘When the Joneses’ Consumption Hurts’.

rise with total increases in societal income: People compare themselves to others so that the utility of their consumption is dependent on the actual consumption of those with whom they identify.<sup>305</sup> As the income of the lower and middle classes goes up so will their consumption because part of their enjoyment is the satisfaction of having what their neighbors also have - their utilities are interdependent. Even if an individual member does not experience an income increase, they will still tend to try to keep up in consumption with those they perceive as their social peers. Thus, an overall increase in absolute income will not lead to an increase in savings but just to more consumption - even beyond the actual capabilities of individual consumers. Furthermore, Duesenberry claimed that the significance of social status for consumption meant that it would be harder to adjust consumption downwards should the income decrease.<sup>306</sup> In short, Duesenberry argued “that it was relative, rather than absolute, levels of income that determined the nature and direction of much individual consumption and saving.”<sup>307</sup>

Duesenberry’s relational hypothesis was quickly dismissed and replaced by the individualist theories of Milton Friedman and others according to which consumption and savings are merely the results of each individual’s private utility-functions and their expected absolute income over time.<sup>308</sup> One reason Duesenberry’s theory was marginalized was that his insistence on the importance of social and psychological factors in economic analysis did not fit well with the disciplines’ “increasing mathematization” and attempts to establish itself as an exact science independent of sociology and psychology.<sup>309</sup> To include the social and cultural effects on demand-formation and consumer behavior would make mathematical model-building far more complex. Friedman’s neoclassical theory was an alternative hypothesis that “recognized no sociology of consumption” and allowed for a simple model where preferences were independent and “aggregate demand could therefore be derived from the simple summation of individual demand schedule.”<sup>310</sup> The refusal to accept socio-psychological factors in preference-formation might be partially motivated by a desire for methodological simplicity, but it has political consequences which were probably part of the motivation too during the cold war in which Friedman and many others were fighting an ideological battle. It leads to the recognition of the importance of *relative income* - that consumer power and behavior is a result of relations and relative positions within an asymmetrical structure - and it lends itself to policy ideas

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<sup>305</sup> in Duesenberry, *Income, Saving, and the Theory of Consumer Behavior*.

<sup>306</sup> Dwivedi, *Macroeconomics*, 150.

<sup>307</sup> Mason, ‘The Social Significance of Consumption’.

<sup>308</sup> Friedman, *A Theory of the Consumption Function*.

<sup>309</sup> Mason, ‘The Social Significance of Consumption’, 561.

<sup>310</sup> Mason, 569.



of progressive taxation, unlike Friedman's individualist theory of consumer behavior which favored tax cuts and flat taxation.<sup>311</sup> After all, economists too are “impacted by the social and political controversies of the moment.”<sup>312</sup>

The existence of interdependent utility-functions is not merely of consequence for descriptive, predictive, and prescriptive analysis. It also has *normative* relevance. If we go back to the textbook on microeconomics where “the happiness of A depends only on how much x and y he gets” it follows that there could be any number of distributive patterns that would result in a higher level of aggregate happiness.<sup>313</sup> If A and B do not care about their possession relative to each other but only about their own absolute income, then any increase in income for A which does not lead to an absolute decrease in B's income should be not only acceptable for B but also *the right thing to do* as it would increase the total level of welfare (assuming that increased income will lead to more realization of A's welfare, which is not necessarily the case as there is a limit to how much happiness money can buy). This is what economists mean by (Pareto) “efficiency”: An allocation of resources in which someone is better off without anyone else being worse off than they were before. This only works though, if we only allow ourselves to see them as isolated individuals with no interdependent utility-functions. Imagine that we introduce some technological change to the island where A and B are the only inhabitants so the total production can be dramatically increased.<sup>314</sup> Imagine further that this change will disproportionately benefit A. If B could still have the same absolute level of consumption and their preferences were totally independent, B should be fine with that. But this would hardly be the case. If we introduce an interdependent utility-function such as “envy” or a frustrated Duesenberrian desire to keep up with the neighbors' consumption, B might come to experience a *decrease* in happiness as the economic welfare of A increases. If A has a diminishing marginal utility so that A's increase in welfare does not correspond to A's increase in income and consumption, then we would have a situation where economic growth does *not* lead to an overall increase in aggregate welfare but perhaps rather a *decline*. Again sociology and psychology are crucial to economic theory: If it is the case that reference groups “are important for the subjective evaluation of one's own well-being” so that “our standards of wealth are determined by comparisons with kin, peers, etc” then

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<sup>311</sup> Friedman, *Capitalism and Freedom*, 174.

<sup>312</sup> Palley, ‘The Relative Permanent Income Theory of Consumption’.

<sup>313</sup> Layard and Walters, *Microeconomic Theory*, 5.

<sup>314</sup> Economic textbooks like to imagine worlds populated by people living on islands (e.g. Layard and Walters, 4). Political philosophers are fond of this idea too (e.g. Dworkin, ‘What Is Equality?’).

“total welfare is more likely to decrease if the gains from growth accrue disproportionately to the individual with the lower level of utility.”<sup>315</sup>

Now, some might object that envy is not a morally legitimate feeling and should thus be ignored.<sup>316</sup> But if it plays a role in the level of happiness and psychological welfare - including the satisfaction and formation of desires, the utility of preference-realization, etc. - then it is clearly relevant for a theory that in a utilitarian fashion aims to maximize aggregate welfare. In that case, we cannot just assume that the overall amount of welfare is increased if some individual is materially elevated because it is not just the *absolute* levels but also the *relations* between the members that are relevant for their welfare. Economist Thomas Palley concludes that:

utility interdependence is highly destructive of neoclassical welfare economics. In effect, it hollows out the concept of Pareto Optimality, which is already fairly narrow. If relative consumption and wealth matter for utility, then it is very hard to make all better off since raising the income of one while leaving the incomes of others unchanged is not Pareto improving.<sup>317</sup>

## 5.2 Social Preferences

A similar objection can be made against Rawls' maximin-principle of distributive justice. Whereas the Pareto-principle of efficiency only stipulates that an increase in some individual's welfare is efficient if it leads no-one else worse off, Rawls' insists that it must leave those who have the least better off than they would otherwise be. Inequality is justified for Rawls if it raises the absolute level for those at the bottom. Again, this ideal theory requires that people's preferences and utility-functions are independent and that envy is not a factor - at least in the ideal theory.<sup>318</sup> Remember that the participants in the Original Position were supposed to be “mutually disinterested” and merely interested in satisfying “more of his desires rather than less” with no “account of the good of others, or of what they possess.”<sup>319</sup> He believes that such purely self-regarding rational beings would not favor a strict egalitarian principle of distributive justice - such a “conception of equal-

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<sup>315</sup> Komlos and Salamon, ‘The Poverty of Growth with Interdependent Utility Functions’.

<sup>316</sup> Rawls writes: “A further point is that envy is not a moral feeling. No moral principle need be cited in its explanation.” Although he goes on to say that “one must be careful not to conflate envy and resentment. For resentment is a moral feeling. If we resent our having less than others, it must be because we think that their being better off is the result of unjust institutions, or wrongful conduct on their part.” (Rawls, *A Theory of Justice*, 467).

<sup>317</sup> Palley, ‘The Relative Permanent Income Theory of Consumption’.

<sup>318</sup> “The special assumption I make is that a rational individual does not suffer from envy [...] Now a satisfactory account of justice will eventually have to deal with these matters too, but for the present I shall leave these complications aside.” (Rawls, *A Theory of Justice*, 124).

<sup>319</sup> Rawls, 124, 457.

ity would be adopted in the original position only if the parties are assumed to be sufficiently envious.”<sup>320</sup> Nevertheless, he does admit to the existence of some degrees of envy among real humans when it is time to evaluate whether his theoretically just system would also be stable in practice. Here he writes: “A rational individual is not subject to envy, at least when the differences between himself and others are not thought to be the result of injustice and do not exceed certain limits.”<sup>321</sup>

But what are those limits? In principle there are none: “Although in theory the difference principle permits indefinitely large inequalities in return for small gains to the less favored, the spread of income and wealth should not be excessive in practice, given the requisite background institutions.”<sup>322</sup> The “background institutions” to which he refers are the standard socially liberal ones: A constitution that guarantees basic political liberties, “just procedures” for choosing between governments, a free market without monopolies or discrimination, a “fair” level of equality of opportunity enacted by policies that give “equal chances of education and culture for persons similarly endowed and motivated,” and finally a guaranteed “social minimum” for those in the lowest income groups.<sup>323</sup> Although he explicitly says that “envy is not a moral feeling” and that “the main psychological root of the liability to envy is a lack of self-confidence in our own worth” he does admit for what he calls “excusable envy” which he stipulates as a “a reaction to the loss of self-respect” which can be caused by a society that allows for large disparities.<sup>324</sup> It is his belief though, that in a “well-ordered society” regulated by these just background institutions “self-respect is secured by the public affirmation of the status of equal citizenship for all” so that “excusable envy does not arise” (at least not “to a troublesome extent”<sup>325</sup>) and therefore “the distribution of material means is left to take care of itself in accordance with pure procedural justice.”<sup>326</sup>

But even allowing for these background institutions (which might resemble the aspirations of Scandinavian welfare states) his principle of distributive justice seems quite indeterminate: How much inequality can be justified - and even required - as long as “the greater advantages of some are in return for compensating benefits for the less favored”?<sup>327</sup> Would it for example, as Lawrence Coker asks, be acceptable to move from a near-egalitarian situation “in which there are no significant social divisions” to a new dis-

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<sup>320</sup> Rawls, 472.

<sup>321</sup> Rawls, 464.

<sup>322</sup> Rawls, 470.

<sup>323</sup> Rawls, 243.

<sup>324</sup> Rawls, 467, 469, 468.

<sup>325</sup> Rawls, 471.

<sup>326</sup> Rawls, 478.

<sup>327</sup> Rawls, 470.

tribution where “5 percent of the people would have ten times their previous incomes, and everybody else would have 1 percent more than his or her previous income”?<sup>328</sup> If the massive sudden inequality was necessary to bring about the (rather insignificant) increase in income for the majority then it seems to be not only permitted but positively *required* by Rawls’ maximin-principle. But even though they are now individually better off in absolute terms than they were before, those who would end up at the bottom of this new structurally inegalitarian society might still legitimately and reasonably object to the new distribution. And they might do so not for individualized psychological reasons like “lack of self-confidence” or unreasonable “envy” but because they see it as a harmful social transformation. The social relations in their community would be radically altered by the sudden sharp stratification; it would create distinct castes that would no longer be motivated by feelings of “cooperation, mutual identification, and similarity of status and position.”<sup>329</sup> They might be concerned with the fact that “inequality results in lower levels of trust, which in turn leads to lower levels of civic engagement” and value the latter more than the potential increase in their own absolute income.<sup>330</sup> Rather than rejecting their egalitarian disposition as one that can only be motivated by *envy*, it is equally plausible to defend it, as Cocker does, as one motivated by *solidarity*: “the disposition towards “being part of a team where all members sink or rise together and equally.”<sup>331</sup>

Rawls’ discussion of envy and inequality not only disregards such a disposition; it opens the possibility of undermining it. For Rawls, the envy- and resentment-causing effects of great inequality is mitigated by the human tendency to associate with those we are like, and to compare ourselves with those in “the same or in similar groups as ourselves.”<sup>332</sup> The poor would thus not have reasons to envy the rich because the two groups would be living separate lives and belong to different social circles, “each with its secure internal life.” Economic inequality thus leads to social segregation “which tends to reduce the visibility, or at least the painful visibility, of variations in men’s prospects.”<sup>333</sup> While Rawls might certainly be right about that empirical and psychological claim, it is that very tendency that is a cause for concern for those like Cocker who value solidarity.<sup>334</sup> It is not a mitigating consequence of inequality that it leads to social segregation - it is a prob-

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<sup>328</sup> Crocker, ‘Equality, Solidarity, and Rawls’ Maximin’.

<sup>329</sup> Crocker.

<sup>330</sup> Uslander and Brown, ‘Inequality, Trust, and Civic Engagement’, 871.

<sup>331</sup> Crocker, ‘Equality, Solidarity, and Rawls’ Maximin’.

<sup>332</sup> Rawls, *A Theory of Justice*, 470.

<sup>333</sup> Rawls, 470.

<sup>334</sup> See for example Reardon and Bischoff, ‘The Continuing Increase in Income Segregation, 2007-2012’. Which concludes that “rising income inequality continues to be a key factor leading to increasing residential segregation by income.” And “Given the importance of neighborhood contexts for children’s opportunities, and for shaping the experiences of the affluent, rising income segregation will likely only further exacerbate the economic inequality that has produced it”

lem. In Rawls' view, greater inequality will be accepted by people if it leads to more increased social stratification: The less the different classes have in common and the less interaction they have, the less *visible* will the unequal distribution of life prospects be. A rather perverse consequence of this is that a highly unequal society with strict class divisions would be preferable (or more stable) to one of just modest inequality because in the former society people would only compare their luck to those in similar circumstances while the latter would allow for inter-group comparisons.<sup>335</sup> If increases in social inequality are self-concealing and the distribution of material means is left to take care of itself in accordance with pure procedural justice Rawls' praise for the tendency to voluntarily segregate would lead to complacency with a development that violates principles of justice. The same process that hides "just" inequalities and diminishes the feeling of "illegitimate" envy would also hide the *unjust* inequalities by diminishing the legitimate feelings of resentment.

This is not merely a problem for those concerned with social cohesion and equality as primary values. If Rawls is right that people tend to withdraw from associations in which they do not feel vindicated as equal members (and I would agree) then the same tendency that reduces "vicious" envy in an unequal society would also reduce the tendency of the less advantaged to engage in political society outside their own social groups because as soon as they do that they would be reminded of their unequal status.<sup>336</sup> This would lead either to general political resentment among the lower classes or to political apathy. Perhaps Rawls was aware of this when he stressed political/moral division of labor as one of "*noblesse oblige*" where those who "being better situated, have advanced their aims within the system" acquire different obligations than the rest but for those who are concerned with political equality and the equal participation of diverse segments of society in the democratic processes, it should compose a problem.<sup>337</sup>

Finally, different people might simply have intuitions about *fairness* that do not match that of Rawls. Rawls claims to build his theory on commonly accepted intuitions about justice but there is little evidence that his intuition is held by everyone or that it would be the only one considered 'rational' behind the Veil of Ignorance unless this was deliberately tweaked to exclude certain intuitions.<sup>338</sup> Some people are indeed willing to

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<sup>335</sup> Navin, 'Rawls on Inequality, Social Segregation and Democracy'.

<sup>336</sup> Navin.

<sup>337</sup> Rawls, *A Theory of Justice*, 100.

<sup>338</sup> Raymond Geuss gives the example of the British 19<sup>th</sup> Century novelist and anarchist, William Morris, who "claimed to prefer a society of more or less equal grinding poverty for all (e.g., the society he directly experienced in Iceland) to Britain with its extreme discrepancies of wealth and welfare, even though the least well-off in Britain were in absolute terms better off than the peasants and fishermen of Iceland" and asks "Is Morris's vote simply to be discounted? On what grounds? [...] No doubt it would be possible to rig the veil of ignorance so that it blanks out knowledge of the particular experiences Morris had and the theories he developed, and

forego a slight benefit if it is part of a package deal that benefits someone else to an unreasonable degree because that deal is not seen as fair. Consider the experiments done by Frans de Waal on capuchin monkeys who are happy to perform a certain task in exchange for a piece of cucumber, except when they suddenly see other monkeys who receive a more desirable grape in reward for the same task, they reject both the cucumber and the game itself.<sup>339</sup> From a Rational Choice perspective this does not make sense: the piece of cucumber has not changed value and although it is perhaps not of the same value as a grape it is still better than nothing, so why would the reward of the neighbor-monkey change the behavior of the first monkey? But clearly, it does - and maybe the bitter resentment at being treated unfairly does change the perceived value (if not the flavor) of the piece of cucumber. Rawls does accept resentment as a moral feeling when it is caused by the thought that “their being better off is the result of unjust institutions” but this comes into play only in the later stage of evaluating the robustness of the social system, not in the initial stage of contemplating ideal justice.<sup>340</sup>

Sympathy and envy give rise to a type of interdependent preferences that are other-regarding in that my preference concerns the utility of another individual. A different type of interdependent preference is directed not at other specific individuals but at the social structure the agents are parts of. People have various kinds of *social preferences* that in specific circumstances can result in behavior resembling that of envy and altruism. A person who is motivated by a preference for *reciprocity* is likely to respond with spite or kindness to actions that are perceived as either hostile or kind - even when either of these options would not be optimal from the perspective of pure self-interest. Another type of social preference is *inequity aversion* which is the backwards name for those who “want to achieve an equitable distribution of material resources.”<sup>341</sup> This preference would cause the agent to act altruistically towards another person “if the other persons’ material payoffs are below an equitable benchmark” and enviously (i.e., wanting to decrease the other person’s payoffs, even at a cost to the agent) when the other is seen as being too far above the equitable level. So, envy and altruism might be displayed (and felt) by the same agent and towards the same persons in different circumstances dependent upon those circumstances because they are functions of preferences about social

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renders them inaccessible in the original position, but one would then have to be convinced that this was not simply a case of modifying the conditions of the thought experiment and the procedure until one got the result one antecedently wanted.” (*Philosophy and Real Politics*, 87).

<sup>339</sup> de Waal, *Primates and Philosophers*, 46.

<sup>340</sup> Rawls, *A Theory of Justice*, 124.

<sup>341</sup> Fehr and Fischbacher, ‘Why Social Preferences Matter - The Impact of Non-Selfish Motives on Competition, Cooperation and Incentives’.

structures, interactions, and relations.<sup>342</sup> Rather than treating these as purely personal or subjective psychological states and behaviors that can be dismissed as irrational or morally irrelevant, we should treat them as responses to objective situations that reveal relevant information about social preferences and intuitions of *fairness*.<sup>343</sup> These intuitions would not be reflected behind the Veil of Ignorance where the agents contemplating justice are disembodied and unemotional beings with only self-regarding preferences.

The various types of social and interdependent preferences are probably dispersed among a population of different individuals (who might hold and act on them all in different situations) and they result in behavior that is inexplicable by and often contradicts the standard economic theory of rational self-interest.<sup>344</sup> This can be observed in the simple experiment called The Ultimatum Game. This game consists of two participants where one is given a sum of money to distribute among the two. The other player can choose to accept or reject the division but if they choose the latter none of them get anything. In an economic and Rational Choice theoretical analysis, the responder should accept *any* offer that gives them more than nothing, since the options are always between receiving what is offered or nothing at all - and something is better than nothing. Likewise, the proposer should always choose the most unequal distribution to their own advantage, since it is in the rational interest of the responder to accept any small amount offered. Neither of these predictions is confirmed when the experiment is conducted. In study after study participants have been found to reject overly inequalitarian offers (although the threshold is culturally variable).<sup>345</sup> Like the capuchin monkeys, they would thus “rather forgo some money than be treated unfair.”<sup>346</sup> The proposers also tend to make higher offers than what is strictly “rational.”<sup>347</sup> This is a puzzle if you subscribe to the theory of homo economicus where humans are considered to be rational utility-calculating individuals - to reject a small benefit seems “irrational” from this model. But emotions do matter when people make decisions. Indeed, when given the chance to ex-

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<sup>342</sup> Experiments by Fehr et al. show that non-economists are significantly more likely to choose the more egalitarian distributions over the more “efficient” but less egalitarian distributions than economists are and that this preference is independent of the Rawlsian risk-aversion that leads to the maximin principle. (Fehr, Naef, and Schmidt, ‘Inequality Aversion, Efficiency, and Maximin Preferences in Simple Distribution Experiments’).

<sup>343</sup> I draw partially on Charlene Seigfried’s Deweyan analysis of emotions and feelings as an alternative “to the traditional relegating of emotions to a purely private, subjective realm.” (Seigfried, *Pragmatism and Feminism*, 152, 164).

<sup>344</sup> For examples of how ‘economists fail to understand fundamental economic questions when they disregard social preferences’ see Fehr and Fischbacher, ‘Why Social Preferences Matter - The Impact of Non-Selfish Motives on Competition, Cooperation and Incentives’.

<sup>345</sup> Oosterbeek, Sloof, and Kuilen, ‘Cultural Differences in Ultimatum Game Experiments’.

<sup>346</sup> Oosterbeek, Sloof, and Kuilen.

<sup>347</sup> “[C]onsiderable behavioral research in industrialized cultures indicates that, irrespective of the monetary sum, modal offers are typically around 50% of the total amount. Low offers (around 20% of the total) have about a 50% chance of being rejected.” (Sanfey et al., ‘The Neural Basis of Economic Decision-Making in the Ultimatum Game’).

plain their behavior participants often report that the unfair offer made them feel *angry* and that their rejection was motivated by *spite*.<sup>348</sup> The self-reported explanations are backed by neurological observations that unfair offers elicited activity in a region of the brain (the bilateral anterior insula) “well known for its involvement in negative emotion” such as anger and disgust.<sup>349</sup>

It seems that the perception of unfairness has a direct impact on the emotional well-being of the least advantaged which can be great enough to outweigh the purely economic benefit they might otherwise receive from the unfair distribution. This should have relevance for theories that justify inequalities by referring to the increased material utilities for the worst-off group: They might still reject such a Rawlsian offer and even be angered and offended by it. To explain to them that if only they were more “rational” they would come to see that they still benefit slightly from the unequal distribution might only add insult to injury and lead to an increase in rejection rates. For example, a comment emphasizing the fact that since there’s nothing the respondent can do to change the proposed distribution they might as well accept it is likely to highlight the unequal power relationship increasing the respondent’s anger at the situation.<sup>350</sup>

In his book, *Rationality and the Ideology of Disconnection*, the former Rational Choice Theorist Michael Taylor comments upon a similar reaction when people are asked to participate in “Cost-Benefit-Analyses” determining the theoretical financial value of nature preservation. Here respondents are asked how much they would be “willing to pay” to prevent the destruction of some element of nature. These studies are done as a policy-tools to compare the potential profit from the destruction with the potential loss by converting people's sense of loss into a monetary value.<sup>351</sup> Rather than accepting the premise, many respondents react either by giving ridiculously large figures, by refusing to

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<sup>348</sup> Pillutla and Murnighan, ‘Unfairness, Anger, and Spite: Emotional Rejections of Ultimatum Offers’.

<sup>349</sup> Sanfey et al., ‘The Neural Basis of Economic Decision-Making in the Ultimatum Game’.

<sup>350</sup> In a study by Kravitz and Gunto the proposer could leave various messages to the responder, including what was labelled a “power comment” with had the words “I know you’d like more, but that’s the way it goes. Take it or leave it!” The anger engendered by this comment “led several subjects to reject offers they had indicated they would accept.” (Kravitz and Gunto, ‘Decisions and Perceptions of Recipients in Ultimatum Bargaining Games’.) This bears a striking resemblance to a comment by the Danish Minister of Economic Affairs, Margrethe Vestager, who was in charge of deep cuts to the unemployment benefits in 2012. “Sådan er det jo” (roughly: “So it goes”) was her laconic response to those who feared losing their income - a response which obviously only increased their resentment. Unlike in the Ultimatum Game they did not, though, have the power to reject the “offer.”

<sup>351</sup> Such a Cost-Benefit-Analysis was also attempted by the Icelandic economist Sigurður Jóhannesson at an environmental conference discussing the Icelandic highlands which are currently protected nature preserves. He extrapolated from a previous survey in which Icelanders were asked how much of an increase in electricity prices they would be willing to accept to not have a part of the highlands ruined by the construction of a hydro-power plant and concluded that the total “value” of the entire natural area must then be found by multiplying with the geographical size difference. The absurdity of this method was expressed by the Icelandic poet Andri Snær Magnason who wrote: “Tell me how much your grandmother costs per kilo, the square meter of your sweetheart and then calculate the value of your best friend in cars. Otherwise I won’t know what currency to use.” (Magnús, ‘Can We Place A Price Tag On The Central Highlands?’; Baldur, ‘Segðu Mér Hvað Kílóíð Af Ömmu Þinni Kostar’.)



name a sum at all, “or even terminating the interview, sometimes violently.”<sup>352</sup> Taylor argues that this reaction might reflect a “desire to be treated as citizens, not as mere consumers” and that “people may in some circumstances [...] *resent* being treated as if they valued things (and people) and were motivated and made choices in the way that economists assume.”<sup>353</sup>

[T]he economist’s favored way of making social choices (if they cannot be left to the market) cannot recognize the very capacities and dispositions that make us human. [...] To treat people as always ‘rational’ in the sense of Rational Choice Theory - to treat them as, in effect, members of another species, *Homo economicus* [...], is to deny them their humanity.”<sup>354</sup>

### 5.3 Dynamic Distributions and Relational Wealth

The citizens who were given a Rawlsian offer to raise the absolute income of the worse-off in their society by raising the absolute income of the best-off even more and thus increasing the structural inequalities in that society might also reject it out of purely selfish and economic reasons, even though they were themselves to benefit. All they would need is an understanding of basic economic and social theory, which Rawls explicitly allows them to bring into the Original Position, and the knowledge that societies and distribution levels are *dynamic*, which he has been criticized for failing to consider.<sup>355</sup> With that knowledge, they would not merely look at a proposed distribution of wealth and evaluate its fairness in a static equilibrium. It would also be prudent for them to estimate which *future* distributions it would likely result in given what they know about economic as well as social and political power. If Distribution B is slightly better than Distribution A but also very likely to lead to Distribution C which is worse than any of them then it is reasonable to prefer A to B. This development is a possibility after the initial determination of a fair distribution if, as Rawls advocates, “the distribution of material means is left to take care of itself in accordance with pure procedural justice.”<sup>356</sup> Especially if that initial distribution is one of inequality.

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<sup>352</sup> Taylor, *Rationality and the Ideology of Disconnection*, 76.

<sup>353</sup> Taylor, 77, 121.

<sup>354</sup> Taylor, 81, 52.

<sup>355</sup> A critique from the right is Nozick’s distinction between “patterned” and “historical” principles of distribution where he claims patterned principles will always be upset by liberty (Nozick, *Anarchy, State, and Utopia*, 156). A similar critique has also been raised from the left by MacPherson who insists Rawls ignores the “continuous transfer” of wealth and power in a class system and by Barber who thinks the Rawlsian theory is “time-blind” and “ahistorical (Macpherson, ‘Rawls’s Models of Man and Society’); Barber, ‘Justifying Justice’.

<sup>356</sup> Rawls, *A Theory of Justice*, 478.

I will return to what I mean by “dynamic” but first, let me address a different take of it. A Danish minister of Social Affairs (i.e., in charge of policies regarding distribution of wealth) once said: “let the rich get richer” because “inequality creates dynamics in society.” Dynamics is here understood as incentives and aspirations that cause innovation and economic growth. She was widely chastised for this view - even within her own right-wing government - but really, her defense of increased economic inequality rested upon the Rawlsian argument that this “dynamic” would benefit society as a whole and the worst-off: “It is not a problem that the rich get richer as long as the poor also do,” she said.<sup>357</sup> The argument rests on the belief that the rich would spend their increased income on things that create jobs and economic growth to the benefit of society in general - which is one of the arguments Rawls accepts as a justification of inequality. This argument is empirically unfounded. Decades of “supply-side” economics with tax-cuts for the wealthy in several countries provide ample data to refute this thesis.<sup>358</sup> Quite the contrary: A recent report from the OECD warned that “growing inequality is harmful to long-term economic growth.”<sup>359</sup> Another report made by researchers at the IMF concludes that

“if the income share of the top 20 percent (the rich) increases, then GDP growth actually declines over the medium term, suggesting that the benefits do not trickle down. In contrast, an increase in the income share of the bottom 20 percent (the poor) is associated with higher GDP growth.”<sup>360</sup>

The economist Thomas Piketty, drawing upon two centuries of data, argues that inequality breeds more inequality as the rate of return from wealth (in the form of dividends, interests, rents, etc.) tends to grow faster than the rate of growth of the economy (the annual increase in aggregate income or output). This “fundamental force” means that “it is almost inevitable that inherited wealth will dominate wealth amassed from a lifetime's labor by a wide margin, and the concentrations of capital will attain extremely high levels - levels potentially incompatible with the meritocratic values and principles of social justice fundamental to democratic societies.”<sup>361</sup>

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<sup>357</sup> Eva Kjer Hansen in an interview in the Danish newspaper Jyllandsposten (Borg, ‘Opgør Med Ligheden’). For a summary of the following debate and a discussion about how the Danish views on inequality have subsequently changed towards greater acceptance of this view (also on the “center-left”) see Hultberg and Lynfort, *Fra lighed til ulighed - forandring fra venstre og højre*.

A similar defense of inequality premised upon an appropriation of Rawls’ argument was conducted by the Danish right-wing political commentator (and philosopher) Henrik Gade Jensen in the opinion piece ‘Og Da Har i Lighed vi Drevet Det Vidt’.

<sup>358</sup> “Overall, our analysis finds strong evidence that cutting taxes on the rich increases income inequality but has no effect on growth or unemployment.” (Hope and Limberg, ‘The Economic Consequences of Major Tax Cuts for the Rich’).

<sup>359</sup> OECD, *In It Together*, 15.

<sup>360</sup> Dabla-Norris et al., *Causes and Consequences of Income Inequality: A Global Perspective*, 4.

<sup>361</sup> Piketty, *Capital in the Twenty-First Century*, 25–26.

The knowledge that greater wealth is a useful tool for getting even greater wealth is probably as old as wealth itself. It is captured in the term ‘rent-seeking’ - which does not refer only to the concept of charging money for the temporary use of a commodity but rather to the general concept of leveraging the power of existing property and capital to gain further profits without generating any additional value.<sup>362</sup> In modern economic theory, this is typically seen as a problem that occurs when an agent has monopoly control of a resource or when they spend part of their wealth on lobbying politicians to create regulations that in effect create such a monopoly or other institutional privileges.<sup>363</sup> In these cases, rent-seeking is seen as an example of ‘market failure’ - of lack of competition. But rent-seeking also happens in a so-called ‘free market’ with no absolute monopolies and no state protection of inherited wealth. All that is needed is an initial asymmetrical distribution that gives one agent a comparative advantage relative to others with whom they compete. If their wealth can be used for either consumption or for investments in something that gives them an increased advantage, then the agent that has the largest initial wealth will naturally need to spend a smaller portion of it on consumption thus freeing a larger amount that can be used to invest in getting stronger and destroy the competitor without creating anything of value.<sup>364</sup> Ideally, perfect competition thus requires a level playing field - a starting point where the competitive parties are equals. This ideal market where everyone is a property-holder is Rawls’ goal.<sup>365</sup> But since he allows for an unspecified level of initial inequality in Distribution A, there will also be an asymmetry in competitive powers which, all else being the same, will create even further inequality in Distribution B. This is what I mean by distribution levels being *dynamic*.

It is not merely the case that the rich use their wealth to get richer. That concern could be dismissed as one caused by unreasonable “envy” or an unfounded prioritization of egalitarian values if it did not affect the living standards of the rest of the population. But as long as we all inhabit the same economic structures the relations between us *do* af-

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<sup>362</sup> Investopedia.com defines it as “When a company, organization or individual uses their resources to obtain an economic gain from others without reciprocating any benefits back to society through wealth creation” (‘Rent-Seeking’). Other definitions are more technical - such as that of James M. Buchanan: “Rent is that part of the payment to an owner of resources over and above that which those resources could command in any alternative use. Rent is receipt in excess of opportunity cost.” Buchanan describes it as a behavior that has “been with us always.” (Buchanan, ‘Rent Seeking and Profit Seeking’, 55).

<sup>363</sup> Two of the seminal works on this topic are Anne Krueger’s ‘The Political Economy of the Rent-Seeking Society’ and Gordon Tullock’s ‘The Welfare Costs of Tariffs, Monopolies, and Theft’.

<sup>364</sup> In a typical example of abstract modeling premised upon the idea of asocial, self-interested and competing individuals, Roger Congleton imagines Robinson Crusoe and Friday “competing in a game of conquest” for the resources on the island: “If neither Friday nor Crusoe has a particular advantage in the initial distribution of wealth or in ability to deploy wealth for attack or defense, then the victor will be that individual who devotes most of his wealth to ‘attack’.” (Congleton, ‘Competitive Process, Competitive Waste, and Institutions’, 157).

<sup>365</sup> On Rawls’ discussion of market failures and deviations from the “idealized conception” of the market, see *A Theory of Justice*, 240. The goal of property-owning individuals competing as equals in the market is described on p. xiv

fect us, and the wealth of a minority can be a detriment to the wellbeing of the majority. The most obvious example of rent-seeking is when wealth is used to gain control of resources that others need - such as land, housing, fields, rivers, etc. Once that is done, the owner can put up fences and charge others (literally charging “rent”) for using the resources. This will in the long run keep those who have to pay this rent in a state of continued subjugation and domination while part of the value they create is continuously transferred to those with the largest initial endowment.<sup>366</sup> As a form of domination this value-extraction and the debt-bondage it can create, is highly political: when a few own the resources others need, those others are dependent and upon the good-will of those property-owners.<sup>367</sup> Classical liberal economic thinkers, like Adam Smith, saw this as a problem, not just morally but also because it impedes economic developments by putting extra costs on productive work:

As soon as the land of any country has all become private property, the landlords, like all other men, love to reap where they never sowed, and demand a rent even for its natural produce. The wood of the forest, the grass of the field, and all the natural fruits of the earth, which, when land was in common, cost the labourer only the trouble of gathering them, come, even to him, to have an additional price fixed upon them. He must give up to the landlord a portion of what his labour either collects or produces.<sup>368</sup>

The level of dominance need not be this obvious. Imagine two people who are seeking to buy a house. If there is a limited number of houses available and they are interested in the same ones then they are competing in the “housing market.” If one of them has a much larger income or wealth and is thus able to pay more than the other, then that person will be in a better position to bid on the house and purchase it. The price of a house in a market economy is after all determined by the maximum levels of what the bidders are willing (and able) to pay, so if some of the competitors are suddenly able to pay more the price will increase. This has a negative effect on the purchasing power of those who did not experience a similar increase in income. Even if they experienced a slight increase in absolute income the inflation caused by the higher increase of others will mean that

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<sup>366</sup> An example of this is the Icelandic system of fishing quotas. The fishing rights were initially, in 1984, given as property to those who happened to own active fishing vessels at the time and distributed by the principle that those who had made the most profit in the previous years should also have the most property in the future. The rights to fishing is transferable and can be rented out or exchanged on a stock-market, which efficiently creates an aristocratic class of “sea barons” who no longer need to fish as they can make money on charging others for the right to do it, and to monopolies as larger corporations purchase the fishing rights which are turned into objects of virtual financial speculation and trade. For descriptions of this process, see Eliason, ‘A Fish Stock Market: Iceland’s Controversial Quota System’; Eiríkur, *Iceland and the International Financial Crisis*, 41–43; Maguire, ‘Virtual Fish Stink, Too’.

<sup>367</sup> For analyses on some of the political implications of debt and dependency see Sigridur Thorgeirsdottir, ‘Dependency and Emancipation in the Debt-Economy’; Graeber, *Debt*; Lazzarato, *The Making of the Indebted Man*.

<sup>368</sup> Smith, *The Wealth of Nations*, 49. See also Chapter IX in which he writes: “Rent, considered as the price paid for the use of land, is naturally the highest which the tenant can afford to pay in the actual circumstances of the land” (p. 144).

their income is literally worth *less* than it was before when the relations between them were more egalitarian. Perhaps the less well-off person would then settle for buying a house in a different price category where they are not competing with those with a much higher purchasing power but as the increased wealth of the rich pushes the prices up of the most desirable property the inflationary effect will spread downwards to other parts of the market, in effect increasing housing prices in general - or pushing those with less wealth out of the cities they work in.<sup>369</sup> This effect is not restricted to housing but to all areas in which consumers are competing to buy the same limited goods. Thus, Matlack and Vigdor conclude:

If raising the income of the wealthy increases the prices that the poor must pay for certain necessities, then it becomes more difficult to argue in favor of policies that exacerbate inequality on the grounds that they at least do not lower the incomes of the poor. The notion that increases in the incomes of others can reduce an individual's subjective well-being has been long considered by psychologists and economists [...]. To this point, less attention has been paid to the possibility that objective indicators of well-being, namely consumption levels, may suffer as well.<sup>370</sup>

The crucial point here is that not merely is happiness and well-being are relational - as I argued in the previous chapters, we subjectively value our wealth in comparison with our neighbors and experience social exclusion if we cannot afford similar things - so is wealth and income.<sup>371</sup> When policy-makers scoff at notions of relative poverty and insist that the wealth of one individual should be measured independently of how much others have, then they are not merely disregarding important social and psychological factors relating to wellbeing and participation in society but also basic economics and the ontology of money.<sup>372</sup> Money can be counted by the numbers written on it, but its actual *value* is determined by *what it can buy*. This purchasing power is determined by the power of other

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<sup>369</sup> “The most obvious mechanism through which economic inequality might push prices up would be through the bidding process that lies behind house purchases. Sellers do not accept the average price but seek the most promising buyer able and willing to pay most. In a supply constrained market, such as in the UK, there will be increased pressure on prospective buyers to push up their bids. If the income and wealth distribution of the pool of potential buyers widens there will be more chance for sellers to find better-paid and wealthier buyers with the resources to pay more. Not only would this process of bidding in the context of large income and wealth disparities result in higher prices at the top it would also begin a process by which all house prices shift up, because at each level there is likely to be a wider distribution of incomes and wealth among the buyers.” (Green and Shaheen, ‘Economic Inequality and House Prices in the UK’).

In the UK this process has become so extreme that even local millionaires are being priced out of central London and are in turn pricing out other people from other areas White, ‘Millionaires Are Becoming Priced out of Central London’.

We have also seen this effect in Iceland where the rise in tourism has caused an explosion in real estate prices (and rent) in downtown Reykjavik, pushing people into the suburbs which then also get affected by inflation.

<sup>370</sup> Matlack and Vigdor, ‘Do Rising Tides Lift All Prices?’

<sup>371</sup> A point also made by Amartya Sen: “relative deprivation in terms of incomes can yield absolute deprivation in terms of capabilities. Being relatively poor in a rich country can be a great capability handicap, even when one’s absolute income is high in terms of world standards. In a generally opulent country, more income is needed to buy enough commodities to achieve the same social functioning.” (Sen, *Development as Freedom*, 89).

<sup>372</sup> As, for example, the Danish politician Joachim B Olsen does (Olsen, ‘Giver det mening at tale om fattigdom i Danmark?’).

people to buy similar items - it is therefore not absolute and isolated from social structures but, like all power, *relational*. In a restricted and competitive market, your money can actually have less value (less power) if someone else has more of it. The basic idea of neoclassical Welfare Economics is that if you let everyone trade as they please then goods will be distributed to those who need and want them the most as they are the ones willing to pay the most. This works in a mathematical model where everything is flat, there is no asymmetry, and the value of money is the same for everyone. When proponents of this fantasy apply it to the real world, they neglect the fact that money does *not* have the same value for everyone. Psychological differences might make a healthy person want a vaccine more than a person in a vulnerable age-group, and thus be willing to pay money for it. If the elderly person could use that money to buy things they wanted more than a vaccine, then the trade would be beneficial to both and thus Pareto-efficient.<sup>373</sup> Except, it might not just be individual psychological differences that made this deal: If the healthy person is wealthy, money would literally have *less value* for them than it would for the elderly person who could trade it for immediate life-essentials like food and rent. The asymmetrical relations mean they are not trading as equals and do not perform the same calculations and valuations. The interesting thing here is that the theory of the 'free market' *presumes equality in order for it to work*.<sup>374</sup> We should therefore be concerned with the increased wealth of the rich even if we did not have any intuitions of fairness or feelings of envy but were strictly motivated by pure self-interest. Even the self-interested individual of liberal ideology and economic theory needs to analyze their own interest by referring to their position in asymmetrical social structures.

## 5.4 Political Inequality

Financial inequality does not merely translate into differences in consumer power (which, as the ability to co-determine what is to be produced and how is a form of political power). It also skews relations of formal political power and influence on public policy. This is acknowledged in the economic literature on rent-seeking that it can be profitable (and thus 'rational') to spend excess wealth on lobbying policymakers for regulations that protect and increase the existing wealth rather than investing it in increased produc-

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<sup>373</sup> This is an actual proposal from the Danish neoliberal think-tank, CEPOS (Herby, 'Kommentar: Lad Borgerne Handle Med Vaccinerne').

<sup>374</sup> Schwartz, *The Battle for Human Nature*, 79.

tion.<sup>375</sup> Traditionally, the literature on the topic has treated this as a ‘market failure’ created by bribery, corrupt politicians, and the undue influence of special interest groups, and these failures can be remedied by the right policies. Rarely is it considered by economists that the special interests and unequal power relations are built into the state itself. The ideal market in this world-view is the level playing field where individual agents attempt to realize their competing preferences and political institutions are then, at best, seen as neutral arbiters of competing interests among these individuals or, at worst, as unnecessary inhibitors and distorters of the market relations that would otherwise have resulted in the most efficient social equilibrium. Thus, Rational Choice theorist James M Buchanan insists that “[t]he state has no ends other than those of its individual members and is not a separate decision-making unit.”<sup>376</sup> With Tullock he writes:

Any conception of State activity that divides the social group into the ruling class and the oppressed class, and that regards the political process as simply a means through which this class dominance is established and then preserved, must be rejected as irrelevant for the discussion which follows [...] Collective action is viewed as the action of individuals when they choose to accomplish purposes collectively rather than individually, and the government is seen as nothing more than the set of processes, the machine, which allows such collective action to take place.<sup>377</sup>

This approach can lead to quite absurd theoretical conclusions such as the one that “A democratic society in which the distribution of wealth is unequal elects political parties that are likely to represent the interests of poor people.”<sup>378</sup> The theoretical assumptions behind this conclusion are those of the perfectly self-interested economic rationality of the voters and the perfect neutrality of the majority-based parliamentary system: Under high levels of economic inequality “the median voter is more likely to be poor.” If people vote based on rational self-interest and the outcome of elections in a majoritarian democracy tends to reflect the “median voter” then majoritarian democracy will result in a government that “will represent the interests of the poorer segments of the population.” Such a government will therefore pursue policies which “levy high taxes on capital and income in order to provide for transfers from the rich to the poor.”<sup>379</sup> In this upside-down theoretical model, it is actually the poor who participate in rent-seeking through the political system in order to attain part of the hard-earned wealth of the rich who are discriminated against due to their small numbers. Abstract theoretical models like this

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<sup>375</sup> Two of the seminal works on this topic are Anne Krueger’s ‘The Political Economy of the Rent-Seeking Society’ and Gordon Tullock’s ‘The Welfare Costs of Tariffs, Monopolies, and Theft’.

<sup>376</sup> Buchanan, ‘The Pure Theory of Government Finance’.

<sup>377</sup> Buchanan and Tullock, *The Calculus of Consent*, 12–13.

<sup>378</sup> Beetsma and Van Der Ploeg, ‘Does Inequality Cause Inflation?’

<sup>379</sup> Beetsma and Van Der Ploeg.

might be fun exercises for the economist but when such theories are read and believed by those with political influence, they could have rather dangerous implications for democracy.<sup>380</sup>

The authors of the article quoted here admit that “in reality” their theory does not explain actual voting behavior or government policies and that this “model is too simple” to explain “such puzzles.” But they do not dwell on the fact that the model actually predicts the *opposite* of what tends to be the case: The political system in highly unequal societies reflects the interests of the economically privileged - even in what is generally considered democracies. In 2001 the *American Political Science Association* established a task force to gather knowledge about how trends in inequalities impact democratic participation and governance in the United States. In a summary report it painted a bleak picture:

Generations of Americans have worked to equalize citizen voice across lines of income, race, and gender. Today, however, the voices of American citizens are raised and heard unequally. The privileged participate more than others and are increasingly well organized to press their demands on government. Public officials, in turn, are much more responsive to the privileged than to average citizens and the least affluent. Citizens with lower or moderate incomes speak with a whisper that is lost on the ears of inattentive government, while the advantaged roar with a clarity and consistency that policy makers readily heed. [...] Skewed participation among citizens and the targeting of government resources to partisans and the well-organized ensure that government officials disproportionately respond to business, the wealthy, and the organized when they design America’s domestic and foreign policies. [...] Today, the risk is that rising economic inequality will solidify longstanding disparities in political voice and influence, and perhaps exacerbate such disparities. Our government is becoming less democratic, responsive mainly to the privileged and not a powerful instrument to correct disadvantages and look out for the majority.<sup>381</sup>

These conclusions are echoed by the research lead by Martin Gilens who compiled the data from 20 years of policy surveys among the general public in the United States and broke the responses down by income levels. The research team then compared these

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<sup>380</sup> As a few examples I mention the self-proclaimed “liberal” Danish business-man and political benefactor, Asger Aamund, who believes that we should reconsider the merits of democracy because it “has taken a grotesque turn where a majority who’s not doing anything can vote their way to money that belongs to the minority who is working.” He proposes “a sort of elite government” which can institute “the necessary reforms” and talks favorably of autocratic forms of “guided democracy” in one-party states as the model some nations understandably strive towards. (Schjørring, ‘Kan Demokratiet Stadig Betale Sig?’ - my translation).

Likewise the Danish “national-conservative” political scientist Søren Hviid Pedersen believes that the “political parties are blackmailed by the voter segments who live on public benefits.” He proposes abolishing universal suffrage and replacing it with a requirement that you “have a job or similar before you before you receive the privilege to vote and in principle make decisions about other people and their resources and property.” (Pedersen, ‘Velstandens Forudsætninger’- my translation).

These are perfect examples of what Jacques Rancière calls “the new hatred of democracy” which is “simply the hatred of equality” (Rancière, *Hatred Of Democracy*, 3, 68).

<sup>381</sup> APSA Task Force on Inequality and American Democracy, ‘American Democracy in an Age of Rising Inequality’. The findings of the task force are published in Jacobs and Skocpol, *Inequality and American Democracy*.



opinion polls with the data on which policies were adopted by lawmakers. Of course, not all policy opinions are uniformly correlated with income distribution but for those that are the results of this extensive research show that the “majorities of the American public actually have little influence over the policies our government adopts.”<sup>382</sup> The main predictor of whether a policy is enacted is whether it is favored by the “economic elites and organized groups representing business interests” while “average citizens and mass-based interest groups have little or no independent influence.” In a paper with Benjamin I Page, Gilens, therefore, rejects the theories of majoritarian electoral democracy based on “rational models of electoral competition that include no societal actors other than average citizens.” Such a theory should predict “that the influence upon policy of average citizens is positive, significant, and substantial while the influence of other actors is not” but clearly “the median citizen or “median voter” at the heart of such theories “does not do well when put up against economic elites and organized interest groups.”<sup>383</sup>

This study of political influence only consists of data allowing for analysis of the differences between the median-income voter (the fiftieth income percentile) and the most affluent 10% (the ninetieth percentile) so it vastly underestimates the political power of the truly rich. Using more refined data on US distributions of income and wealth Page and Jeffrey A Winters construct several “Material Power Indices,” which suggest that “the wealthiest Americans may exert vastly greater political influence than average citizens.”<sup>384</sup> In particular, they focus on the ways in which the combined political power of a very small group of the wealthiest (the top tenth of 1 percent of US households) “may well be sufficient to dominate politics on key issues of most intense interest to that group.” In certain key areas, the influence of the economic elite is so powerful that the authors find it reasonable to talk about an actual *oligarchy*. Among these areas are the international economic policies regarding trade, monetary policy, and financial regulation and taxation. These are policies that guide the basic economic structures in which we all live and as such should be subject to the reflective scrutiny in Rawls’ theory of justice.<sup>385</sup>

If these findings on the effects of inequality on democracy are just halfway correct, then we have good reason to be concerned about the structural relations between members of a society. Inequality matters independent of whether the poor are better off in ab-

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<sup>382</sup> Gilens and Page, ‘Testing Theories of American Politics’.

<sup>383</sup> Gilens and Page.

<sup>384</sup> Winters and Page, ‘Oligarchy in the United States?’

<sup>385</sup> Rawls’ *A Theory of Justice* did not address the topic of global justice and the fairness of international background institutions, but many other did apply his theory to these issues. It was therefore a great disappointment to those he had inspired when he in 1999 published the book *The Law of Peoples* in which he expressed a much more conservative view on global justice than had on national issues. For some of this debate, see Pogge, ‘An Egalitarian Law of Peoples’; Buchanan, ‘Rawls’s Law of Peoples: Rules for a Vanished Westphalian World’; Beitz, *Political Theory and International Relations*, 128; Pogge, *Realizing Rawls*, 246; Gosepath, ‘The Global Scope of Justice’; O’Neill, *Bounds of Justice*, 133.

solute material standards if we want a society in which all members feel they have an equal say and a chance of influence. This is increasingly important as the amount of wealth - and thereby of political power - that is concentrated in the hands of a tiny global minority is steadily growing. A research paper published by Oxfam shows that the richest 1 percent globally “have seen their share of the world’s wealth increase from 44 percent in 2009 to 48 percent in 2014 and at this rate will be more than 50 percent in 2016.” Or, to take an even narrower focus: 80 extremely rich people “now have the same wealth as the bottom half of the world’s population, down from 388 in 2010.”<sup>386</sup> This is in a period where the financial crisis of 2008 and the subsequent austerity policies have meant that the economy as a whole has not been growing at a similar rate and that the majority of the populations have been receiving a smaller share. If a mere fraction of this massive amount of wealth is spent on lobbying for policies or on financial decisions that have direct or indirect impacts on people’s lives then this economic reality paints a picture of intensive political domination far from the flat landscape in which we are all “free and equal” individuals and the state is the neutral arbiter of conflict or implementer of the “common will” of the majority.

In this situation, as Rawls writes, it is no wonder if “the less favored members of society, having been effectively prevented by their lack of means from exercising their fair degree of influence, withdraw into apathy and resentment.”<sup>387</sup> This development is of course not the one Rawls envisioned.<sup>388</sup> He too was appalled by gross inequalities - particularly those that lead to inequality of opportunity and influence. But I think Rational Choice Theory is ill-suited to lock on to the problem of structural inequality due to its premise upon the disembodied and non-relational model of the self which neglects important elements of both the human condition and power dynamics. The effects of inequality cannot be reflected in a model of socially abstracted and mutually disinterested individuals. To his credit, after writing *A Theory of Justice*, Rawls acknowledged that the commitment to RCT had been a mistake.<sup>389</sup> I also believe there is a flaw in the primacy of elevating the living standards of the worse-off that might make us miss the bigger picture

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<sup>386</sup> Hardoon, ‘Wealth: Having It All and Wanting More’.

<sup>387</sup> Rawls, *A Theory of Justice*, 198.

<sup>388</sup> In an obituary for Rawls, Ben Rogers writes: “The 25th anniversary, four years ago, of *A Theory of Justice* was marked with a large conference at Santa Clara. Rawls expressed his concerns about developments in the US with surprising force. He is especially exercised by the way in which the lack of limits on political donations is being allowed to distort the political process; in Rawlsian terms, the value of political liberty is now almost infinitely greater for some than it is for others. I think,’ says Joshua Cohen, ‘his hopefulness has been shaken by the world. His feelings have soured.” (Rogers, ‘John Rawls’).

<sup>389</sup> Rawls writes in 1985 that “it was an error in *Theory* (and a very misleading one) to describe a theory of justice as part of the theory of rational choice” (‘Justice as Fairness: Political Not Metaphysical’, 237, fn. 20). And in his last work, he says it was a mistake that “would imply that justice as fairness is at bottom Hobbesian” (*Justice as Fairness: A Restatement*, 82, fn. 2). In the latter work, he also mentions the need to prevent the more advantaged from exploiting “their market power to force increases in their income,” although he still considers this a market failure not a market feature (67).

of structural inequalities. Throughout the capitalist era (and perhaps before) it has been said about any development that has concentrated societal wealth in still fewer hands that at least the poor are better off now than they were before. And critics of these developments have been dismissed as envious and irrational as if they would, in the words of Margaret Thatcher, “rather that the poor were poorer, provided that the rich were less rich.”<sup>390</sup> It is not unreasonable, though, to be worried about the wealth of the rich, as that wealth wields power over the rest of society and decides what we can do.<sup>391</sup> The individualist assumption implies that we should only be concerned with the size of our own piece of the pie but ignores that the relations between us affect the overall distribution and quality of the pie. To lock on to the question of distributive and political justice we need to not merely focus on the well-being of the *least favored* members of society but also on the influence and wealth of the *most advantaged* - they are, after all, those who have the largest say in how the pie is distributed and made.<sup>392</sup>

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<sup>390</sup> Thatcher, *House of Commons Debate* 22. November 1990.

<sup>391</sup> “Inequality often leads to conditions of power imbalance [...] The imbalance does not only consist in the rich being powerful while the poorer tend to have little power over their environment but that those of greater means can wield power over people of lesser means.” (Eyja, *The Reality of Money*, 104).

<sup>392</sup> For an analysis of the general failure of liberal philosophy to treat the most advantaged members of society as a distinct group in need of regulatory attention see Jeffrey E Green’s ‘Rawls and the Forgotten Figure of the Most Advantaged’.

## **CHAPTER 6:**

# **METHODOLOGY IS IDEOLOGY**

### **6.1 Anthropological Assumptions as Ideological Concealment**

In the previous chapters I have given a critical examination of the, in my view, overly abstract and individualistic anthropological assumptions that underlie so many political, social and economic theories - from the philosophies of Hobbes and Rawls to the Rational Choice-based analyses which provide arguments and recommendations for institutional policies today (more on that later). In this examination, I have shown the strong similarities in the assumptions about 'human nature' - assumptions concerning human preferences and motivations, rationality, and cognition, which lead to assumptions about inter-human relations and behavior and thereby to conclusions about institutional design. The epistemic and ontological attitudes towards this anthropological premise may vary - for Hobbes, it seems to be a descriptive and universal claim about human 'nature,' for Rawls, it is merely a heuristic device that allows us to consider his principles of justice from a certain perspective, and for the economists and Rational Choice theorists, it works as either a strong assumption about how people actually behave if not most of the time then at least when they are in specific circumstances, or as a pragmatic "as if"-assumption that can be used in predictive models about human behavior regardless of how adequately it describes the internal human thought processes of the actual humans - but their theories and models are all premised upon the model of human agents as radically separated individuals seeking to maximize and realize their private preferences which are formed independently of other human agents. These individuals apparently come into existence with their preferences and values fully formed and only then do they "enter" society and engage with other subjects. Thomas Hobbes sums up this view when he said:

Let us return again to the state of nature, and consider men as if but even now sprung out of the earth, and suddainly (like Mushromes) come to full maturity without all kind of engagement to each other.<sup>393</sup>

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<sup>393</sup> Hobbes, *De Cive*, 117.

The flaw in this metaphor is clear even when we examine it at face value: Mushrooms do not suddenly spring out of the earth as isolated and self-sustaining individual entities. An individual mushroom is merely a fruiting body that grows out of a larger organism, the mycelium, which may be hidden from plain sight but nonetheless provides the mushrooms with nutrition. And this living culture is itself part of and dependent upon other organisms in its surroundings. Likewise, no living human suddenly spring into existence - we grow out of biological, social, and cultural relations and dependencies which provide us with nurture and nutrition and shape us in all sorts of ways both from the beginning and during our development. A political theory that stipulates human beings as fundamentally independent agents with “no engagements to each other” is one that is premised upon an absurd view of humans and nature. As Seyla Benhabib writes:

This vision of men as mushrooms is an ultimate picture of autonomy. The female, the mother of whom every individual is born, is now replaced by the earth. The denial of being born of woman frees the male ego from the most natural and basic bond of dependence. [...] Yet this is a strange world; it is one in which individuals are grown up before they have been born; in which boys are men before they have been children; a world where neither mother, nor sister, nor wife exist.<sup>394</sup>

This theoretical premise creates political theories that are in a certain sense deeply *apolitical*. They start with a theory of human nature as a pre-political and pre-theoretical foundation which is simply to be taken as a given - either as a “natural fact” or as the most “rational” (i.e., not burdened by social positions, preferences, and desires, embodiment, etc.) starting point - and proceed to deduce social and institutional conclusions as if they follow logically from this ostensibly non-normative axiom. Iwao Hirose explains this type of formal political analysis which “reduces political behavior and phenomena to a model represented by mathematical and logical symbols”:

Axiomatic analysis starts with a set of abstract conditions (axioms), each of which is believed to be true, and reaches a conclusion (theorem) that is proved to be logically true from that set of conditions through the process of reasoning (proof) alone.<sup>395</sup>

The axioms in Hirose’s essay as well as in works in political and economic theory concern human “nature” and behavior. These are to be taken at face value and seen as independent of the political and social system that derives (“logically”) from them. The theorist is then not making a normative claim but is merely acting as a neutral observer. Political theory and normative theory in general, thus become de-normatized and reduced to logical deductions. This desire to establish a foundation outside of normative theory is un-

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<sup>394</sup> Benhabib, ‘The Generalized and the Concrete Other’, 84–85.

<sup>395</sup> Hirose, ‘Why Be Formal?’, 70–71.

derstandable but it is fundamentally flawed. Like Archimedes' request for a fixed point to stand on which would allow him to move the world, the search for a fixed human nature *outside* of the social conditions - outside the *world* - is bound to be in vain because to be *in* the world and to be affected by environment and social relations is an integral part of *what it is* to be a human.<sup>396</sup> As biologist Rachel Carson said: "It is impossible to understand man without understanding his environment and the forces that have molded him physically and environmentally."<sup>397</sup>

Likewise, it is fruitless to attempt to establish a non-normative philosophical anthropology. At best it will amount to a thin collection of universal biological needs which, though certainly important, do not provide much foundation for a political theory.<sup>398</sup> And at worst it works as *ideological concealment* when the so-called neutral premise is itself deeply political but claims to be otherwise. The latter is the case in theories that start with the assumption of solitary, atomistic individuals and use them as building blocks for a theory of the social relations that such entities would have and the institutions that would be necessary to regulate these relations. First, such individuals do not exist - they are a fantasy used to create abstract models that might work on paper but have little to do with the world inhabited by real humans who are constantly embedded in relations that constitute their world and their subjective being. Secondly, to use this individualist model "as if" it was true as a premise for normative theory is to hide the normative conclusion in the premises: The theory of the solitary individual who has nothing but his own private preferences and is thus only concerned with maximizing these is itself normatively loaded and biases the political theory in certain directions before it has even presented its arguments. By taking various assumptions about "human nature" for granted a political theory may end up with a political vision that is designed to accommodate exactly these traits and thereby lead to policy prescriptions that reinforce the behavior that was originally assumed to be "natural."<sup>399</sup>

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<sup>396</sup> For phenomenologists like Husser and Heidegger it is a central focus how being in the world is constitutive for subjectivity (Scherer et al., 'Das In-der-Welt-sein').

<sup>397</sup> In her 1952 acceptance speech for the National Book Award, quoted in Code, *Ecological Thinking*, 37.

<sup>398</sup> Not that knowledge about our biological needs is unimportant for political theory - on the contrary. As Lena Gunnarsson writes "a crucial aspect of our freedom, which is an essential goal of feminist politics, is to have our needs met [...] The struggle for political change would lose its meaning unless we were part of a natural world that constrains and partly directs our lives by making us suffer under certain social conditions and thrive under others." ('The Naturalistic Turn in Feminist Theory', 10, 17). Philosopher Martha Nussbaum and economist Amartya Sen have also argued for basing political/economic theories on an analysis of basic human needs (Nussbaum, *Women and Human Development*; Nussbaum and Sen, *The Quality of Life*). I share these authors rejection of radical, normative, cultural relativism, although I still emphasize that human biological needs are expressed in many different ways in different contexts (the need to eat is universal, but how it is expressed is shaped by the social, cultural and technological conditions), so the recognition of the universal / biological can only be a starting point of a theory, not the whole of it.

<sup>399</sup> Michael Taylor discusses the problem of justifying political authority by appeals to human nature when that "nature" might merely be an expression of the human condition under political authority. Ferraro et al describes how language and assumptions of economics shape institutional design and management practices, as

Barry Schwartz, Richard Schuldenfrei, and Hugh Lacey write about this phenomenon in their critical examination of B.F. Skinner's behaviorist psychology according to which human and animal behavior can generally be explained as conditioned reactions to antecedent stimuli, rewards, and punishments, that either promote or discourage certain behavioral patterns.<sup>400</sup> They note that such a causal effect might indeed be observed during tests in a laboratory, but that this does not mean it reveals anything about how behavior is generated in a natural environment.<sup>401</sup> The assumption that this is the driving force in animal behavior leads the experimenter to design the laboratory setting in a way that will “virtually guarantee the confirmation of principles of behavior analysis since the introduction of clearly discernible contingencies of reinforcement tends to supplant other modes of control normally or previously operative upon the organism's behavior.”<sup>402</sup> The application of certain principles based in the behavioral theory in social institutions “may transform those institutions so that they conform” to the principles, reinforcing the behavior they took for “natural.” Such experiments “create phenomena rather than analyzing naturally occurring ones.”<sup>403</sup>

They do not deny that it is possible to go out in society and find people who confirm the behaviorist model. But our society is not a “neutral” or a “natural” setting unaffected by behaviorist principles. Humans have long been subjects to a form of laboratory experiment designed precisely to train us to perform certain tasks in order to receive rewards or avoid punishment. They argue that Skinnerian psychology is a quite apt description of factory work-life as it came to be designed by the “scientific management” theories of Taylor and others in the 19<sup>th</sup> and 20<sup>th</sup> centuries. The goal of this management theory was to minimize the complexity and number of operations a given worker had to perform and to remove the worker's control over how to perform them. By reducing productive life to a set of menial maneuvers, all creative independence and intrinsic motivations could be taken out of the process, and the work could be controlled by an equally “scientific” incentive structure in form of salaries based on specific criteria (speed of operations, time put in, etc). This management theory was based on psychological assumptions not unlike

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well as social norms, thereby “creating the behavior they predict.” Elinor Ostrom has examples of how assumptions of human nature leads to models and policies that create the conditions the model assumed to exist by default. Another example is Cordelia Fine's analysis of how assumptions about gender differences can help create gender differences, and finally I have analyzed how “realism” in political theory creates reality in relation to climate disasters. (Taylor, *The Possibility of Cooperation*, 177; Ferraro, Pfeffer, and Sutton, ‘Economics Language and Assumptions’; Ostrom, *Governing the Commons*, 1990, 23, 177; Fine, ‘Explaining, or Sustaining, the Status Quo?’; Sandberg, ‘Climate Disruption, Political Stability, and Collective Imagination’).

<sup>400</sup> Schwartz, Schuldenfrei, and Lacey, ‘Operant Psychology as Factory Psychology’.

<sup>401</sup> Lorraine Code makes a similar epistemological critique of studying animals in laboratory and then claiming the observations can be extrapolated to how they would behave in their natural environment (Code, *Ecological Thinking*, 41).

<sup>402</sup> Schwartz, Schuldenfrei, and Lacey, ‘Operant Psychology as Factory Psychology’, 231.

<sup>403</sup> Schwartz, Schuldenfrei, and Lacey, 230, 233.

those of behaviorism and they created conditions that allowed behaviorists to observe the human tendency to conform to those conditions. That does not mean they are universal or ahistorical descriptions of how humans behave in other conditions. What scientific management theories did to workers in a particular period of capitalism, Skinnerian psychology proposed to do to the rest of society:

More and more, behavior principles developed in the laboratory are becoming a central part of management in human social institutions. In hospitals, in schools, in factories and in prisons, the introduction of contingencies of reinforcement brings the behavior of the target individuals under control. Each new success in application is taken as confirmation of the underlying theory. [...] Hospital, prison and classroom behavior will be understood in terms of operant principles because operant theory will remake them in its own image. The more that operant theory is applied, the more it will be confirmed.<sup>404</sup>

We would therefore do wisely question such assumptions about “human nature” when they are used to argue for the legitimacy (or even necessity) of certain social relations and political institutions - as if there was a fixed “human nature” independent of the social and political relations. Even to the extent that the assumptions seem to correspond with our observations of actual human behavior, this might mean nothing more than that we have observed how human beings behave in the political system which we currently inhabit, which is hardly an ‘external’ and ‘objective’ point that can be used to claim anything about the normative legitimacy of the system. This does not mean we cannot do political and social analysis and theory, but rather that we might have to turn it upside down: Rather than claiming to start with normatively “neutral” assumptions about human “nature” independent of social relations and structures, we have to position ourselves in the world and examine how social structures constrain and shape concrete human subjects, their behaviors, preferences, and relations. I thus agree with Charles W Mills’ critique of ‘ideal theory’ and his defense of ‘nonideal theory’ which “recognizes that people *will* typically be cognitively affected by their social location, so that on both the macro and the more local level, the descriptive concepts arrived at may be misleading.”<sup>405</sup> By acknowledging that we are, at least partly, products of the social world we live in, the normativity is embedded in the theory from the beginning: not as an ideal concept of justice but as socially situated and embodied reflections from the standpoint of a person in *this* world. There is no value-free Archimedean point outside the world.<sup>406</sup>

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<sup>404</sup> Schwartz, Schuldenfrei, and Lacey, 230, 252.

<sup>405</sup> Mills, “‘Ideal Theory’ as Ideology”, 175.

<sup>406</sup> And from outside the world, we would not know what to value. As Thomas Nagel says: “on a conception of the world from nowhere, one would have no way of telling whether anything had value.” (Nagel, *The View From Nowhere*, 147).



## 6.2 The Bias of Methodological Individualism

Let us do a quick summary of the axiomatic assumptions that are commonplace in both economic and political analyses. They start with what is supposed to be non-controversial statements about the solid building blocks of their social models - the individuals - and then proceed to derive the social conclusions from this ostensibly non-normative starting point. The initial assumptions thus come with the concept of *methodological individualism* - the claim that “social phenomena must be explained by showing how they result from individual actions, which in turn must be explained through reference to the intentional states that motivate the individual actors.”<sup>407</sup> While this assumption might seem rather innocent, I believe it puts some serious constraints and biases into the analyses from the beginning. Karl Popper defines methodological individualism as:

[T]he important doctrine that all social phenomena, and especially the functioning of all social institutions, should always be understood as resulting from the decisions, actions, attitudes, etc., of human individuals, and that we should never be satisfied by an explanation in terms of so-called 'collectives' (states, nations, races, etc.).<sup>408</sup>

And says that it:

[R]ightly insists that the 'behaviour' and the 'actions' of collectives, such as states or social groups, must be reduced to the behaviour and to the actions of human individuals.<sup>409</sup>

On the surface, this is rather obvious and unproblematic. I wholeheartedly agree that it is dangerous to reify political institutions and social groups into ontological entities with existence and agency independent of the concrete individuals who compose them and act in their name. Ontologically it is not the State that imprisons its citizens or bombs other countries - it is the various human actors who act with the political authority of “the state” and in that function. On the other hand, it is far from obvious that these actors do not commit their acts due to motivations and interests that follow from the particular political institution they are embedded in. An agent of the state is not *merely* an individual, they are individuals with certain social roles in social institutions and structures, and it makes little sense to analyze their behavior and interests abstracted from these - in a social vacuum.<sup>410</sup> This is especially true in a political institution or a social structure characterized by hierarchy - of asymmetrical power relations. In stratified societies, different

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<sup>407</sup> Heath, ‘Methodological Individualism’.

<sup>408</sup> Popper, *The Open Society and Its Enemies*, Vol. 2, 2:91.

<sup>409</sup> Popper, 2:87.

<sup>410</sup> For an introduction to the debates on methodological approaches within social science, see Brian Epstein’s *The Ant Trap*; for a detailed interrogation of the schools and debates within particularly the Rational Choice approach to methodological individualism, see Lars Udehn’s *Methodological Individualism*.

agents have different interests and motivations and cannot be considered to be mutually replaceable as if these structures do not matter. For example, as Susan Moller Okin writes in her critique of Rawls and other political theorists, the gender-neutral language of contemporary political theorists “frequently obscure the fact that so much of the real experiences of ‘persons,’ so long as they live in gender-structured societies, *does* in fact depend on what sex they are.”<sup>411</sup> The same is true for any other position within an asymmetrical structure. There is a paradox in this individualism, as Lorraine Code points out: It refuses to distinguish between individuals. It “reduces and assimilates “natural” and social-political-ecological differences under its universality and objectivity requirements,” treating persons as infinitely replicable and mutually replaceable units.<sup>412</sup> Seyla Benhabib raises the same critique of the “universalistic moral theories in the Western tradition from Hobbes to Rawls” which relies on a “generalized other” that can be substituted for any other as it is representative of “the human as such.”<sup>413</sup> Concrete individuals are not interchangeable units, that can be modeled to have the same behavior.

While the reification of political institutions and social groups is indeed politically dangerous - it obscures the agency and responsibility from the individuals who have vested interests in those institutions and structures - so is the complete abstraction from them by reducing all behavior and interest to those of abstract individuals.<sup>414</sup> That places the responsibility squarely on the single individual who is analyzed as acting in no structure at all and with no situatedness that gives rise to the preferences and interests leading to the action. Mary Hawkesworth summarizes:

Thus, methodological individualism has the unsavory effect of masking both group inequalities and the political production of raced and gendered subordination. Individualist assumptions can also have adverse policy consequences. By downplaying the role of the state in producing and sustaining inequality, erroneous presumptions about equality can individualize blame for unequal social conditions.<sup>415</sup>

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<sup>411</sup> Specifically addressing Rawls, she writes: “The coherence of Rawls’s hypothetical original position, with its unanimity of representative human beings, however, is placed in doubt of the kinds of human beings we actually become in society differ not only in respect to interests [...] but also in their basic psychologies, conceptions of the self in relation to others, and experiences of moral development [...] the experience of being primary nurturers (and of growing up with this expectation) also affects the psychological and moral perspective of women, as does the experience of growing up in a society in which members of one’s sex are in many ways subordinate to the other sex.” (Okin, *Justice, Gender, and the Family*, 11, 106).

<sup>412</sup> Code, *Ecological Thinking*, 80, 133.

<sup>413</sup> Benhabib, ‘The Generalized and the Concrete Other’.

<sup>414</sup> Vilhjálmur Árnason, who chaired the parliamentary Working Group on Ethics studying the causes of the 2008 financial crash in Iceland, concludes that “methodological individualism is gravely misleading and inadequate to deal with such a complex net of relations as that which existed during the events preceding the meltdown. In addition to analyzing the interplay between the social actors, we must factor in the enabling background conditions, structural processes, institutional culture, and social norms that contributed to the event.” (Vilhjálmur, ‘Something Rotten in the State of Iceland: “The Production of Truth” about the Icelandic Banks’).

<sup>415</sup> Hawkesworth, *Embodied Power*, 43.

While social phenomena in a certain obvious way wouldn't exist without the individuals who create and constitute them, it is less obvious that the individuals would exist *in the same way* without the social phenomena that they are part of. It is problematic to reduce social practices to the intentional actions of individuals if those actions only make sense for the individuals within the social practices we are trying to explain. As one of the founders of the individualist Rational Choice Theory, Kenneth Arrow, later acknowledged: "It is a touchstone of accepted economics that all explanations must run in terms of the actions and reactions of individuals." Yet "Individual behavior is always mediated by social relations. These are as much a part of the description of reality as is individual behavior."<sup>416</sup> The atomistic building blocks of the individualist model are the individual who has certain intentional states - motivations, preferences, etc - but we cannot go further and ask *where* those intentional states come from, *how* they are created and how they are continuously *shaped* and *altered* by states of affairs outside the individual (including the engagement in social practices and structures). Intentional states thereby become something that is both an unexplained *given* and *static*: The individual enters the social model fully equipped with intentions and preferences which do not change - such an inner change would require an external explanation whereby the social would be the causation of the individual which would reverse the explanatory model.

Methodological individualism is not such an innocent principle as it easily brings with it other forms of individualism with more ideological content: Ontological/sociological and normative/moral individualism. The assumption that *self-interest* is the dominant or most functionally relevant human motivation is virtually standard in economic theory and prevalent in political and social analysis. Selfishness, the principle that individuals only care about their own interests, is of course a form of individualism, and it follows very easily from the methodological approach. If social outcomes are to be reduced to the behavior and intentions of solitary individuals and the intentional states of these individuals cannot be explained by reference to anything outside the individual - such as social practices, structures, interactions, etc. - then we must reduce human motivations to those that are purely self-centered and self-derived. To be motivated by other-directed feelings or by normative principles concerning what is "right" requires the prior existence of social life and practices which influence the individuals and shape their preferences and values. But methodological individualism prohibits us from giving priority to such social connections and thus builds a model of socially abstract individuals who are the solitary origins of their own inner life. If you are to only consider your preferences in isolation from others, then they must be self-centered preferences. And if the social theo-

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<sup>416</sup> Arrow, *Social Choice and Individual Values*.

rists take such atomistic individuals as the building block of his model then they will be self-centered individuals. As Carole Pateman says:

If the individual is seen in the abstract, in complete isolation from other beings, then all 'his' judgements and actions are based solely on his own subjective viewpoint - what other viewpoint is there for such a creature? That is to say, the individual's reasoning will be entirely self-interested.<sup>417</sup>

### 6.3 Self-Realizing Assumptions?

The assumption of self-interest is usually just a descriptive claim, not a normative one, and theorists rarely claim that it is the only motivation that drives humans, merely that it is the stable and functionally relevant one that can be used in predictive models: People might act for all sorts of reasons but in the grand scheme of things they follow the model of self-interest. Another claim might be that the assumption of self-interest provides for the most robust social and political models: It allows for the design of institutions that can survive if people are on their worst behavior. Should they turn out to be more cooperative then so much the better. These defenses all rest on too strong separations of descriptive and normative claims, of social theory and social practice, and on the idea of human motivations as stable and unaffected by social norms and structures.

First, the layperson in the general public - whom policies and analyses are about - is not separated from the scientific and policy-making communities; they are not immune to claims made in that community. When scientists or others with epistemological authority make claims about the world and state them as facts, people tend to listen and, at least sometimes, adjust their behavior accordingly. When individual self-interest is consistently “enthroned as the cardinal human motive” in social sciences, even if it is merely a descriptive claim, this will have an impact on people’s understanding of the world, their social relations, and their behavior.<sup>418</sup> When the theory that we are all motivated by self-interest is disseminated into society almost as a “natural law” it becomes more than a dubious descriptive claim: It becomes a *norm* that people try to obey - or at least they will adjust the explanations for their behavior so it is more in line with what they perceive to be the accepted norm. The result is that whenever “people are inclined to take actions or express opinions (positive or negative) that are not anchored in self-interest they tend to

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<sup>417</sup> Pateman, *The Problem of Political Obligation*, 25.

<sup>418</sup> Miller, ‘The Norm of Self-Interest’.

inhibit themselves for fear that such behavior will be regarded as unnatural and deviant.”<sup>419</sup>

The more one is exposed to this norm the stronger it gets internalized. Those who specialize in a field centered on the basic assumption of rational self-interest being the primary or only human motivation tend to project this motivation onto their fellow humans. Economists, for example, often predict much lower rates of cooperation than what is actually displayed by ordinary people and they tend to act less cooperatively than those who have not extensively been told which behavior is “natural.” This is not merely a matter of selfish people self-selecting to specialize in a field that matches their world-view but rather that “exposure to the self-interest model does in fact encourage self-interested behavior.”<sup>420</sup> Culture and situations are also relevant factors: A study on honesty in the financial culture did not find any differences in honesty among people of different occupations, but when the bank employees were reminded of their professional identity, a “significant proportion of them become dishonest.”<sup>421</sup> Another study showed that as a group economists cooperated less than others, but some still contributed to the public good despite what their model had taught them. The reason they did is probably the same that most ordinary people had: They did it because they thought it was the right thing to do according to some standard of fairness. But unlike the control groups, the economists had a hard time accepting and articulating this motivation - maybe because it does not figure in their standard models:

More than one-third of the economists either refused to answer the question regarding what is fair, or gave very complex, uncodable responses. It seems that the meaning of 'fairness' in this context was somewhat alien for this group. Those who did respond were much more likely to say that little or no contribution was 'fair.' In addition, the economics graduate students were about half as likely as other subjects to indicate that they were 'concerned with fairness' in making their decisions.<sup>422</sup>

For this reason, it is fundamentally problematic to postulate a specific motivational stance as “human nature” - even if this claim is based on empirical observations of people’s actual behavior and their explanations of said behavior - as the prevalence of the attitude may be the result of an ideological norm that people have adopted because they have been told it is the natural condition. The inclination to contribute to the common good or take a risk by cooperating, even when that is what the agent considers the right thing to do, will also be severely inhibited by the suspicion that no-one else shares that

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<sup>419</sup> Miller.

<sup>420</sup> Frank, Gilovich, and Regan, ‘Does Studying Economics Inhibit Cooperation?’

<sup>421</sup> Cohn, Fehr, and Maréchal, ‘Business Culture and Dishonesty in the Banking Industry’.

<sup>422</sup> Marwell and Ames, ‘Economists Free Ride, Does Anyone Else?’

inclination, which is a message that is disseminated widely by the political and social models. If we tell people that everybody is acting selfish, then selfish behavior is what we will get. By studying people in a given society we do not necessarily learn anything about the “natural” human. But we might learn something about the attitudes and norms that are promoted by this society. The assumption of selfishness and rational economic calculation as the primary human attitude can also lead to policies that affirm this assumption and makes it become reality and yet lead to behavioral results opposite of what was intended. Policymakers who assume their subjects are motivated only by rational interest will create regulations based on the principle of modifying the objective incentive-structures: Assuming people’s preferences are stable, policy-makers can make the fulfillment of a politically undesired preference more expensive and thus reduce certain behaviors. In theory that is. This approach may work in social situations where people already have the economic and self-interested mindset but in other situations, it may change the framing of the situation in a way that *activates* this mindset and *overrules* other attitudes that may have existed otherwise.

Take the mundane example of picking up your children from daycare: Most institutions know the problem of parents occasionally picking up their children too late which means the staff has to work after hours - often without compensation. An approach that would resemble that of standard political and economic theory would then be to introduce some kind of fine for violating the established closing-time of the institution. If parents are rational economic agents, they would then be assumed to consider this cost when they make their decision. And indeed they do, but instead of reducing the frequency of parents being late it actually *increases* it! In the normal situation, parents may be aware that they are burdening the staff and that it is wrong to be late - they might be motivated by something as old-fashioned and uneconomic as “conscience” and feel ashamed when they are faced with the tired caretaker who wants to go home. After the introduction of the fine things change: There is no longer any reason to feel shame as the social interaction has now been *reframed* as an economic transaction and the ethical considerations have been reduced to a cost-benefit analysis. The fine prompts the parents to consider the pros and cons of being late in financial terms and if they decide that they can afford to pay the price then this policy may instead reduce their social inhibitions against being late: After all, they paid for it so it cannot be wrong.<sup>423</sup> Thus the assumption that

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<sup>423</sup> This example is from a study conducted in Israeli daycares, see: Gneezy and Rustichini, ‘A Fine Is a Price’. A further interesting result is that once the fine was introduced triggered in the parents the late frequency not only increased during a test-period but stayed higher than normal after the fine was removed. Thus once the economical mindset was activated among the parents it was difficult to reactivate the old social mindset - after all, now that the parents were in the habit of doing cost-benefit analyses the removal of the fine just made it free to be late.

people are motivated by rational-economic self-interest results in policies that make this assumption become true but the social and behavioral consequences can be the opposite of what the theoretical model expected because it did not include the existence of other motivational factors or consider the ways the structural reforms can alter attitudes.

This is but one example but several other experiments show similar results.<sup>424</sup> This is a strong argument against the thesis that the assumption of self-interested and incentive-driven agents provide for the most “robust” social model, as Rawls seems to argue when he dismisses other-directed motives as those governing “an association of saints.”<sup>425</sup> This thesis is built on the idea that whereas some of us may act according to moral considerations at least some of the time it cannot hurt to introduce material incentives (be they economic or punitive) to help us make the right decisions: If we do indeed do the right thing for the right reasons it merely adds an extra reason to do the right thing. But different attitudes are not always separate things that can be added to each other cumulatively. Sometimes, as we have seen, having one attitude towards a situation means entering one mindset and abandoning another, thereby overruling the reasoning and attitudes which were relevant in that state. The effect of material interests and other motivations is thus not additive but interactive: “appeals to self-interest and to morality activate different cognitive and neurological processes” which can be in conflict.<sup>426</sup>

## 6.4 The Centrality of Conflict Begg the Question

Of course, this does not mean we adopt the opposite assumption and claim altruism as universal “human nature.” Quite the contrary, we should be aware that human behavior and motivation is a result of constant interpretations concerning what is expected in various social situations and structures and that the social models we build - particularly when they are implemented as policies - affect this evaluation and thus shape the human behavior. To assume a fixed and stable set of preferences and attitudes as independent of the social realm and then build a social theory upon this abstract fiction is to conceal one’s ideological project: It creates a social model designed for specific social creatures but ignores its own role in designing these creatures. The individualist approach is not ideologically neutral: It results in a model that highlights certain social problems and

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<sup>424</sup> For an overview see Bowles, ‘Policies Designed for Self-Interested Citizens May Undermine “The Moral Sentiments”’.

<sup>425</sup> Rawls, *A Theory of Justice*, 112.

<sup>426</sup> Bowles, ‘Policies Designed for Self-Interested Citizens May Undermine “The Moral Sentiments”’.

leads to certain political solutions to those problems. The primary flaw is its incapacity to understand and model how people's preferences and attitudes are shaped and adapted - their plasticity and context-dependency.

In my opinion, one of the more absurd results is the literature devoted to the so-called voting paradoxes like "Arrow's impossibility theorem" according to which there can be no truly democratic procedure for ranking social outcomes if the individual voters have different and conflicting preferences for each of them.<sup>427</sup> This rests upon an abstract mathematical model build upon "the assumption that individual desires for social alternatives are formed in the individualistic way."<sup>428</sup> It assumes that people's preferences are derived in isolation by solitary individuals who are not shaped by the same society and thus do not have overlapping values, and furthermore that their social preferences are fixed and unaltered by the deliberative process. If people are isolated from each other, and yet somehow have formed preferences about a social order in this state of isolation, then of course there is no way to mediate between these preferences. All there can be is either conflict, as in the state of nature, or a strategic consensus based on individual calculations, a *modus vivendi*. Neither is an expression of an actual commitment to the result and can result in opportunistic changes of behavior because the initial preference remains intact.

We do not need to choose between this model where disagreements are fundamentally impossible to settle and "an association of saints agreeing on a common ideal" where "disputes about justice would not occur."<sup>429</sup> But instead of thinking of individuals as having to invent their values and preferences *ab initio* in an abstract vacuum, we could assume that they are actual, living humans who live in a social community and thus might have *some* basic values in common. Of course, no society is monolithic, particularly not socially stratified and unequal ones where different positions give rise to different values and preferences, so there will still be some conflict but now based on something more substantial and non-arbitrary.<sup>430</sup> Neither do we need to subscribe to the idea that once people have formed a preference or any other intentional state, this is carved in stone and unaffected by the preferences and interests of other people. If our preferences are interdependent and relational, and if we can communicate with others, we can adapt to and change with our interactions in a social setting. In short: People who have *some* level of

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<sup>427</sup> Arrow, 'A Difficulty in the Concept of Social Welfare'.

<sup>428</sup> Arrow.

<sup>429</sup> Rawls, *A Theory of Justice*, 112.

<sup>430</sup> "On closer inspection it is to be seen that there is not merely one complex of collective experience with one exclusive tendency, as the theory of the folk-spirit maintained. The world is known through many different orientations because there are many simultaneous and mutually contradictory trends of thought (by no means of equal value) struggling against one another with their different interpretations of 'common' experience." (Mannheim, *Ideology and Utopia*, 241).



affinity and who engage in direct and deliberative discussions rather than an impersonal anonymous voting process could feasibly come to change their preferences after considering the opinions, experiences, and interests of the others.<sup>431</sup> Kenneth Arrow himself was aware of this. In his original article he wrote that the conclusion would be different given different more realistic assumptions:

Part of each individual's value system must be a scheme of socio-ethical norms, the realization of which cannot, by their nature, be achieved through atomistic market behavior. These norms, further, must be sufficiently similar among the members of the society to avoid the difficulties outlined above.<sup>432</sup>

Arrow's theorem was thus not much more than an abstract mathematical puzzle. Yet his theorem became one of the founding texts of RCT for decades to follow, influenced the discipline of Welfare Economics, and "set much of the agenda for contemporary social choice theory."<sup>433</sup> William Riker and James Buchanan used it to argue that popular democracy is inherently flawed and that most social choices should be left to individual actors in the market (deliberately ignoring the fact that Arrow himself insisted that his mathematical theorem equally indicted the market as a venue for social choices).<sup>434</sup> Politics, they argued, is not about contemplating and realizing common social preferences; rather it should be constrained to the establishment of constitutional rules securing property rights, settle disputes, and guarantee the individual liberty to pursue private ends. Riker:

The kind of democracy that thus survives is not, however, popular rule, but rather an intermittent, sometimes random, even perverse, popular veto. Social choice theory forces us to recognize that the people cannot rule as a corporate body in the way that populists suppose. Instead, officials rule, and they do not represent some indefinable popular will. Hence they can easily be tyrants, either in their own names or in the name of some putative imaginary majority. Liberal democracy is simply the veto by which it is sometimes possible to restrain official tyranny.<sup>435</sup>

*Conflict* is the inescapable consequence and emphasis in the individualist model of isolated humans with fixed preferences. As the individuals themselves are modeled as atoms that do not change but merely bump into each other, there is little reason to believe that they can resolve conflicts of interest on their own among each other and they are not like-

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<sup>431</sup> Which is exactly what happens, as documented many times by one of the leading empirical researchers on processes of deliberative democrac, James S. Fishkin (Fishkin and Luskin, "The Quest for Deliberative Democracy").

<sup>432</sup> "Similarly, the market mechanism does not create a rational social choice." (Arrow, 'A Difficulty in the Concept of Social Welfare').

<sup>433</sup> Morreau, 'Arrow's Theorem'.

<sup>434</sup> Buchanan and Tullock, *The Calculus of Consent*, 20; Riker, *Liberalism Against Populism*, 118. See also the historical account of how these authors influenced each other and developed their arguments in Amadae, *Rationalizing Capitalist Democracy*.

<sup>435</sup> Riker, *Liberalism Against Populism*, 244.

ly to cooperate unless there is a direct personal incentive to do so. They will certainly have no basis for trust or promise-keeping.<sup>436</sup> This leads to the prescription of “external” institutions that can regulate human behavior and enforce cooperation or at least direct the conflicts into a realm where they can be settled more peacefully. These institutions are *The State* and *The Market*.<sup>437</sup> The state, or Leviathan, is supposed to be an entity above the social relations, which regulates behaviors and mediate conflicts. The market lets the competition among self-interested individuals play out with economic means rather than violence: The one who is willing and able to pay the highest price for the realization of a preference is the one who gets to do it. Both of these “solutions” can exist at the same time and are in practice mutually dependent and intertwined. Capitalist market relations require state-enforced property rights and juridical enforcement of contracts, while the state itself is dependent upon the economic relations for its own maintenance and competitive power relative to other states.<sup>438</sup> They are also ideologically intertwined. They both derive their theoretical justification and legitimacy from the same model of humans as isolated individuals who cannot cooperate for their mutual good.<sup>439</sup> What this theory misses - besides the fact that humans have always had other modes of organization and cooperation<sup>440</sup> - is the ways the prescribed solutions themselves take part in the creation of the preferences and mindsets that lead to the problems they are supposed to solve.

The model of the separate self, pursuing private interests is used to justify the state and the market. But both the state and the market are institutional structures that rein-

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<sup>436</sup> Pateman, *The Problem of Political Obligation*, 26.

<sup>437</sup> “Analysts who find an empirical situation with a structure presumed to be a commons dilemma often call for the imposition of a solution by an external actor: [...] One set of advocates presumes that a central authority must assume continuing responsibility to make unitary decisions for a particular resource. The other presumes that a central authority should parcel out ownership rights to the resource and then allow individuals to pursue their own self-interests within a set of well-defined property rights. Both centralization advocates and privatization advocates accept as a central tenet that institutional change must come from outside and be imposed on the individuals affected.” (Ostrom, *Governing the Commons*, 1990, 13–14).

<sup>438</sup> For an extensive theoretical analysis of the mutually dependent and reinforcing relation between the market forces and the state (or the “economic forces” and the “political forces”), see Alan Carter’s *A Radical Green Political Theory*; (also summarized in Carter, ‘Beyond Primacy’). Karl Polany documented how the creation and expansion of the capitalist “free market” was dependent upon “control, regulation, and intervention” from the state while at the same time expanding the state’s power (*The Great Transformation*, 144). Michael Taylor gives examples of how the political need for taxation and centralization pushed economic and structural changes in pre-revolutionary Russia and France (‘Structure, Culture and Action in the Explanation of Social Change’). James C Scott describes how the formation of the modern state in France required the abolishment of the commons (*Seeing Like a State*, 23). Neeson documents how the emergence of capitalism and industrialization required state intervention by social enclosure and privatization of land that created a surplus of labor (*Commoners*).

<sup>439</sup> There are of course other state-legitimizing ideologies, such as radical communitarian approaches (e.g. MacIntyre, ‘Is Patriotism a Virtue’; Scruton, ‘In Defence of the Nation’).

<sup>440</sup> “What one can observe in the world, however, is that neither the state nor the market is uniformly successful in enabling individuals to sustain long-term, productive use of natural resource systems. Further, communities of individuals have relied on institutions resembling neither the state nor the market to govern some resource systems with reasonable degrees of success over long periods of time.” (Ostrom, *Governing the Commons*, 1990, 1; see also Clark, *Living Without Domination*; Taylor, *Community, Anarchy, and Liberty*).

force exactly that model of human relations. The Market solution tells us: Go ahead be competitive maximizers of self-interest; that is not only the natural way but also the most ethical since it will lead to the most efficient allocation of goods. The State solution tells us: If you have conflicts and problems, do not try to solve them as equals in a community - you cannot, since conflict is your nature - but come instead to me as individuals and I will be the arbiter and mediator of your relations.<sup>441</sup> These institutions and their ideological justifications thus produce the types of subjects that have been used to argue for their necessity. A political theory based on assumptions of human nature thereby risks justifying the current institutional designs by pointing to the effects of them.

Let me illustrate the reciprocal and dialectical relation between cause and effect in this ideological circle: In his critical summary of the communitarian critique of liberalism, Michael Walzer comments on how an ideology of atomized individualism can dissolve social relations and create subjects who need the state:

The liberal ideology of separatism cannot take personhood and bondedness away from us. What it does take away is the *sense* of our personhood and bondedness, and this deprivation is then reflected in liberal politics. It explains our inability to form cohesive solidarities, stable movements and parties, that might make our deep convictions visible and effective in the world. It also explains our radical dependence (brilliantly foreshadowed in Hobbes's *Leviathan*) on the central state.<sup>442</sup>

Kropotkin, on the other hand, argues in *Mutual Aid* that the state dissolves social relations and creates an ideology of atomized individualism:

The absorption of all social functions by the State necessarily favoured the development of an unbridled, narrow minded individualism. In proportion as the obligations towards the State grew in numbers the citizens were evidently relieved from their obligations towards each other.<sup>443</sup>

Which came first? The institution or the ideology justifying it? The subjects who need the institution or the institution producing the subjects? These are probably all entangled. Of course, the two quotations are exaggerations: neither the relations of the market nor the state can subsume all our activities and completely dominate our subjectivity. We should rather see them as describing coexisting tendencies. As Martin Buber noted, all societies contain to some degree both the “political principle,” organization characterized by domination, and the “social principle,” association based on common needs, but these exist to various degrees and compete for influence: If there is a surplus of the political principle,

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<sup>441</sup> “No direct moral obligations towards your neighbour, nor even any feeling of solidarity; all your obligations are to the State’, we are told, we are taught, in this new cult of the old Roman and Caesarian divinity. ‘The neighbour, the comrade, the companion - forget them. You will henceforth only know them through the intermediary of some organ or other of your State.’ (Kropotkin, *The State: Its Historic Role*, 50).

<sup>442</sup> Walzer, ‘The Communitarian Critique of Liberalism’.

<sup>443</sup> Kropotkin, *Mutual Aid*, 227.

there will be a deficit of the social.<sup>444</sup> Michael Taylor concludes his analysis of the underlying game-theoretical assumptions in Hobbes (and Hume) with the following thought:

The assumptions made by Hobbes and Hume were supposed to characterize human behavior in the absence of the state; but perhaps they more accurately describe what human behaviour would be like immediately after the state has been removed from a society *whose members had for a long time lived under states*.<sup>445</sup>

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<sup>444</sup> Buber, *Pointing the Way*, 174. Note that the use of words here are the reverse of Hannah Arendt's terminology in which "the political" designates exactly what Buber (and Kropotkin and other anarchists) advocates, i.e., people coming together to deliberate and act collectively, while her use of "the social" is a more idiosyncratic term for processes (including the political centralization and bureaucratization of the modern state) that corrupts or "submerses" the political and changes it into the mere administration of needs (Arendt, *The Human Condition*, 69). Throughout her writings Arendt consistently rejects the centralized state with its capability to violence and advocates for a federation of revolutionary councils, which is exactly what the anarchists position is. The difference thus seems to be mostly one of semantics (see Smith, 'Anarcho-Republicanism?: Arendt and the Federated Council System').

<sup>445</sup> Taylor, *The Possibility of Cooperation*, 177 (italics in original).

# SECTION TWO:

## A WORLD OUTSIDE

*Poor human nature, what horrible crimes have been committed in thy name! Every fool, from king to policeman, from the flatheaded parson to the visionless dabbler in science, presumes to speak authoritatively of human nature. The greater the mental charlatan, the more definite his insistence on the wickedness and weaknesses of human nature. Yet, how can any one speak of it today, with every soul in a prison, with every heart fettered, wounded, and maimed? John Burroughs has stated that experimental study of animals in captivity is absolutely useless. Their character, their habits, their appetites undergo a complete transformation when torn from their soil in field and forest. With human nature caged in a narrow space, whipped daily into submission, how can we speak of its potentialities?*

~Emma Goldman<sup>446</sup>

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<sup>446</sup> Goldman, *Anarchism and Other Essays*, 74.

## CHAPTER 7:

# HUMAN NATURE

### 7.1 What Kind of Thing Are We?

In the previous section, I have presented sociological, psychological, economic, and experimental material that gives strong indications that the model of “human nature,” upon which so much political philosophy, economic theory, and social policy is based, is simply not true - at least not as a universal model. Actual humans behave in different ways and are motivated by different considerations - including self-interest - but they cooperate way more than the Rational Choice model predicts, they are motivated by factors that are not their private and material incentives, they are sometimes concerned with the interests of others - in both negative and positive ways - or with the overall social relations, and they even occasionally reject their immediate incentives due to some notion of fairness or other values. My intention is *not to argue against self-interest* in favor of self-sacrificing altruism.<sup>447</sup> Cooperation and self-sacrifice can be problematic too, especially within an asymmetrical power-structure that depends on the cooperation of its members. For the subjugated, a bit of conscious self-interest might be a good thing. What I'm arguing against is the narrow idea of the solitary individual who only contemplates their private interests isolated from those of others. This perspective cannot lead to them realizing their interests. I'm arguing against the view that our interests and motivations are not relational, not connected and constituted by other people and their common positions, and potential power, within a social structure. In the words of Karl Mannheim:

Men living in groups do not merely coexist physically as discrete individuals. They do not confront the objects of the world from the abstract levels of a contemplating mind as such, nor do they do so exclusively as solitary beings. On

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<sup>447</sup> I am not going into the debate around of “psychological egoism” according to which every motivation is actually, at bottom, self-serving. Yes, if you do something to help someone and that makes you feel good, you could of course be said to be acting “selfishly.” But we could also say the exact opposite. If the the same act can be explained by two opposite motivations and two opposite acts could also be explained by the same motivational cause, then there is something wrong with the debate. For an examination of the opposite claim - the case for psychological altruism - see Sober and Wilson, *Unto Others*. As Mary Midgley says, if psychological egoism was universally true “the notion of selfishness could never have arisen. Had regard for others really been impossible, there could have been no word for failing to have it.” (*Evolution as a Religion*, 136–37).

My point here is that when you feel good about helping someone else, then you're motivations are not purely *private* and you are not a *solitary* individual. The warm feeling that might either motivate or accompany your action comes from being *connected*, not disinterested (see also Antonio Damásio's discussion in *Descartes' Error*, 175–76).

the contrary they act with and against one another in diversely organized groups, and while doing so they think with and against one another.<sup>448</sup>

Recognizing this situated relationality and interconnectedness is necessary for us to realize our broader interests. People do not attain their preferences or motivations independent of other people - not even their perception of the world is independent of social factors - and their motivations and preferences can adapt to different situations and change with new experiences. In short, the solitary and self-contained individual who enters society fully equipped with interests, ready to fight or negotiate for their realization, is not an adequate view of most actual humans. And yet the model has prevailed in large parts of social analysis and is used as the starting point of philosophical system-building. More importantly: The model leaks out from the academic disciplines and becomes accepted folk-wisdom and affects the thoughts and behaviors of ordinary people. Often, in ordinary conversations about politics or economics, the phrase will appear “that's a nice idea, but it could never work because of human nature.” This appeal to a mystical pre-political and “natural” fact is itself ideology speaking in a way that tries to circumvent any further debate. Even if people do not act according to the model themselves, they might assume that everybody else is motivated purely by certain motives, or they may even publicly claim that this is their motivation while doing mental gymnastics to rationalize their other-directed behavior in the terms of self-interest.<sup>449</sup> We've also seen how the ideological insistence on this model of selfish individuals can become self-fulfilling - either when those who become convinced by it as a descriptive fact start acting according to it as a norm, or when structural changes emphasize considerations of material incentive to the exclusion of other considerations that may otherwise have been relevant factors.<sup>450</sup>

This all suggests that the model is a so-called “construct”: It does not describe human beings as they occur in “nature,” unaffected by social forces, but is rather the result of social forces itself. And to the extent it accurately describes some individuals, it is individuals in a certain social setting - a time and space that perhaps fostered that way of “being human.” Several things went on in the previous sentences: I mentioned the model of human nature and I mentioned the behavior of actual human beings. These are two dif-

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<sup>448</sup> Mannheim, *Ideology and Utopia*, 3.

<sup>449</sup> As de Tocqueville writes: “The Americans, in contrast [to Europeans], take pleasure in explaining almost all the actions of their life with the aid of interest well understood [...]. I think that in this they often do not do themselves justice; for you sometimes see in the United States, as elsewhere, citizens give themselves to the disinterested and unconsidered impulses that are natural to man; but the Americans hardly ever admit that they yield to movements of this type; they prefer to honor their philosophy rather than themselves.” (*Democracy in America*, 2:920–21).

<sup>450</sup> See chapter 6.3 here above, as well as Miller, ‘The Norm of Self-Interest’; Gneezy and Rustichini, ‘A Fine Is a Price’; Bowles, ‘Policies Designed for Self-Interested Citizens May Undermine “The Moral Sentiments”’; Maxwell and Ames, ‘Economists Free Ride, Does Anyone Else?’; Ferraro, Pfeffer, and Sutton, ‘Economics Language and Assumptions’.

ferent things, and my claim is that *both* of them are constructs - both the *idea* about humans (the “model”) and the actual humans (the individual subjects) are the results of social and historical forces. Although it is relevant to distinguish between the idea and the object it is also important to note that they are not independent of each other. The idea and the thing it is about can in some cases influence each other. An example of this is the aforementioned case of actual human subjects who, being exposed to a particular idea of “human nature,” start acting and justifying their actions according to that model. The other way around could be when actual observed human behavior in a particular social setting (such as one where people are influenced by this particular model) is used to confirm the theoretical claims in the model which is then taken to be universal anthropological “facts.” This interactive relationship between idea and object is what Ian Hacking calls a *looping effect*. Looping effects only occur between what he calls *interactive kinds*.<sup>451</sup>

Let’s step back a bit. Many things can be said to be constructed and to say that something is a construct or a “social construct” can mean different things.<sup>452</sup> With apologies to believers in divine or natural law, I think it is fairly obvious that laws and legal systems, political institutions, and money are all social constructs: They exist only because they are created by humans and their continued existence depends on humans who either believe in their legitimacy or are compelled to act as if they do. The last point is important. To say something is a “social construct” is not to say that it is not “real.”<sup>453</sup> Law and money are very real even though they lack what John Searle calls “ontological objectivity.”<sup>454</sup> They have functions in society and deeply affect our lives in very real and material ways, as becomes clear when we lack money or disobey the law. We feel the consequences of these constructs whether we believe in them or not and whether or not we took any part in constructing them. To say that they are constructs is therefore not to deny their reality but to say that they have a certain kind of reality - one that is contingent upon human agents and social forces. Money and law have not always been around, and they have both had different forms, meanings, contents, etc. in different times and spac-

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<sup>451</sup> Hacking, ‘The Looping Effects of Human Kinds’. In a later work he writes that he now prefers to talk about “interactive kinds” rather than “looping effects” although he still uses both concepts (*The Social Construction of What?*, 59).

<sup>452</sup> Hacking points out that the word “social” in the concept “social construction” is usually redundant as it is often used about things that, if they are constructed, could only be constructed socially (*The Social Construction of What?*, 39).

<sup>453</sup> “The fact that something exists by virtue of the mental attitudes of subjects does not have to imply that it does not exist. If anything, it implies that it does exist. [...] A common feature of realness is through causal effects, which money certainly seems to have.” (Eyja M. Brynjarsdóttir, *The Reality of Money*, 71).

<sup>454</sup> Searle distinguishes between entities and features whose existence is independent of human observers, the ontologically objective, and those that are not, the ontologically subjective (*The Construction of Social Reality*, 8). Something that is ontologically subjective can still be epistemologically objective: Even though money only exists by being recognized as such by human subjects these subjects can still agree about the objective value of that money.



es. But once they do exist in a certain form in a given social setting, they have real social and material consequences.

When I say that money and the law are constructs then, I am talking about the *things* themselves. Sometimes that is not what constructionists mean when they call something a construction. There are indeed those who would argue that physical entities such as atoms or quarks and nature itself have no existence independent of human minds but that is not the direction I want to go here. It is perfectly possible to talk about “the social construction of atoms” or “the Sun” while admitting that they have ontologically objective existence. In that case, one is probably talking about them not as objects but as *ideas* - even though they may (or not) have always been around and are themselves indifferent to how humans perceive them, human *perception* and *interpretation* of these objects have varied greatly in different cultures and eras. And these different ideas have had different functions in those societies and thus real social consequences. It might matter to a society whether it classifies the Sun as a satellite orbiting the Earth or as the center of the solar system of which the Earth is just one among many satellites. This has deep impacts on the self-perception of a culture. But the Sun itself is not affected by the way we think about and classify it (unless our thoughts give rise to actions that affect the Sun, which is not unthinkable).<sup>455</sup>

The distinction is between *the idea* of an object and the *object itself*. Sometimes one is said to be the construct, sometimes the other. These are different *kinds* of things. Money and the Sun are also different kinds of things. Money is a construct entirely dependent upon human agents and interpretations while the Sun is a “natural kind” or what Hacking calls an “indifferent kind.”<sup>456</sup> But what about humans? What kind of thing are we? The question is impossible to answer fully, but the following is an outline of some relevant features of our species.

## 7.2 Social Biology

One way of answering this question is to take the purely biological perspective and analyze humans as a particular organism. It would make claims about human anatomy, neurology, biochemical functions, etc. This could be an attempt to treat the human organism as a natural kind that has certain features independently of whether we are aware

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<sup>455</sup> As rabbi Heschel wrote: “A theory about the stars never becomes a part of the being of the stars. A theory about man enters his consciousness, determines his self-understanding, and modifies his very existence.” (Heschel, *Who Is Man?*, 8).

<sup>456</sup> Hacking, *The Social Construction of What?*, 104.

of them or not and how we conceptualize them. Maybe this perspective would be accompanied by (or lead to) a mechanistic theory of human cognition and behavior, which - perhaps followed by some speculative story about evolutionary psychology - would lead to the idea that all humans due to their essential and immutable biological nature have the same motivations, act the same way in the same circumstances, develop the same social relations and therefore need the same political institutions. This is but a slight caricature of the way some political philosophies and arguments have been advanced.<sup>457</sup>

But the biological perspective need not be such a slippery slope towards mechanomorphism and political determinism.<sup>458</sup> Those of us who want to insist that there are, have been, and can be, different ways of being human and organizing human societies need not deny that there are biological features characteristic of human organisms (features which may be altered in the future).<sup>459</sup> These biological features provide some of the material conditions for what it means to be human, but they do not and cannot tell the full story. We are not just bundles of flesh and blood and neurons and hormones in a vacuum, an abstract and imaginary “natural state” where the purely biological human organism can be studied. These bundles of organic matter constitute our *bodies*, and the *lived bodies* of actual humans always exist in a social setting where they have relations to other human bodies.<sup>460</sup> The human body is socialized before we are even aware of it; it is shaped and influenced by social factors before it is fully grown and even before the person reaches self-awareness.

I do not mean merely that the human “mind” is socialized by discourse and cultural norms, assuming such a distinction between mind and body is tenable, but that our *physiological bodies* are shaped by the historical and social forces they develop in: Within historical time (less than 3000 years ago), the social process of migration caused the Tibetan people to evolve the capacity to survive and thrive in the lower oxygen-levels of the mountains; in modern time, since the Industrial Revolution, social developments have caused humans in many nations to grow taller on average; in recent decades human bodies are undergoing hormonal changes related to puberty earlier than previously for rea-

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<sup>457</sup> For a critical philosophical account of the paradigms in Evolutionary Psychology - the study of how “human nature” as it exists today was designed by natural selection in the Pleistocene - see David J. Buller’s *Adapting Minds*.

<sup>458</sup> Mechanomorphism is the attribution of machine-like characteristics to humans (Caporael, ‘Anthropomorphism and Mechanomorphism’). Karl Mittermeyer writes: “Mainstream economics endeavors to clarify economic issues by means of theories which are so unmistakably conceived along mechanical lines that economists sympathetic to a subjectivist outlook have good reason to complain of mechanomorphisms.” (‘Mechanomorphism’).

<sup>459</sup> Many would point out that it is difficult to define clear boundaries between human and non-human organisms, as we are intertwined “assemblages.” Also, organisms and whole species can be changed by encounters with technology or other species. For an overview of different positions, see Firth and Robinson, ‘Robotopias’.

<sup>460</sup> “The lived body is a unified idea of a physical body acting and experiencing in a specific socio-cultural context; it is body-in-situation. [...] The person always faces the material facts of her body and its relation to a given environment.” (Young, ‘Lived Body vs Gender’, 415).

sons that are complex but most definitely social.<sup>461</sup> And of course, each individual body acquires its shape and capacities partially by the environmental and social setting in which it develops and the activities it performs - be it play or work, etc. - activities which are determined in part by social relations, power structures, culture, etc. The body does not exist in isolation and is not a static given by an unchanging nature. It is rather an on-going interaction with its environment and therefore carries environmental information.<sup>462</sup> But since the environment changes due to social processes these social factors are also implicit in the body and the discussion on what came first or has ontological or historical primacy becomes somewhat pointless. The species *homo sapiens* would not have evolved as it did, socially or physiologically, if it was not for the fact that it came from ancestors who already had certain social structures and behaviors as well as the physiological traits disposing them to social life.<sup>463</sup> There is no contradiction between acknowledging both the biological and the social because they are intricately connected in a mutual process. As the sociologist Peter E.S. Freund notes, biological determinism or reductionism shares with its ostensive opposite, pure social constructivism, a dualistic premise in which mind and body, society and nature, are seen as separate things with one-directional causal effects, rather than entities that “dynamically interpenetrate” each other: “Social environments ‘construct’ bodies, which in turn have an impact on social behavior, and this behavior in turn further modifies bodies.”<sup>464</sup> Even if we restrict ourselves to the purely biological perspective, we cannot escape the relevance of social factors and historical developments.

Another way to look at humans is as what Charlotte Witt calls “social individuals” which she analytically distinguishes from “human organisms” and “persons.”<sup>465</sup> While we are all biological organisms we are also social individuals. Social individuals coincide with human organisms but the two are ontologically distinct concepts.<sup>466</sup> As social individuals, we occupy various social positions - most of us multiple positions at once, and they change over our lives - and these positions come with sets of norms and expectations which the occupiers are evaluated under.<sup>467</sup> We do not think and act as the same abstract

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<sup>461</sup> Yi et al., ‘Sequencing of 50 Human Exomes Reveals Adaptation to High Altitude’; Baten and Blum, ‘Human Height since 1820’; Euling et al., ‘Role of Environmental Factors in the Timing of Puberty’.

<sup>462</sup> Gendlin, ‘The Primacy of the Body’, 349.

<sup>463</sup> See for example de Waal, *Primates and Philosophers*.

<sup>464</sup> Freund, ‘Bringing Society into the Body’, 857, 849.

<sup>465</sup> Witt, *The Metaphysics of Gender*, 51-.

<sup>466</sup> Witt, 56. Witt includes a third ontologically distinct category, that of being a “person” which is to possess a first-person perspective and self-awareness. Not all human organisms possess these features (perhaps babies don’t, or coma patients) and they may persist independently of the social reality that is intrinsic to the social individual (you would remain the same person in this strict sense even though your social roles and positions where to change). Hence their ontological distinctness.

<sup>467</sup> Witt, 59.

individuals in all situations but reflect upon the situation and the social role we inhabit in it - sometimes we act in the function of being a parent or a child, a man or a woman, a member of an ethnic, religious or cultural group, a worker, an academic, a consumer, a citizen, a welfare recipient, a patient, a legal authority, etc. We do not have the same mindset in these roles: We evaluate our goals and priorities differently in different situations. These different roles are *relational* in that they are always defined in relation to other people and to the social structure, and they are *normative* in that the individual is expected to live up to them in certain ways and is usually aware of these expectations. A person might accept or reject the normative content of the social role but in both cases, they are still *responsive* to them.<sup>468</sup>

I bring up Witt's concepts of social individuals and social roles because I think they can help put some substance into Hacking's ideas about interactive kinds and looping effects. Constructionist analyses can be either about the *idea* of a thing (the ways our conceptualizations and classifications of it has changed due to social changes) or about the thing *itself* (money is a socially constructed object). In some cases the thing itself is indifferent to our thinking about it; it does not change because we change our classifications of it. In other cases, the idea and the object are *interactive* kinds: the classification and conceptualization of a thing affect the nature of the thing and vice versa. This is possible when the thing is *conscious* of the way it is classified and thought of by others, when it has social self-awareness and is able to modify its behavior and the way it understands itself.<sup>469</sup> Human beings, as social individuals who occupy and are aware of their social roles and the normative expectations of them in these roles, certainly live up to this description.

Hacking provides many examples of the ways human behavior and self-understanding may change due to the ways these humans have been classified and understood by other humans - particularly when the classification is done by people with some kind of institutional, cultural or ideological power. Certain mental disorders, for example, manifest themselves with different symptoms in different historical periods as the medical professions change their classifications and descriptions of them. This does not mean that they are "merely" a social product; they may certainly have underlying biological (neuro-chemical) causes but as these causes manifest themselves in a consciousness that exists in a particular social setting they can lead to different symptomatic behaviors. One reason can be that the affected *person* is aware of the way the disorder is being classified and consciously or unconsciously adapts their behavior accordingly (either to conform to

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<sup>468</sup> Witt, 43.

<sup>469</sup> Hacking, *The Social Construction of What?*, 103-4.

the diagnosis or avoid it, which according to Witt is still being responsive to it). Another can be that the *institutions* the person navigates in (the medical, legal, and social authorities, etc.) are responsive to the classification and treat the person according to it.<sup>470</sup> In either case, the classification - the way the human is conceptualized and described as a particular kind - affects the self-understanding and behavior of the human so classified. This may lead to the classification being confirmed in which case it is partially a self-fulfilling prophecy, or to the need to modify it as the subjects change due to being described in a certain way: “What was known about people of a kind may become false because people of that kind have changed in virtue of how they have been classified.”<sup>471</sup> This is the “looping effect” of the interactive kinds.

Hacking’s examples are all of people being classified as a certain *kind* of human - as a subgroup of the human species that needs a particular understanding and description in order to be managed in specific ways. They are treated as deviations, as abnormalities, and they may react to that treatment and classification. I want to expand his argument in a way, by saying that the same concepts can be applied more broadly to the category *human* that is seen as the default and the norm. It too is a construct in the sense that the *thing*, us humans, is responsive to and interacts with the *description* of the thing, the philosophical claims about “human nature.” When philosophers, social scientists, etc. create social models build upon claims about “normal” human behavior, this can influence the self-perception and behavior of ordinary humans. Either because they as conscious individuals are aware of and responsive to the way they are being classified, what is assumed and thus expected of them, and adjust their behavior accordingly, or because the assumptions become part of the institutional design of the social setting they interact with, i.e. policies are designed with a specific type of human in mind, structuring the interactions between real humans. In the previous chapters, I have given examples of people reacting in different ways to the ways they are being classified and treated by policies based on certain models of human nature - by conforming to the model, by angrily rejecting it, or by switching between different mode of thinking in ways that make behaviors hard to predict. There is also at this more general level a looping effect that makes hu-

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<sup>470</sup> For example: “I do not necessarily mean that hyperactive children, as individuals, on their own, become aware of how they are classified, and thus react to the classification. Of course they may, but the interaction occurs in the larger matrix of institutions and practices surrounding this classification. There was a time when children described as hyperactive were placed in ‘stim-free’ classrooms: classrooms in which stimuli were minimized, so that the children would have no occasion for excess activity. Desks were far apart. The walls had no decoration. The windows were curtained. The teacher wore a plain black dress with no ornaments. The walls were designed for minimum noise reflection. The classification *hyperactive* did not interact with the children simply because the individual children heard the word and changed accordingly. It interacted with those who were so described in institutions and practices that were predicated upon classifying children as hyperactive.” (Hacking, 103).

<sup>471</sup> Hacking, 104.

mans a *moving target*. Of course there is a biological and material component to our nature but as we are self-conscious and socially aware beings this nature cannot be separated from the social settings in which it manifests itself concretely. We too are kinds that interact with our classification.

### 7.3 Discourse and Materiality

If the classification of humans is not - and cannot be - a description of humans in their “natural state,” i.e. unaffected by social factors, then it may simply be a description of human beings who are being classified in a particular way. The description may be based on empirical observations of actual human behavior but this behavior manifests itself in a social context which is partially shaped by the existing models of “human nature.” Anthropological assumptions can never be detached from themselves as even the most neutral observer of human behavior only has access to human beings who are conscious of and responsive to anthropological assumptions. Philosophical anthropological models are therefore always prior to their own conceptualization as these conceptualizations rely on observations of human behavior manifest within a particular social model that includes cultural, individual, and institutional concepts of human nature.<sup>472</sup> We cannot escape outside the human - and therefore social - sphere to find a neutral and fixed point from which to describe ourselves as we would exist in such a sphere.

When we are dealing with interactive kinds like self-conscious humans who have ideas about themselves and are also aware of the ideas others have about them, and who adapt their behavior and self-perception according to these ideas, *epistemology* and *ontology* cannot be separated. Epistemology - the understanding of the thing - becomes ontology by shaping the being of the thing. If there exists a human who genuinely thinks of humans in general as purely self-interested and atomized individuals, it would in a very real way be a different being from someone who has not been taught to believe in this model: They act differently in similar circumstances and can therefore not function as universally interchangeable components in the same model. To say what a human is, or what it is to be human, is therefore at the same time to change (or reinforce) not just how humans *think* of themselves but how they *exist*. In Judith Butler’s words:

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<sup>472</sup> I am not talking here about the scientific field of anthropology which tends to study specific humans in their specific social contexts and is weary of making universal claims about human nature (for some debates in this field see Spiro, ‘Anthropology and Human Nature’; Strathern, ‘Universals and Particulars’). Anthropology is distinct from “philosophical anthropology” which Michael Sandel defines as “philosophical in that it is arrived at reflectively rather than by empirical generalization, anthropology in that it concerns the nature of the human subject in its various possible forms of identity.” (*Liberalism and the Limits of Justice*, 48–50).

To claim that discourse is formative is not to claim that it originates, causes, or exhaustively composes that which it concedes; rather, it is to claim that there is no reference to a pure body which is not at the same time a further formation of that body.<sup>473</sup>

This might sound like pure idealism, discourse ontology, or linguistic magic; as if the mere mentioning of a thing, a particular kind of human, brings it into being. This is a common (mis)understanding of constructionist theories, including Butler's.<sup>474</sup> It is necessary, therefore, to emphasize that the construction of human subjectivity and behavior is not *merely* discursive, neither in its *cause* or *effect*. To take the latter first, I have given some examples of how it is not merely the 'mind' that is impacted but also the human body itself that is shaped and changed by social events, as the works of E.S. Freund gives ample examples of. Social hierarchies and cultural norms and expectations do not merely modify how different people act outwardly but also how they regulate their emotions inwardly and thereby how their bodily chemistry works. The internalization of being classified in a particular social role, to self-identify with it, can change one's body to the degree that one becomes prone to fatal diseases.<sup>475</sup> The effects are thus very real and material. Concerning the former, the *causes* of construction are also not merely discursive but equally material. The normative ideas and ideals of how humans are (and by implication, *ought* to be) - the assumptions about human nature - may of course work on us *directly* such that we internalize them when we are exposed to the ideological theories, but their consequences are also likely to be through the effects they have on the material and social structures we live and act in.

This is still no less a material process if we grant the (hopefully non-controversial) claim that the cognitive processing of an idea is a material event in the human body (more specifically but not exclusively, the brain) and that to truly *believe* such ideas means to generate bodily dispositions (neurons firing, bodily chemistry reacting, muscles tensing, etc.) to act in certain ways prescribed by these ideas when the situations apply. To take the familiar example: If you've been repeatedly told, and have come to believe, that humans in general or a particular group of humans are untrustworthy, or rather that they can be trusted to exclusively act in their short-term material interest, then your decision to cooperate or not cooperate with them in a situation similar to that of the Prisoner's Dilemma will not merely be an abstract "rational" cognitive calculation, a weighing of preferences and likely outcomes, but also a result of an affective state accompanied and constituted by material bodily processes that force one decision to the foreground before

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<sup>473</sup> Butler, *Bodies That Matter*, 10.

<sup>474</sup> Butler addresses some of these misreadings of her as an "linguistic idealist" who thinks "words alone had the power to craft bodies" in the preface and introduction to *Bodies That Matter* (see p. x, 10).

<sup>475</sup> Freund, 'The Expressive Body'.

any others.<sup>476</sup> Now reverse the situation: If you are *not* the one who has been exposed to these theories but you find yourself in a situation that can be either cooperative or competitive with others who *have*, then *their* actions will soon teach you the reality of the theoretical model in a material way when they punish you for displaying trust. Through repeated interaction in this group, you would generate the instinctual disposition to act like the others - as will other new-comers to the group. A social dynamic and material structure has been established that reinforces certain behavioral patterns and discourages others. At this point in the story, we no longer need the concept of anyone being explicitly taught an ideological theory or model about “human nature”: the participants in this social dynamic are taught to act and are given the behavioral dispositions and somatic reactions that correspond with this model simply from participating in the established social structure that was based in the model and made it come true.<sup>477</sup>

Should any of them stop to write a philosophical treaty on human nature based on their observations from this limited experience it would most likely be a treaty that took this situationally conditioned behavior as a natural fact and could only imagine a political structure designed to accommodate the “natural beings” that had been observed. Such a treaty could serve to further reinforce the behavior it had naturalized by creating an ideological narrative that legitimizes the behavior of everyone in the given structure and thus becomes part of the self-perpetuating dynamic. This treaty would arise out of a material reality by empirical observation, but it would also become part of the material reality and take part in determining what can be further observed. Should the treaty go on to be used to inform policy decisions these would result in regulations that took certain human dispositions for granted and created structures that frame all decisions in this motif, thus further reinforcing and shaping the behavior of everyone participating in the social setting. The policies that come out of a model based on observations of people trapped in a Prisoner’s Dilemma will be policies for prisoners.<sup>478</sup> They might be intended to create incentives for the prisoners to act in more or less cooperative ways to resolve the dilemma,

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<sup>476</sup> Damásio details how complex social decisions would be impossible if we were to only rely on rational calculations without bodily affective states, and gives examples of patients with reduced affective capabilities who have been unable to make decisions. As an alternative, he introduces his “somatic market hypothesis” according to which the body filters the available options through an affective registry based on past experiences and gut feelings thus reducing the conceivable options (Damásio, *Descartes’ Error*, 172–75).

For more evidence of the somatic correlates of trust and distrust and how it affects decisions and behaviors in social experiments, see Dimoka, ‘What Does the Brain Tell Us About Trust and Distrust?’; Chu et al., ‘Emotion Regulation in the Prisoner’s Dilemma’; Eimontaite et al., ‘Left Amygdala and Putamen Activation Modulate Emotion Driven Decisions in the Iterated Prisoner’s Dilemma Game’; Pillutla and Murnighan, ‘Unfairness, Anger, and Spite: Emotional Rejections of Ultimatum Offers’; Sanfey et al., ‘The Neural Basis of Economic Decision-Making in the Ultimatum Game’.

<sup>477</sup> For an evolutionary and game-theoretical account of how norms can be maintained and enforced through behaviors within a structure see Axelrod, ‘An Evolutionary Approach to Norms’.

<sup>478</sup> “As long as individuals are viewed as prisoners, policy prescriptions will address this metaphor.” Ostrom, *Governing the Commons*, 1990, 7.



but they will still be framed in the idea of people as essentially and naturally being prisoners and therefore will not be likely to encourage people to develop other dispositions. When you think the only thing that can motivate people's behavior is material incentives the only way to regulate their behavior is to provide them with further material incentives and appeal to these.

In this simplified story human behaviors and dispositions can be the results of ideological persuasion or the ideologies themselves can be derived from actual human behaviors and dispositions, depending on where we start the story. If we focus on the former, we are talking about *direct* construction where the thing itself (human behavior) is shaped directly by the idea about the thing (the theory of human nature). If we focus on the latter, it is no less a matter of social construction as the *observed* human behaviors are the *results* of certain social relations and structures which are contingent and could indeed have been otherwise. In many cases it will be impossible to pick a starting point and say whether the given situation started with one or the other because they mutually reinforce each other and develop dialectically: the historical and structural relations shape ideologies and ideologies reflect back and influence the conditions by giving them justification or conceptual framing. I have said that ideas and beliefs are *material* in the metaphysical sense that they are cognitive and bodily dispositions but this is also in line with another use of the word materialism, namely the Marxist concept of history according to which material conditions, i.e. the economic relations vis a vis the ideological and political superstructure, is "*ultimately* determining" in the production and reproduction of life.<sup>479</sup> Only the crudest "Marxists" would deny that other factors play a role too, and Engels (Marx's co-author) denounced such simplistic interpretations of historical materialism. In his words, the thoughts in the brains of the participants - "political, juristic, philosophical theories, religious views, and their further development into systems of dogmas - also exercise their influence."<sup>480</sup>

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<sup>479</sup> Engels, 'Letter from Engels to J. Bloch In Königsberg, London, September 21, 1890', 294.

<sup>480</sup> Engels, 294.

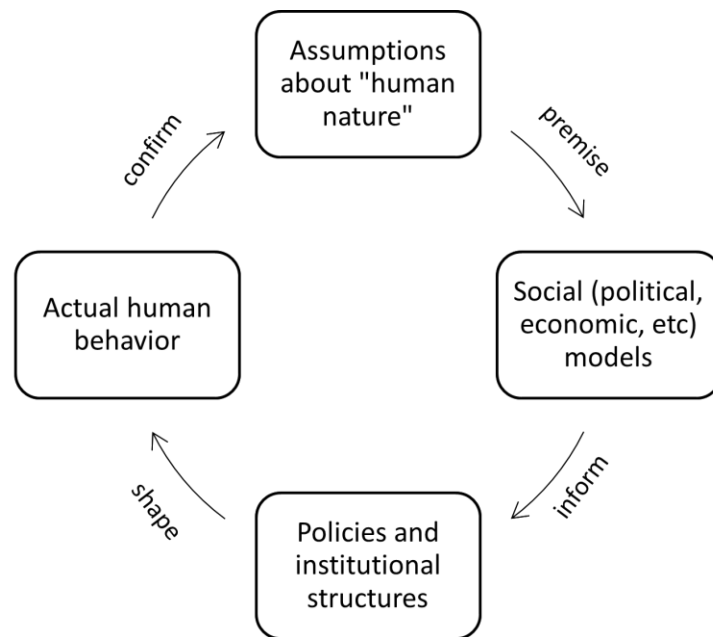


Figure 3: A model of self-confirming anthropological assumptions

The simplified story I gave can be illustrated by this equally simplified diagram (Figure 3 above). You can start anywhere in the circle but let's start at the top with the assumptions about 'human nature,' as is common with many philosophers, economists, etc. These might be assumptions like in Hobbes or Rawls or neoclassical economics, Rational Choice Theory, etc. These are the theoretical premises, sometimes explicit sometimes merely assumed, on which the social models and political theories are built. A social theory with different assumptions about "human nature" would look different. An influential theory would end up informing society in relevant ways, for example by convincing powerful actors within that society to perform certain actions that in effect rearrange that society's structure. It could be owners of large corporations that are convinced by Skinner's behaviorist theory and adopt the Taylorist model of workplace management, or it could be policymakers (politicians and their advisers) who are only exposed to Rational Choice-based theories of 'homo economicus' leading them to adopt certain policies like New Public Management or purely incentive-based crime regulation, etc. In any case, the theories impact the material structures in which people live and act and by doing so they change the ways people interact with and relate to each other (this effect can also in theory come more directly through people being exposed to the theories, but I think that is less significant on a societal scale). If we, for the sake of simplicity, say that people generally come to act in ways that confirm the theory, then the theory has successfully become both a social ideology and a material reality. We can then observe actual human behavior and see that they confirm our philosophical theory about human nature, forgetting the fact that our theory of human nature is a causal part of the dynamic that creates human behavior.

We could also take a more empirical approach and start by observing *actual human behaviors* and then use that as a foundation for our theories. The mistake here would be to assume that the humans observed are somehow in a “state of nature,” i.e. in a social and ideological vacuum with no prior influence from social theory, policies, structures, etc. Such a theory could end up creating models and policy recommendations that would reinforce the types of behaviors that it had already observed but took as “natural.” Or, rather than study human behavior, we could weaponize the often misused epistemic authority of neuroscientific brain-scans.<sup>481</sup> Many studies using fMRI scans have found correlations between differences in brain structure and differences in socioeconomic status, some of which imply a connection between lower economic status and cognitive skills.<sup>482</sup> In past times people might take this information to conclude that poor people are poor because they are naturally stupid while the rich are just born smarter, but of course serious scholars today would reverse the explanation: It is the social facts of scarcity or abundance that causes the neurological differences. There is no “natural brain” in the sense of being unaffected by social relations and structures - the biological function of the human brain is to be plastic, to be formed and developed through social and environmental interactions and experiences. So naturally, growing up under such different conditions result in different brains: the social creates material bodies.<sup>483</sup> The same explanation is not always applied when the topic is differences in brain scan results across genders. Here we still find people concluding that these reveal “naturally” gendered brains without considering that these brains have developed in gendered societies and are thus not “natural” in the sense of not being shaped by the existing gendered social structures. Empirical neuroscientific findings can thus be misused to “naturalize” and stabilize social structures, such as when images of the (socially) gendered brain explicitly or implicitly reinforce the relations and ideas that created that brain in the first place.<sup>484</sup> Given the knowledge of how different social structures and positions affect particular demographic groups and materialize in individual neuro-behavioral dispositions, we should also expect it to be the case, for example, that highly competitive or hierarchical

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<sup>481</sup> On the problematic use and mise of fMRI images in public media, see O’Connell et al., ‘The Brain, the Science and the Media’; Racine, Bar-Ilan, and Illes, ‘fMRI in the Public Eye’.

<sup>482</sup> Farah, ‘The Neuroscience of Socioeconomic Status’.

<sup>483</sup> “Scientists have had to expand their thinking to grasp the idea that individual neurons or single human brains do not exist in nature” (Cozolino, *The Neuroscience of Human Relationships*, xvi). “[A]s neuroscience matures, it becomes increasingly apparent that the nervous system cannot be considered as an isolated entity, without consideration of the social environments.” (Decety and Christen, *New Frontiers in Social Neuroscience*, v). “The brain is a major locus of integration and influence for the multitude of environmental factors that shape our lives” (Farah, ‘The Neuroscience of Socioeconomic Status’, 57).

<sup>484</sup> O’Connor and Joffe, ‘Gender on the Brain’; Fine, ‘Explaining, or Sustaining, the Status Quo?’ See also Schmitz and Höppner, ‘Neurofeminism and Feminist Neurosciences’.

structures result in different individual behaviors and bodies than more cooperative or egalitarian ones would.<sup>485</sup>

No matter where in the circle we start, we merely go round and round in a self-reinforcing and self-confirming closed ideological feedback-loop. In this simplified model, that is. In reality, things are more complex. First of all, there is never a complete ideological hegemony. In any society there will be different social settings with competing social norms and structures: Different groups might operate with different implicit assumptions about human nature, different norms and practices, but any one individual is also likely to spend their daily lives sometimes in one setting where things are framed one way and sometimes in another setting where the exact opposite framing is taken as just as “natural” (we might operate under the assumption that people only do what they are paid to do when we are at work, and then come home or spend time in our leisure activities without doubting the intrinsic motivations or feelings of social obligation and recognition). Secondly, any of the steps in the circle might “misfire” and have less than a perfect causal relation: a philosophical theory can be misunderstood or applied in inconsistent policies, the policies might cause some people to adapt to the structural framing while others react with resentment and reject it, or they could result in a perfect adoption of the ideological mindset but have unpredicted behavioral consequences.<sup>486</sup> Many things can go “wrong” in this model. Fortunately! Otherwise, my theory would be just as simplistic as the ones I critique. I am thus not suggesting that if we merely replace the typical misanthropic assumptions about “human nature” with ones about cooperation and benevolence then everything would turn out harmoniously. Humans are, as Hacking puts it, a “moving target” that changes with its classification in unpredictable ways.<sup>487</sup> What we do need, is to give up models based on fixed and exogenous accounts of human motivations, and to acknowledge that the social and adaptable nature of human beings means our models and ideologies, as well as social structures, will inevitably be causal parts in the formation of the specific human beings that inhabit them.

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<sup>485</sup> This would be difficult to prove but for some psychological implications see Roseth, Johnson, and Johnson, ‘Promoting Early Adolescents’ Achievement and Peer Relationships’; Ames, ‘Competitive versus Cooperative Reward Structures’.

<sup>486</sup> As in the studies Gneezy and Rustichini, ‘A Fine Is a Price’; Gneezy and Rustichini, ‘Incentives, Punishment, and Behavior’.

<sup>487</sup> Hacking, *The Social Construction of What?*, 105.

## 7.4 Body and Time

How human subjects are formed by social imaginaries and structures and how this subject-formation might sometimes go “wrong” are equally interesting questions. As Butler says in *Bodies that Matter*, it is as important to “think about how and to what end bodies are constructed” as it is to consider those bodies that “fail to materialize” through the same regulatory schemas.<sup>488</sup> For Butler, the key to construction is iteration and time: “Construction not only takes place *in* time, but is itself a temporal process which operates through the reiteration of norms.”<sup>489</sup> This process causes certain behaviors, subjects, and bodies, to “stabilize over time” giving them the appearance of ontological primary givens that are “outside discourse and power, as its incontestable referents” while they are in reality the effects of discourse and power.<sup>490</sup> This naturalizing effect is part of what I have called the ‘ideological concealment.’ But the same iterative process also opens room for change as “gaps and fissures are opened up” and the results are destabilized.<sup>491</sup> The construction process is never perfectly stable with guaranteed results. If it were, there would be no need for the regulatory mechanisms. We would merely assume them automatically and fear of cultural determinism would be grounded. Performativity, to Butler, is not merely an individual act but the “constrained repetition of norms.”<sup>492</sup> Various social, cultural, economic, and political structures are set up to ensure that the right *acts* are performed, the right *norms* are iterated, and the right *subjects* are stabilized, while transgressions and deviations are punished. Indeed, the possibility of “wrong” subjects is a necessary and constitutive part of the formation of “right” subjects. The regulatory structures not only set up the boundaries of “acceptable” behavior but also make the subjects material beings with boundaries and borders by defining them against an “outside” - against the abject being which is rejected - and this rejection or exclusion is part of the constitutive process of the “proper” subject.<sup>493</sup>

I mentioned earlier that Butler, and constructivist theories in general, has been accused of being idealist and immaterialist, but notice how material this process is: She is describing physical forces that work on physical bodies to shape them into being what they are. Meanwhile the homo economicus of Rational Choice Theory hardly even has a body, not one that matters anyway. Butler describes subjects that are becoming in the

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<sup>488</sup> Butler, *Bodies That Matter*, 16.

<sup>489</sup> Butler, 10 (italics in original). Butler uses the word “reiteration;” others use “iteration” as in “the iterated prisoner’s dilemma.” The words are synonyms. Both denote a process of continued repetition.

<sup>490</sup> Butler, 10, 35.

<sup>491</sup> Butler, 10.

<sup>492</sup> Butler, 95 (my emphasis).

<sup>493</sup> In the final chapter Butler focuses on the necessity and potential of abjection (223-). The concepts are openly borrowed by psychoanalyst Julia Kristeva’s thoughts in *Powers of Horror: An Essay on Abjection*.

process of the struggle with material forces that shape the subject's own being, while the “rational” economic agent chooses freely from a position of nowhere, unencumbered by anything, and unaffected by time or processes - existing as fixed, eternal, and unchanged in a world that is flat and symmetrical. Of the two, I posit it is the latter that is the more idealistic. Butler’s focus is on sex and subjectivation - about how humans are formed by and emerges as subjects within a pre-existing matrix of gender relations - but her points are equally valid for other forms of subject formation. The competitive homo economicus is also not a naturally existing and ontologically and epistemologically primary entity upon which our theories and societies must be built. It is a particular kind of subject that emerges out of, and is constituted by, pre-existing social theories and relations. And just like gender, the stability of this subject requires iterative performances within a regulatory system that constrains the available acts, upholds the cited norms, and punishes deviations from those norms.

Economists are increasingly aware that the rationally calculating being that seeks only to maximize private self-interest cannot be taken as a given when making policies for real people in the real world. Behavioral economics (the study of how psychological and cognitive factors impact economic decision making) have shown a variety of ways in which many humans deviate from the assumptions of the ideal Rational Choice models.<sup>494</sup> Sometimes we simply do not do the things the models insist are in our private interest. Rather than admitting the models are based on faulty premises, an unfounded view of “human nature,” some policymakers and -advisers have taken the course of keeping the model and insisting that it is the *humans* who are faulty: Rational Choice Theory might not be an accurate *description* of how humans tend to behave, but it can still function as a *normative ideal* and policies can be tweaked to get humans to align with the ideal. Thus, in 2014 the Danish government established a commission to do a study on unemployment benefits with the goal of providing a list of recommendations for a reform of the unemployment insurance system. The commission was based on behavioral economics and an explicit rejection of the assumptions in Rational Choice-based economics. The report states:

[..] it is well documented that humans far from always do that which is reasonable, rational, and gives them the greatest utility in the long run. In short, we are not always rational. We often make decisions which are not thought through but are instead based on gut feelings, intuition, or social norms.<sup>495</sup>

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<sup>494</sup> The field of behavioural economics has been influenced by research by people like Daniel Kahneman, George A Akerlof, and Herbert A Simon. See Camerer, Loewenstein, and Rabin, *Advances in Behavioral Economics*.

<sup>495</sup> Dagpengekommisionen, *Dagpengekommisionens Samlede Anbefalinger*, 19 (my translation).

While this is an explicit rejection of Rational Choice as a descriptive model of human behavior and the neoclassical premise that we should make our models “as if” these assumptions are true, the commission does *not* recommend policies designed to accommodate humans with preferences other than those of homo economicus. On the contrary, it set in place a number of reforms intended to get actual people more in line with the behavioral and motivational assumptions it recognized they do not have as a default. This is done by constantly appealing to their short-term financial interests forcing them to prioritize those over their potential “feelings, intuitions and social norms.” Such motivations are pushed into the background by making the benefits dependent on a cyclical series of short-term and iterated performances to retain your livelihood.<sup>496</sup> This is a regulatory schema that restricts the available modes of being by punishing those who do not have the right motivational frameworks. It no longer takes particular human subjects as a foundational premise that exists prior to social structure and theory but is rather intended to *shape* those particular subjects and force them into being. The idea seems to be that if the abstract human subjects that are the foundation of the economic models do not actually exist, we can *make* them come into being by implementing the models.<sup>497</sup>

Iterative practices are also of immense importance in the field of biological evolution - which turns out to not be so different from cultural evolution (or at the individual level: socialization/subject-formation). I started this thesis with a chapter on the Prisoner’s Dilemma, the thought experiment that is intended to show that in certain circumstances cooperation between two rational and self-interested individuals is (theoretically) impossible even though it would lead to the outcome that is in their collective rational interest. In practice, in experiments with real people, cooperation tends to happen way more than the theory assumes. In that chapter, I highlighted some of the problems with the model. Here I want to bring those together by keeping in mind Butler’s definition of construction as a temporal process that operates through the reiteration of norms.

Rational Choice and game theory not only assume every individual is fully rational and self-interested but also tends to see every action, every deliberation, as taking place

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<sup>496</sup> The report states that the policy instruments are meant to address the problem of common human tendencies such as “inconsistent preferences” by creating incentives in the form of short-term rewards and punishments that are meant to make the desired preferences and motivations more salient. Concretely the goal of the reforms, which took effect in 2015, is to encourage people to accept more short-term and precarious jobs. Instead of making payments dependent on your long-term income during employment you are now required to have certain hours of short-term employment within each cycle in order to retain your full benefits. The results have not exactly been as intended as the unemployed who take short-term jobs in order to avoid economic sanctions risk receiving reduced benefits (Bech and Løgstrup, ‘Det nye dagpengesystem er fyldt med fælder for folk med småjobs’; Petersen, ‘Dagpengetal: Over 1.000 ledige har fået lavere dagpenge’).

<sup>497</sup> John McMahan makes much the same point: “behavioral economics should be understood as a political economic apparatus of neoliberal governmentality with the objective of using the state to manage and subjectivize individuals - by attempting to correct their deviations from rational, self-interested, utility maximizing cognition and behavior - such that they more effectively and efficiently conform to market logics and processes.” (McMahan, ‘Behavioral Economics as Neoliberalism’).

in a single *moment* - as a temporally isolated point in time which is not meaningfully connected to or influenced by other “points” in the future or the past. Each move the agent makes is supposed to be informed by the calculation of whether this specific move will maximize their utility here and now. When that action is done, the agents then find themselves in a new situation that has to be considered anew. Looked at this way, the Prisoner’s Dilemma is like one of Zeno’s paradoxes: In the long-run both parties would benefit from cooperation, but as each agent makes their decisions in an isolated moment in which the utility value of cooperation is not perfect, cooperation can never get off the ground. The solution here is the same as the one Aristotle gave to Zeno’s paradoxical arrow that clearly flies even though it must be at rest at each particular moment: “Time is not made up of indivisible moments” but rather a continuous process where each moment is connected to its “before” and “after.”<sup>498</sup> Borrowing words from the philosopher-psychologist Eugene Gendlin we might say that the particular event (the decision) implies both what has occurred and what will occur next - it is a process that carries the implicit forward, if successful, or a process that can be stopped if the implied fails to occur.<sup>499</sup> Adopting the both socially and *temporally* atomistic perspective of Rational Choice Theory necessarily fails to carry the process forward.

A broader concept of agency would be one where the agent does not merely consider the immediate pay-offs from a given strategy in a single move but also how this strategy would affect the environment (including other actors) and thus shape the possible further moves and pay-offs. If your decision to not cooperate here and now is likely to cause the other actors to reciprocate by also not cooperating in the future, then that potential future scenario would be an implicit part of your decision-making process in the present. Game theoretical models that assume every decision only concerns a one-off move and is thus based on short-term interests, cannot get cooperative strategies moving as the participants are caught at perpetual “rest” in each single moment.<sup>500</sup> Furthermore, they tend to assume that the strategies and considerations are made *ex nihilo*, independent of any past events. But humans (indeed any organism) are unlikely to “rationally” calculate their expected utility functions and decide on a strategy without referring to past experiences in similar contexts. We are, for better or worse, creatures of habit who tend to reproduce strategies and performative actions based on whether they have worked in the past. This is not merely cognitive information to be considered by an abstract calculation but bodily and neurological patterns that make certain decisions and strategies more readily acces-

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<sup>498</sup> Aristotle, *Aristotle’s Physics*, 123, 79–82.

<sup>499</sup> Gendlin makes a rather Aristotelian argument concerning time and motion in *A Process Model*, 5.

<sup>500</sup> Taylor, *The Possibility of Cooperation*, 60.



sible to the calculative process than others - the pathways formed by past actions are part of any decisions in the moment. If we cannot make our decisions based on prior interactions then of course we have no way to determine whether a given environment or a certain other individual is safe and trustworthy, and thus cooperation would be more difficult to get off the ground.

Neuroscientist António Damásio describes an experiment where subjects are made to play a gambling game with cards, where some cards give rewards and others give punishments. Despite there being no meaningful pattern, normally functioning subjects quickly adapt their behavior to avoid the bad cards; they act “as if” they had understood the pattern. And in a sense, they have: It might not be a conscious and rational calculation but through experience, their bodies developed somatic reactions (measurable in skin temperature, heart rate, etc.) giving them the ability to predict bad outcomes.<sup>501</sup> Subjects with frontal lobe brain damage also showed somatic reactions when they had bad experiences, but these dissipated and did not form lasting “somatic markers” to guide their future actions: “Deprived of the marking or sustained deployment of predictions of the future, these patients are controlled largely by immediate prospects and indeed appear insensitive to the future.”<sup>502</sup> It is worth consideration that the model of *rationality* in which agents only perform calculations of immediate incentives is a description of humans with particular types of *brain damage*. The model is correct in assuming these people also have problems establishing and maintaining social relations.<sup>503</sup> I also want to point to how Damásio's model fits with Butler's description of bodies that materialize in and are shaped by iterated performances within regulatory schemas. This embodied model is much closer to Damásio's description of human development and cognition.<sup>504</sup>

## 7.5 Iteration of Norms

For Butler and Damásio, time and iteration are crucial to the materialization of bodies and rationality. It is through repetition that we become who we are. It is also crucial for game theory. Robert Axelrod's modification to the Prisoner's Dilemma radically changed

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<sup>501</sup> Damásio, *Descartes' Error*, 212–14.

<sup>502</sup> Damásio, 217.

<sup>503</sup> See Damásio's description of the patient “Elliot,” as well as the famous case of Phineas Gage in Damásio, 34–38, 7–10.

<sup>504</sup> For example: “Thus, as we develop from infancy to adulthood, the design of brain circuitries that represent our evolving body and its interaction with the world seems to depend on the activities in which the organism engages, and on the action of innate bioregulatory circuitries, *as the latter react to such activities*.” (Damásio, 111, italics in original).

the model by bringing in this temporal element.<sup>505</sup> The results have had groundbreaking impact on how evolutionary biology understands cooperative behavior and has relevance for a variety of fields in political science and ethics. I would also argue that it provides a supporting supplement to the Butlerian view of subject-formation and cultural norms. Axelrod's first modification was to introduce the concept of *iteration* into the Prisoner's Dilemma. Previously it had been assumed that even if the players were to play a number of rounds,  $N$ , the "rational" strategy would be for both of them to cheat. Sure, it might be wise to lure your "opponent" into cooperating for a while so that you can defect on the last round (round  $N$ ) and reave the higher reward but given that your opponent knows this too and is also likely to defect in the last round, your strategy then becomes to defect in the second-to-last round (round  $N-1$ ). This calculation can continue until we end up at the round you are currently in, and every round will thus be the same: Zeno's arrow never moves. This reasoning does not apply, though, if the players interact an *indefinite* number of times, i.e. if they do not know when the game will end ( $N$  is unknown). If you believe you might have future interactions with another person and have no reason to believe this is likely to suddenly end, your rational self-interest can be to cooperate with this person. If no interaction is known to be the last, then the temptation to defect from a strategy of reciprocal cooperation will never present itself. In this case, the future does not collapse into a series of perpetual and isolated moments but instead folds into these moments and carry them forward. Axelrod writes: "The future can therefore cast a shadow back upon the present and thereby affect the current strategic situation."<sup>506</sup>

Of course, the past is present in any decision too. The Rational Choice model assumes the players choose their strategies exclusively based on calculations of the incentive structures in the given moment.<sup>507</sup> They do not hold grudges nor display gratitude: the incentive structure is the same regardless of how the other actors behaved previously (the only information you could gain from past actions is a confirmation of your calculation that cheating is the only rational strategy: if the other person cheated you have more reason to cheat, and if the other person cooperated you have an even better indication that they're a sucker whom it will pay to cheat). Instead of this temporally abstract model of rationality, Axelrod uses an evolutionary approach based on the principle that "what works well for a player is more likely to be used again while what turns out poorly is more

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<sup>505</sup> See: Axelrod, *The Evolution of Cooperation*. Similar conclusions had already been drawn through mathematical models by Michael Taylor in the book *Anarchy and Cooperation*; (updated as *The Possibility of Cooperation*, 60).

<sup>506</sup> Axelrod, *The Evolution of Cooperation*, 12.

<sup>507</sup> Taylor, *The Possibility of Cooperation*, 60.

likely to be discarded.”<sup>508</sup> The past thus informs the deliberations of the present just like the future does. This model does not posit agents (humans or otherwise) as abstractly rational creatures that take in all the information of the given moment and process it independently - it does not require much rationality at all. It is a model that can work for creatures that store information in their bodies in the form of the desire to repeat an action that was accompanied by pleasure or avoiding one that has proven to be painful.<sup>509</sup> No further calculations are necessary for cooperation to occur by random chance. In fact, it does not even need this amount of data processing. If we apply the model of Darwinian evolution so that the creatures with more successful strategies get to survive and procreate while the less successful strategies are eliminated, cooperation can indeed be established with virtually no rationality at all.<sup>510</sup> All it takes is the right structure and enough iterative practices.

Let’s take a population of beings that are as far from the economists’ idea of “rationality” as possible: They simply choose their strategies randomly without any calculation of incentive structures. Some happen to be innate cooperators and others are defectors and others might have some kind of mixed behavior. If we were stuck in a series of single moments rather than living in a temporal process then it might seem like the innate cheaters would be more successful than the naïve altruists. They would get more points in a Prisoner’s Dilemma when they cheat while the other cooperates. But what happens when two cheaters meet each other? They destroy each other! And when two cooperators meet, they might not get the maximum points possible, but they still do quite well. If the game is iterated - i.e. if life goes on for more than a single moment and consists of many interactions - then in the long run the cooperators can be more successful on average than the cheaters (who will sometimes get a maximum and sometimes a minimum score). This means that the structural conditions are of utmost importance for whether cooperation can emerge as a successful strategy or not. If you are the only cooperator in a culture of aggressive cheaters though, your chances of survival are slim. But if you’re surrounded by other cooperators you can live quite safely while the individualist cheaters living in the outskirts of your cooperative community destroy each other. Sadly, it does not take more than a single cheater to invade a community of unconditional cooperators, which is why learning from past experiences and recognizing other actors is so

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<sup>508</sup> Axelrod, ‘An Evolutionary Approach to Norms’.

<sup>509</sup> Recall Damásio’s description of how people intuitively, through a somatic process, learned the rules of a game of cards before they could consciously articulate them (Damásio, *Descartes’ Error*, 212–14).

<sup>510</sup> The initial experiments were done using very simple computer scripts, and in a paper with the biologist William D Hamilton, Axelrod sees how far the principles can be extended to “mindless” creatures like bacteria (Axelrod, *The Evolution of Cooperation*, 30; Axelrod and Hamilton, ‘The Evolution of Cooperation’).

important.<sup>511</sup> The simple strategy of *reciprocity* - of initially cooperating but then repeating whatever action the other did (also known as “tit-for-tat”) - is capable both of cooperating with other cooperators and of defending itself against constant cheaters.<sup>512</sup> Note that this learning does not have to be a rational calculation. It can be a simple innate reflex (“that hurt, let me try a different thing”) or an affective emotion (“you cheated me, now I’m angry and will punish you”).

There is no single, evolutionarily or collectively stable strategy (a strategy that makes a community immune from being destroyed or taken over by a mutation or invading strategy) - it depends on the initial demographic structure.<sup>513</sup> But some do better than others. A community of naïve cooperators can easily be destroyed by an invasion of aggressive free-riders but a group of mutualists (like tit-for-tat) that can cooperate among each other and can reciprocate against free-riders will do better than a community of pure free-riders. Once a community of mutualists is large enough it can even provide fertile ground to let pure cooperators flourish among them, although if these become too dominant the community can again become vulnerable to aggressive free-riders. While many different strategies can exist and co-exist, the level of reciprocity seems key to the development and flourishing of cooperative behaviors.<sup>514</sup> And while reciprocity requires some basic perception and cognition - recognition and memory - it does not require any level of abstract reasoning, calculation of benefits, or even higher moral values.<sup>515</sup> It does not even require a full understanding of the situation.

But if we add more faculties we can get even further. What if the actors not only paid attention to their own interactions but could also observe how others behaved in their interactions? That way I would not have to wait until I faced you in a given situation and then decide from scratch how to treat you. If I had seen the way you behaved with someone else, I could use that information. Or what if the person you interacted with could inform me about your trustworthiness? Or maybe there were some other clues, for example in your facial traits, body posture, etc. that gave me an indication of your aggressiveness, cooperativeness, etc. These are very basic faculties that most animals possess in some form, and they would be an immense help in avoiding contact with aggressors and

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<sup>511</sup> On invasive strategies, see Axelrod, *The Evolution of Cooperation*, 60.

<sup>512</sup> Axelrod, 63–64.

<sup>513</sup> The concept of “evolutionarily stable strategy” was developed by John Maynard Smith (Smith and Price, “The Logic of Animal Conflict”). The “collectively stable strategy” is a slight modification by Axelrod (see note 1 to Chapter 3 in (note 1 to Chapter 3, Axelrod, *The Evolution of Cooperation*, 217).

<sup>514</sup> For a thorough analysis see Chapter 3: ‘The Chronology of Cooperation’ in Axelrod, *The Evolution of Cooperation*, 55-.

<sup>515</sup> There is thus room for the different “stages of moral development” described by Lawrence Kohlberg, but some are required for others to become stable. (Kohlberg, *The Philosophy of Moral Development*). Moral idealists or pure altruists would not fare well in a population of cynical “realists,” but they can thrive if they are also surrounded by more pragmatic reciprocal creatures.

cheaters and seeking out interactions with those you can trust and cooperate with. As Darwin concludes in his study on the expression of emotions in animals and humans:

The movements of expression in the face and body, whatever their origin may have been, are in themselves of much importance for our welfare. They serve as the first means of communication between the mother and her infant; she smiles approval, and thus encourages her child on the right path, or frowns disapproval. We readily perceive sympathy in others by their expression; our sufferings are thus mitigated and our pleasures increased; and mutual good feeling is thus strengthened. The movements of expression give vividness and energy to our spoken words. They reveal the thoughts and intentions of others more truly than do words, which may be falsified.<sup>516</sup>

The last sentence is important: words can be deceiving. We can lie and tell others that they can trust us only to take advantage of them. And that would make sense if we were purely calculative beings. Of course, in that case, we would also know that nobody could be trusted, so such a promise would have no value or effect. In the Rational Choice model, the giving of promises should therefore not affect the players' decisions in any way as they do not change the material incentive structures of the game (or as Hobbes would say: "covenants, without the sword, are but words"<sup>517</sup>). But in real life, they do. In experiments where participants were allowed to exchange notes with a promise to cooperate, trust and cooperation increased even though there was no external way to enforce such promises.<sup>518</sup> It seems like *the mere formulation of a promise* does something to the reasoning process in both the receiver and the giver of the promise. Promises are not needed though. As Darwin emphasized, the outward *expression of our emotional states* comes automatically, through autonomous physiological reactions (whether innate or by muscular reflexes formed by habits) and are hard to produce or repress by a conscious effort of the will.<sup>519</sup> Likewise, they are also picked up upon by most observers without any conscious processing. Perhaps this is why even short sessions of off-topic conversation before the experiment officially begins not only increase trust and cooperation among participants but also enable them to make highly accurate predictions about who is going to cooperate and who is not.<sup>520</sup>

Let's add one more ability. A rudimentary sense of fairness. This need not be a highly evolved moral virtue or sentiment. It can initially be purely self-interested, but not

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<sup>516</sup> Darwin, *The Expression of the Emotions in Man and Animals*, 365–66.

<sup>517</sup> Hobbes, *Leviathan*, 111.

<sup>518</sup> Sally, 'Conversation and Cooperation in Social Dilemmas', 69.

<sup>519</sup> See Darwin, *The Expression of the Emotions in Man and Animals*, 62–65. For an account the relevance of this in economic theory (and practice), see Frank, 'The Status of Moral Emotions in Consequentialist Moral Reasoning'.

<sup>520</sup> The original experiment showing this ability to predict cooperative behavior is Frank, Gilovich, and Regan, 'The Evolution of One-Shot Cooperation'. The results have been confirmed in subsequent studies (Sparks, Burleigh, and Barclay, 'We Can See Inside'). For a meta-study on the effects of conversation and communication in general see Sally, 'Conversation and Cooperation in Social Dilemmas'.

in the rational choice sense because it requires affect. In the basic version of the Prisoner's Dilemma, I am only interested in my own interactions with other players. If I have an affective disposition towards vengefulness, I will *punish* those players who cheated me, which also turns out to be the successful strategy of tit-for-tat which allows mutual cooperation to get established. If I have *perception*, I might even observe the interactions of other players and use that information when it is my turn to interact with them: I will not trust someone whom I have seen to act untrustworthy in their relations with others. But what if I also cared directly about the infraction someone did in a situation that did not affect me in a strict sense? If I wanted to punish someone who cheated someone else? That could actually be in my long-term interest because my desire to not be cheated would be better fulfilled in a community where cheaters were generally punished. Affective dispositions such as sympathy with the one who got cheated and indignation against the cheater could therefore be evolutionarily advantageous traits. If we all stand up against aggression and injustice, there will be much less incentive to cheat.

Axelrod has made simulations of this in an experiment called "the norms game."<sup>521</sup> This is a version of the evolutionary iterated Prisoner's Dilemma where all participants interact multiple times with each other and the most successful strategies get to reproduce while the least successful are eliminated. The modification is that every move has a chance of *being seen by third-party players* who have the option of reacting to that move: *they can retaliate on behalf of someone else*. Interfering in someone else's game is costly though: it comes with a price. The *boldness* of a population (how likely they are to cheat despite the risk of getting caught) is thus dependent on the *vengefulness* of the population (how willing they are to pay the cost of punishing cheaters). There is no stable equilibrium in this game: none of the two norms (boldness and vengefulness) stabilize at any level. At first, the introduction of vengefulness decreases the level of boldness; it becomes too costly to cheat. But when boldness drops beyond a certain level there is no longer much incentive to pay the cost for punishing cheaters, so the vengefulness levels drop too. And as vengefulness drops too far, it suddenly pays to be bold again and that starts to rise. The population thus fluctuates between these tendencies. That would not explain how such norms could become established and stabilized. The solution is what Axelrod calls the introduction of *meta-norms*.<sup>522</sup> The meta-norm allows someone to interfere not only by punishing those who cheat but also *those who fail to punish* those who cheat - in other words, those who violated the norm of vengefulness. This is a power-

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<sup>521</sup> Axelrod, 'An Evolutionary Approach to Norms'.

<sup>522</sup> Axelrod, 1102.

ful element that dramatically increases the level of vengefulness and drives down boldness and, more importantly, can be stable and self-enforcing.<sup>523</sup>

This brings us back to Butler. Recall her insistence that “Construction not only takes place *in* time, but is itself a temporal process which operates through the reiteration of norms.”<sup>524</sup> She writes:

“[S]ex” is an ideal construct which is forcibly materialized through time. It is not a simple fact or static condition of a body, but a process whereby regulatory norms materialize “sex” and achieve this materialization through a forcible reiteration of those norms. That this reiteration is necessary is a sign that materialization is never quite complete.<sup>525</sup>

This is just as true for other aspects of “human nature” - and of much of non-human nature too. It is not a “simple fact or static condition” of the human species to be either cooperative or aggressively selfish. These traits materialize over time within structures where certain behavioral patterns are iterated and norms for correct behavior are enforced. As we’ve seen in Axelrod’s simulations, a universal strategy (or character trait) does not emerge as stable until meta-norms (or in Butlerian terms, “a regulatory schema”) are introduced to compel compliance and restrict the available options. For an individual subject, the behavioral strategy, and the motivational dispositions that accompany it, is not necessarily pre-determined but rather arise through trial and error within a social structure where some character traits and behaviors make life easier or harder. Which behaviors that is depends on which traits and behaviors are already dominant in the population, although you might find yourself within a niche pocket, or subculture, that deviates from the majority and allows non-standard behaviors to thrive. An organism that is able to learn, and to observe, does not have to start every encounter by making a decision based on rational consideration of all the available options but will form patterns of behavior integrated into the body’s muscular and neurological systems, that allow it to react in similar ways when it finds itself in similar situations. This is subject-formation in the Foucauldian-Butlerian sense: the subject emerges out of the pre-existing structures and social relations. It materializes through the iteration of norms and practices.

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<sup>523</sup> “Thus, metanorms can promote and sustain cooperation in a population.” (Axelrod, 1109).

<sup>524</sup> Butler, *Bodies That Matter*, 10 (italics in original).

<sup>525</sup> Butler, 1–2.

## 7.6 Cooperation and Domination

Foucauldians, like Butler, tend to see subject-formation, where social relations inscribe the body with specific norms and traits, primarily as a repressive and disciplinary process. Phenomenologists, on the other hand, recognize its possibility for empowerment as it is what gives us the skills to navigate in an environment. This is perhaps mostly a matter of perspective and emphasis - it can clearly be both.<sup>526</sup> The function of the meta-norms introduced by Axelrod is to promote cooperation by disciplining those who do not cooperate as well as those who do not participate in the disciplining of others. Cooperation is *prima facie* a necessary feature of social life. Without it, we would not survive, let alone thrive, neither on the individual nor the evolutionary scale. But a more concrete analysis needs to ask: *cooperate with what and with whom?* To learn the skill of cooperation is not necessarily an advantage if it is within a power structure that disadvantages you and your group. The disposition towards trust can be great when directed towards your peers but problematic when it results in trust in authority figures and those with power.

So far, we have considered a population of cooperators and defectors as if the structural relations between them were pretty much symmetrical. The only relevant structural issues have been the relative size and distribution of the different traits. We've seen that this can indeed lead to cooperative patterns and norms given enough time and iterations, despite the lack of any external authority to enforce these norms. This is in line with Foucault's decree that "power is everywhere;" not because it embraces everything, but because it comes from everywhere"<sup>527</sup> and with the anarchist belief that organization and cooperation do not require rulers or hierarchies. This agreement might seem odd, as Foucault's view generally seems to be rather pessimistic - we can never escape the repressive and disciplinary power relations - while the anarchist conclusion is more optimistic. An anarchist can grant the idea that power is everywhere, though, and even embrace it. Yes, social relations form us all the time, they both constrain and enable us. That is not the form of power relations anarchists primarily reject. What anarchists reject is not rules and norms as such, and certainly not social relations, but stratified, hierarchical power relations, or systems of domination.<sup>528</sup> Let us add some of that to our population.

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<sup>526</sup> For a concise discussion about the differences and similarities between Foucauldian and phenomenological approaches to subject-formation see Wehrle, 'The Normative Body and the Embodiment of Norms'.

<sup>527</sup> Foucault, *The History of Sexuality*, 93.

<sup>528</sup> In my MA Thesis I defended the claim that the possibility of mutual cooperation must be at the core of an anarchist theory (Sandberg, 'Anarki og Fællesskab'). For this reason I rejected the individualist concept of freedom and autonomy proposed by Robert Paul Wolff in his *In Defense of Anarchism*. See also Baugh, 'The Poverty of Autonomy'.



If you were just suddenly placed in a random population how would you know whom to trust and cooperate with and who would be likely to cheat? Robert Frank writes that this could hypothetically be solved if trustworthy people were “born with an identifying mark.” But he also asks: “How could a moral sentiment have emerged if no one initially knew the significance of its accompanying marker?”<sup>529</sup> I think this question might rest on a bit too rationalistic premise. Cooperation did not initially evolve among people or creatures who suddenly found themselves among strangers and had to contemplate the significance of their observable markers. *Cooperation came before individual people performing such calculations* - we evolved because someone before us was already cooperating enough to allow us to survive. We can therefore assume that there were creatures who *trusted each other* without any need for rational contemplation of self-interest. These did not suddenly find themselves among other unknown creatures. They did not, like in Hobbes spring out of the earth like mushrooms “without all kind of engagement to each other.”<sup>530</sup> They grew gradually - like most of us do today - out of a (hopefully) nurturing, caring, family, which they implicitly and instinctively *had no other choice but to trust* with their lives. In other words, we already have engagements with each other before we have the ability to make any decisions at all. Kinship is an observable marker (whether we recognize each other by smell, touch, sound, or sight) and it already bears the signifier of trust. *An infant is not a potential cooperator looking for someone it can trust to establish a cooperating partnership with, but a creature that already knows who it can trust and therefore has the ability to learn to cooperate.*

This does not mean cooperation could only be established between close family members. A nurturing home is merely the first step. The child will soon learn that the family is embedded in a network of social relations established on mutual trust and reciprocal cooperation. Social groups also tend to have observable markers of some sort, whether that is similar anatomy, language, cultural traits, etc. Of course, if they were all the same, there would be no need for any markers. A mark needs to distinguish between those you trust and those you are more suspicious of - those who belong to your network of mutual cooperation and those who do not. We do not need to posit a rational deliberation of whether a stranger is a potential cooperator or not if we can instead assume a flock of internally cooperative creatures that treat any stranger as a potential threat simply because they “do not smell right” (both literally and figuratively): Mutual cooperation could have evolved simply because certain bodily features of the members of a group trigger a hormonal reaction leading to trust while invasions of potentially aggressive free-

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<sup>529</sup> Frank, ‘The Status of Moral Emotions in Consequentialist Moral Reasoning’.

<sup>530</sup> Hobbes, *De Cive*, 117.

riders have been averted by a similar but opposite instinct that triggers protective behavior when facing the unknown.

Now we have a structure consisting of *insiders and outsiders*. But societies are not always that simple. Sometimes the outsiders are on the inside and vice versa. One social group might attack another and steal some of their members to use for production or procreation. They might even invade the territory and establish themselves as rulers over the whole population. Or a more powerful group might arise within a population and develop its own interests and affiliations which in time would lead them to have distinguishable character traits. In all three cases, the result would be a population consisting of different groups with different observable “markers” and with different, asymmetrical, relations: There will be power relations and hierarchies which can be maintained if one group cooperates internally while free-riding on the members of another group (i.e. a ruling class that cooperates on getting the rest to work for them), and these groups are distinguishable by observable markers. Domination would be maintained by the norms guiding who you cooperate with and meta-norms that discipline those who violate the hierarchy. In a structure of domination, the stronger group can free-ride on members of the dominated group without punishment but can collectively punish those of the inferior group if they cheat a member of the dominant group. They might even impose sanctions on members of the dominated group for cooperating among each other.<sup>531</sup>

In these settings, the question about whether the norms that promote cooperation and trust are good for the individual is not so easy to answer. It would be in the interest of the dominant group *to promote virtues of trust* and cooperation - or meekness - among the subordinated group.<sup>532</sup> On the other hand, *they would not want* the subordinated group to trust each other so much that they would be able to join together and retaliate against the dominant group. Instead, they might want to impose a general norm of meekness and cooperation towards those higher in the hierarchy and competitive aggressiveness towards those relatively lower in the hierarchy (assuming there are observable markers signifying this status). This could be translated into a general ideological trust in the hierarchy itself and would of course stabilize the existing social order. Such social hierarchies and their ideological justifications have existed long before states (pace Hobbes, the state did not create society) but a state would certainly be helpful in solidifying and materializing the existing social structure by codifying the norms and enforcing compliance with the rules of the game that have been established.

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<sup>531</sup> See the section on dominance in Axelrod, ‘An Evolutionary Approach to Norms’, 1103-; and chapter 8, ‘The Social Structure of Cooperation’ in Axelrod, *The Evolution of Cooperation*.

<sup>532</sup> “This pattern of behavior sets up a status hierarchy based on the observable characteristic. The people near the top do well because they can lord it over nearly everyone. Conversely, the people near the bottom are doing poorly because they are being meek to almost everyone.” (Axelrod, *The Evolution of Cooperation*, 149).

Any “social contract” arising out of such a situation would not be one made by “free and equal” participants and the rules established by it would not be to everyone’s mutual advantage.<sup>533</sup> But of course, the *theory of the social contract*, the insistence that the existing rules were established by consensus and are in everyone’s rational interest whether they realize it or not, would be a further stabilizing factor. The belief in such a theory would prevent the subordinated groups from trusting that things could indeed be different - prevent them from cooperating with each other and collectively reject cooperation with those above them. A Hobbesian theory that chaos and war would be the inevitable result of rejecting hierarchical power relations or a liberal (whether Rawlsian or otherwise) insistence that the state is an essentially neutral arbiter of conflict between equally free citizens, would lead to the meta-norm of punishing those who question or reject the norm of compliance with the existing norms: Compliance with subjugation would be self-enforcing. To achieve this, mere punishment is not enough. Norms are established both through the state’s repressive institutions and what Althusser calls the “ideological state apparatuses” (those institutions that primarily function by ideological reproduction which, together with the repressive state apparatus, create subjects).<sup>534</sup>

What kind of ideology would be beneficial to the maintenance of these structural power relations? By ideology, I do not just mean an organized set of beliefs and values or inter-related concepts. Michael Freeden, a leading theorist of ideology, defines ideologies as structured sets of political concepts that “constitute semantic fields in that each component interacts with all the others and is changed when any one of the other components alters.”<sup>535</sup> His approach is thus primarily semantic and sees competing ideologies as “struggles over the socially legitimated meanings of political concepts and the sustaining arrangements they form, in an attempt to establish a ‘correct’ usage.”<sup>536</sup> He does also say though, that this is not a complete approach and so “does not exclude the affectivity of language.”<sup>537</sup> It is the latter element that I am interested in. Words and concepts are not just tools that help us understand the world and give it coherence and meaning. Their function is also to prompt us to action and induce us with certain relations to the world and the things in it. The claim that human nature, for example, is to be fundamentally selfish, is not merely a concept that fits into a theoretical social model along with other concepts but also an affective (emotional) state of being that affects the body; it is a dis-

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<sup>533</sup> This problem of idealized and ahistorical contract theory is discussed in Pateman, *The Problem of Political Obligation*; Pateman, *The Sexual Contract*; Mills, *The Racial Contract*; Pateman and Mills, *The Contract and Domination*; Mills, “‘Ideal Theory’ as Ideology”.

<sup>534</sup> Althusser, ‘Ideology and Ideological State Apparatuses’ (in particular pp. 141-).

<sup>535</sup> Freeden, *Ideologies and Political Theory*, 67.

<sup>536</sup> Freeden, 77.

<sup>537</sup> Freeden, 5. (See also 5; as well as *Ideology*, 114–21).

position to act and feel in certain ways in one's relations with other humans.<sup>538</sup> Just as the claim that "the plate is hot!" is not merely an attempt to establish the correct usage of the word 'hot' or a part of a model of understanding the plate but also, and primarily, an act prompting another person to avoid touching the plate.

Hobbes' philosophy was not merely intended to be a theoretical model explaining how the state came into existence and why it is necessary. It was, probably most of all, intended to induce emotions into the readers making them more disposed to defend the state against those who question its authority and necessity. Hobbes lived through a period of violent political turmoil and longed for stability.<sup>539</sup> He had little interest in philosophical discussions about which form of state is legitimate - such arguments would only lead to more strife - because "the present [form of government] ought always to be preferred, maintained, and accounted best."<sup>540</sup> The terror of the civil war led him to believe any political hierarchy would be better than a return to that state, but he worried that once political stability had been established again, people would forget that terror and lose the fear that brought them to accept their political subjugation under the common ruler.<sup>541</sup> The purpose of *Leviathan* - both the book and the state it recommends - is to make sure people do not lose that fear. The emotional appeal and the affectively charged words in the book are thus indispensable parts of the ideology. He wants us to feel the "continual fear" that he ascribes to the denizens of the state of nature, a state which is conjured not so much as a theory about the past but as a warning about the future if we forget his instructions.<sup>542</sup> And to this end, he wants these lessons to be taught in the universities as the foundations of society after which they can be disseminated among the general public.<sup>543</sup>

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<sup>538</sup> "When the mind is assailed by any emotion, the body is at the same time affected with a modification whereby its power of activity is increased or diminished." (Spinoza, *The Ethics*, pt. IV, prop. VII). This is what Deleuze and Guattari more specifically call "affect." (Brian Massumi in Deleuze and Guattari, *A Thousand Plateaus*, viii).

<sup>539</sup> For a brief account of the motivational role in Hobbes' philosophy of the personal experience of fear and anxiety see Starkstein, *Thomas Hobbes and Fear*, 127–29. The Hobbes-biographer A.P. Martinich concludes: "Much of Hobbes's life had been a struggle for survival [...] Much of what he did was motivated by fear." (Martinich, *Hobbes: A Biography*, 357).

<sup>540</sup> Hobbes, *Leviathan*, 367.

<sup>541</sup> "If the terrible experience of war strengthens our fears, weakens our vanity, and leads us to embrace an artificial state aimed at peace at all costs, then will not the comfortable experience of peace inevitably lead us to forget the horrors of anarchy, inflate our vanity, and eventually undermine the state and return us to the state of war?" (Ahrens Dorf, 'The Fear of Death'). Ahrens Dorf's article is a thorough examination of this theme in Hobbes' works.

<sup>542</sup> "It is not that he thinks that human beings are by nature always fearful, but that by nature they are not fearful enough. Yet, the basic experience of fear is overriding when it is upon us, or so Hobbes thinks. How to get people to understand this when they are not yet in a situation of dire threat? This is Hobbes's task, and to that end he must continue to remind us of the hazards of civil war through his description of the state of nature and its consequences." (Bagby, *Thomas Hobbes: Turning Point for Honor*, 106).

<sup>543</sup> "Hobbes, *De Cive*, 161. (See also Bejan, 'Teaching the "Leviathan"').

A key component in getting subjects to cooperate with the institutions of power is to make them *unable to cooperate with each other*. This is also the function of fear: People who are fearful tend to want protection and therefore implicitly trust those who have more power. Hobbes does not want us to be perpetually frightened - the role of the state is, after all, to provide a modicum of security. But we are also not supposed to feel so secure that we forget our reliance on the state for that security. We are therefore to be kept in a permanent state of *anxiety*. It is necessary to remind us about the state of nature which is not just a thing of the past but something that is always threatening behind the thin veneer of civilization.<sup>544</sup> In the preface to *De Cive*, Hobbes stresses that even in well-governed states life is characterized by mutual distrust and watchful fearfulness: Countries, though at peace, still guard their borders against the neighbors, and citizens do not go to sleep without locking their doors: “Can men give a clearer testimony of the distrust they have each of other, and all, of all?”<sup>545</sup> *You* might be a civilized and lawful being, but who knows what your neighbors and colleagues might do if the state loosens its control? His claim is not that we are all deceitful beings by nature, but that we are trapped in a Prisoner’s Dilemma where we have no way of telling who to trust and whom to cooperate with, and therefore must be suspicious of all:

But this, that men are evil by nature, follows not from this principle; for though the wicked were fewer than the righteous, yet because we cannot distinguish them, there is a necessity of suspecting, heeding, anticipating, subjugating, self-defending, ever incident to the most honest, and fairest condition’d.<sup>546</sup>

Hobbes is not merely *describing* life as he sees it here but also life as it *should* be: He is creating particular subjects and turning his readers into beings who need and seek the protection of the institutional power-structures.<sup>547</sup> He gives a list of tendencies that might lead to people challenging the status quo - among them is *mutual trust*. Without this, people will have no “hope of overcoming” and will therefore “content himself with the present burthen.”<sup>548</sup> Systems of domination, whether by financial or political power, require that people are kept suspicious of each other.<sup>549</sup> Rather than being neutral descrip-

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<sup>544</sup> Ahrens Dorf, ‘The Fear of Death’.

<sup>545</sup> Hobbes, *De Cive*, 33.

<sup>546</sup> Hobbes, 33.

<sup>547</sup> Arguments for this reading can be found in Ahrens Dorf, ‘The Fear of Death’; Neal, ‘Hobbes and Rational Choice Theory’.

<sup>548</sup> Hobbes, *De Cive*, 153.

<sup>549</sup> With this in mind, it is not so surprising that governments tend to *not* take credit for falling crime-rates but instead amplify a growing public fear and the misconception that crime is actually rising. Thus, in Denmark, the amount of property crime has been consistently falling for a decade (Danmarks Statistik, ‘Rekordfå ejendomsforbrydelser’). And yet the Conservative Party’s main electoral campaign in the 2019 election focused on burglary as the primary social problem of our time. Likewise in the UK, despite a consistent drop in violent crime (and crime in general) the public has a consistent belief that such crimes are on the rise, a belief which is

tive theories, stories like the Prisoner's Dilemma and the general theory of Rational Choice, are parts of the ideological state apparatus that contribute to this task. Rather than being neutral descriptive theories they “interpellate” us as the mutually distrustful and competitive individuals who cannot cooperate.<sup>550</sup> By believing in the ideology of solitary individuals maximizing our private interest we are, ironically, prevented from realizing our interests. It deprives us of power, which as Hannah Arendt argues, is “the human ability not just to act but to act in concert.”<sup>551</sup> I am not claiming this is a deliberate indoctrination by social scientists as servants of the existing power-structures but rather that it is a view that emerges when the existing social relations are treated as “the nature of things.”<sup>552</sup> The sociologist Karl Mannheim advised us to pay attention to the “extra-theoretical factors” in social models, one of which is that social processes themselves influence the process of knowledge.<sup>553</sup> Another such factor is competition:

We may regard competition as such a representative case in which extra-theoretical processes affect the emergence and the direction of the development of knowledge. Competition controls not merely economic activity through the mechanism of the market, not merely the course of political and social events, but furnishes also the motor impulse behind diverse interpretations of the world which, when their social background is uncovered, reveal themselves as the intellectual expressions of conflicting groups struggling for power.<sup>554</sup>

As we will see in the next chapter, the ideology can also present itself as inherently *skeptical* of the authority of the state - as was the case with early neoliberal thinkers - but by relying on and promoting the same model of solitary and competitive individuals who need external incentives to cooperate they have merely made the justifications and mechanisms of control stronger.

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stoked by both politicians and media (Morris, ‘Does Fear of Crime Reflect the Reality of Life on Britain’s Streets?’). In the US crime rates have been declining for 20 years but fear of crime has remained constant (Rader, ‘Fear of Crime’). Politicians have every interest in maintaining this fear as witnessed by the current president’s inaugural speech painting an apocalyptic picture of an “American carnage” with cities ravaged by crime (Trump, ‘The Inaugural Address’). And it works: The George W Bush administration’s use of public color coded “terror alerts” impacted the president’s general approval ratings (Willer, ‘The Effects of Government-Issued Terror Warnings on Presidential Approval Ratings’).

<sup>550</sup> On ideological state apparatuses, see Althusser, ‘Ideology and Ideological State Apparatuses’ (in particular pp. 141-). On interpellation, see 170.

<sup>551</sup> Arendt, *On Violence*, 44.

<sup>552</sup> Mannheim, *Ideology and Utopia*, 240.

<sup>553</sup> Mannheim, 240.

<sup>554</sup> Mannheim, 241.

## CHAPTER 8:

# MARKET SUBJECTS

### 8.1 What do we desire?

The three theories discussed in the first half of this thesis - Hobbes, Rawls, and Rational Choice Theory - all have as a fundamental building block something which is surprisingly under-theorized and almost seems to be transcendent to the theories themselves - outside of their scope of analysis (although Hobbes certainly has the most thorough and nuanced analysis of the three). That thing is human *preferences*, or *desire*.<sup>555</sup> For Hobbes, desire is the driver of human action but also the primary source of conflict which is the starting point for his political theory. What each individual desires is almost an open question though: In chapter 6 of *Leviathan*, he lists a number of different desires, appetites, and passions, some of which are innate and universal while others are learned and particular.<sup>556</sup> Hobbes identifies “the good” with whatsoever each individual desires, making it an inherently relative and subjective matter.<sup>557</sup> Humans have similar passions but the objects of these passions differ among individuals.<sup>558</sup> If there is no telling what we want, there is a unifying inclination though: All of mankind, according to Hobbes, has a “perpetual and restless desire of power.”<sup>559</sup> *Power* is desired for its own sake but also because it is an instrument for achieving all the other things a person might desire.

We find a similar thread in Rawls. The goal of finding a universal consensus means the theory of justice cannot take account of the manifold individual preferences that actual people might have, so these particular concepts of the good are hidden behind the veil of ignorance. Instead, what is to be distributed in the Original Position is the things

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<sup>555</sup> Preferences and desires are of course not the same. A desire is to want something while a preference is to want something more than another thing. The latter term is preferred in RCT where it is assumed that the rational agent has a lexical ordering of preferences that can be modelled mathematically (Schulz, ‘Preferences vs. Desires’). The former carries more association with the affective element than the rationally calculative. I use both terms depending on context, as they are both used in the various texts (for example, Hobbes mentions desire under the category “passions” (*Leviathan*, 8)).

<sup>556</sup> Hobbes, *Leviathan*, 33–42.

<sup>557</sup> “But whatsoever is the object of any man’s appetite or desire; that is it, which he for his part calleth *good*: and the object of his hate, and aversion, *evil*; and of his contempt, *vile* and *inconsiderable*. For these words of good, evil, and contemptible, are ever used with relation to the person that useth them” (Hobbes, 35, italics in original).

<sup>558</sup> “I say the similitude of *passions*, which are the same in all men, *desire, fear, hope, &c*; not the similitude of the objects of the passions, which are the things *desired, feared, hoped, &c*: for these the constitution individual, and particular education do so vary” (Hobbes, 8, italics in original).

<sup>559</sup> Hobbes, 66.

“a rational man wants whatever else he wants.”<sup>560</sup> Rawls calls these meta-objects of desire “primary goods” as they, like Hobbes’ power, are what is needed to achieve whatever one might desire when the veil is lifted and, like Hobbes, Rawls assumes that each person is always going to want more of these goods.<sup>561</sup> They include “liberty and opportunity, income and wealth.”<sup>562</sup> Liberty and opportunity are somewhat fuzzy concepts (and in any case in Rawls’ theory they belong in a different order which takes priority over discussions about economic distribution)<sup>563</sup> which leaves us with *income and wealth* as tangible objects of universal desire for every ‘rational’ person. As money is a form of power (and not just purchasing power; it also brings social and political power) Rawls and Hobbes are closely aligned here.

Rational Choice Theory is not in principle committed to any formulation of what people might desire. It merely states that they seek to maximize whatever preferences they have.<sup>564</sup> But in practice, when it works as the foundation for policy, it typically follows the Rawlsian path of basing the model on the assumption that the meta-good that rational economic agents prefer to have more of is *money*.<sup>565</sup> It would simply be too messy, complex, and indeterminate to base a social model on the diversity of human preferences and desires - such a model would not be able to predict social behaviors - and since money can function as a stand-in for many other objects which can be purchased with money, the assumption does make a kind of sense. It is not without consequences though. For example, when economic models assume that lowered income taxes will increase the incentive to work longer hours as each hour worked will now be more monetarily valuable.<sup>566</sup> If money is what people desire more of, then that prediction would make sense. What is missed is that money is not generally the thing people desire but merely a necessary *instrument* to get what they desire: food, shelter, clothes, and nice things. There are also things money cannot buy; in fact, working to acquire more money

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<sup>560</sup> Rawls, *A Theory of Justice*, 79.

<sup>561</sup> “[T]he thin theory of the good which the parties are assumed to accept shows that they should try to secure their liberty and self-respect, and that, in order to advance their aims, whatever these are, they normally require more rather than less of the other primary goods.” (Rawls, 349).

<sup>562</sup> Rawls, 380.

<sup>563</sup> Rawls operates with two separate principles of justice, the first of which is the establishment of basic rights and liberties while the second concerns social and economic inequality (52). They are arranged in a “lexical” order which means the first has to be in place first and cannot be changed by considerations of the second - in other words: liberty trumps equality.

<sup>564</sup> Green and Shapiro, *Pathologies of Rational Choice Theory*, 18.

<sup>565</sup> Money is not the only thing of course. The object to be maximized depends on the context the Rational Choice theory is applied to: Politicians might be modelled to want to maximize their votes or bureaucrats might want to maximize their local power and status. Green and Shapiro writes: “rational choice theorists most often try to vindicate those that posit the self-conscious maximization of money, power, or influence.” (29). In general, when applied to economic policy and theory the default tends to be money: People want as much of it as possible for as little effort as possible.

<sup>566</sup> This is an assumption that has led to policies of tax cuts in numerous policies for several decades. The expected results are still waiting. (Hope and Limberg, “The Economic Consequences of Major Tax Cuts for the Rich”).



would be contrary to getting some of those things. What many people desire is to have more *time* to spend with their families or doing what they like (i.e., not working). If a person's material necessities are met, lower income taxes mean they can work *shorter* hours while maintaining the same income and have more time to do what they really desire - i.e. it can provide the exact *opposite incentive* of what the model predicted and the policymakers intended.<sup>567</sup> Similarly, it is assumed in many economic policy models that reducing or removing benefits for the unemployed will increase their incentive to find a job and thus be beneficial to both them and the state budget. But that rests on the assumption that money is the only thing that motivates people to work, ignoring factors like the desire to feel useful, to be engaged in a meaningful activity, be part of a social group, get social validation, etc. - i.e., it assumes work is only a *disutility* which can only be compensated by the utility of money, not something that has other benefits. Not only does placing people in a permanent state of financial insecurity and forcing them to take any job no matter how short-term or irrelevant to their skill set or future prospects not actually help them find stable employment, it also tends to increase *job insecurity* and *anxiety* among those already employed, resulting in *lowering wages* (and thus lower taxable income for the state) as the labor force becomes more desperate in a competition for the same jobs.<sup>568</sup> The assumption that money is the only thing that motivates people will then become something of a self-fulfilling prophecy in a perverse sense because the austerity policies force the recipients to evaluate all their choices in the framework of short-term monetary interest - at the detriment of both their own long-term wellbeing and of society's.

This idea, that money is the primary good motivating people, can do its work on people without any of them actually believing it themselves. It is enough *to believe that others believe it*.<sup>569</sup> If policymakers are convinced the voters primarily judge the politicians by this standard, the politicians will likely base their policies on it, setting aside any more substantial values they might otherwise have. And when the public has the experience that economic growth is all the politicians care about and that they do not tend to have any more substantial values or visions about the public good, then they themselves might as well let this apathetic worldview determine their vote. One result is a self-affirming loop in which the specter of *homo economicus* is the center of all attention even though every actor might actually *detest* that fictive person. Another is that the mantra of

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<sup>567</sup> This example is examined in a report analyzing the empirical foundations for the assumptions behind the economic models used the Danish ministry of finance (Dragsted, Gielfeldt, and Hadberg, 'Den politiske regnemaskine', 50).

<sup>568</sup> Dragsted, Gielfeldt, and Hadberg, 44–45.

<sup>569</sup> "Ideology isn't about what you or I spontaneously believe, but about what we believe that the Other believes" (Fisher, 'How to Kill a Zombie').

perpetual “economic efficiency” becomes a governing paradigm that cannot be questioned: It becomes the criterion for political authority and ethical evaluation.<sup>570</sup> The population might have other values (such as mitigating catastrophic climate change induced by this economic paradigm) and the politicians might too, but if everybody thinks that having more money tomorrow than they did yesterday is the primary concern of *everybody else*, then there will not be any public conversation about how to realize any other values and social goods. In fact, the concepts “the public” and “social goods” will not even make sense in a political rationality where everyone is reduced to thinking about themselves and others as atomized and mutually disinterested individuals competing to maximize their own private interests.<sup>571</sup> The assumption in the game-theoretical dilemmas that are so popular in Rational Choice-based theory, that the rational pursuit of individual interests can lead to “irrational” outcomes that are in neither the individual nor the social interests, comes full circle when it becomes the unquestioned dogma of policy models that create a form of “democracy” in which *nobody gets what they desire* (which for some Rational Choice theorists is a feature, not a bug).<sup>572</sup> So, we need to look carefully at, and have public conversations about, what it is we actually want. And how those wants are shaped and activated by social and political factors.

## 8.2 Preference-Formation

None of us are born with all of our desires or preferences. Some might be more or less universally human (caused by a shared evolutionary past), some might be genetically distinct (shared among families), but many are acquired through lived social experience (environmental-cultural impact, education, upbringing, etc.) and are even likely to

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<sup>570</sup> “In its effort to behave ‘as if’ it were a market actor, the state treated the pursuit of administrative efficiency as critical to its authority.” William Davies’ book carefully chronicles how the “attempt to strip the state of its metaphysical ‘liberal’ authority must eventually bestow a quasi-judicial authority upon economists, and a normative status upon the procedures of Chicago price theory.” (Davies, *The Limits of Neoliberalism*, 153, 73).

<sup>571</sup> “It is a fundamental result of all rational choice theory that the notion of the public cannot meaningfully be sustained [...] there is no theoretical means to ground a notion of public, public good, or public interest [...] The public sphere as an arena of orientation toward others or the social whole is rendered theoretically nonsensical.” (Amadae, *Rationalizing Capitalist Democracy*, 143).

<sup>572</sup> Both Buchanan and Riker used Arrow’s hypothetical “impossibility theorem” (see chapter 6.4) to argue that the function of democracy is *not* to find any stable equilibrium where a majority of the people are satisfied with the social order. That would be tyranny. They consider it a good thing that in a liberal democracy nobody gets what they want. Riker: “The kind of democracy that thus survives is not, however, popular rule, but rather an intermittent, sometimes random, even perverse, popular veto. Social choice theory forces us to recognize that the people cannot rule as a corporate body in the way that populists suppose. Instead, officials rule, and they do not represent some indefinable popular will. Hence they can easily be tyrants, either in their own names or in the name of some putative imaginary majority. Liberal democracy is simply the veto by which it is sometimes possible to restrain official tyranny.” (Riker, *Liberalism Against Populism*, 244). Likewise, Buchanan argues that “a guaranteed rotation of outcomes” is preferable to any stable majority (Buchanan, ‘Politics without Romance’).

change through new experiences and interactions. A preference might even depend upon the social situation. A political theory premised upon the attempts of individuals to maximize their preferences, ought to have something to say about where preferences come from and how they are affected by the social structures advocated by the theory. This question is not only deeply under-explored in the theories discussed here but often actively dismissed.<sup>573</sup> A reason for this might be the commitment to methodological and ontological individualism: If preferences are to a large degree social in origin but the analysis is determined to treat each individual as independent parts, the theory becomes mute regarding how these individuals gain their preferences. Preference-formation becomes external to the analysis - an unknown mystery which social and political theory does not concern itself with.

Robert Ahdieh mentions two ways the question of human preferences can be relegated to an extra-theoretical position: They can be *exogenized*, i.e. made into something that is simply outside the realm of political and social analysis (either by insisting they come from “human nature” and are thus outside the socio-political realm, or simply relegating the topic to other fields)<sup>574</sup> - or they can be *endogenized* to the individual, in a way that makes them completely subjective and more or less arbitrary (and thus unexplainable).<sup>575</sup> In either case, they are neither social nor political, and the socio-political analysis can therefore proceed to ignore the possible impact of social and political institutions on individual preferences. An effect of this is that preferences can be held as static and fixed, rather than changing and situational - we might not know where they come from but once they’re there, they are constant - and with them, the socio-political models can also be presented as static and ahistorical.<sup>576</sup> Thus we get abstract theories that assume markets (and with them, market behavior) as a “state of nature” and naturalize highly culturally and historically specific forms of political organization.<sup>577</sup>

Instead of endogenizing preferences to the private psychology of the individual or exogenizing them out of the social structures (and out of the theories about them) we can make the moderate hypothesis that they are at least partially *exogenous to the individual* (i.e. they do not only originate in the individual) *and endogenous to the social structure*

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<sup>573</sup> An exception is the Rational Choice theorist Gary Becker who theorized about the origin of preferences in arbitrary events or in rational decisions by others to inculcate certain norms and tastes (Becker, *Accounting for Tastes*, 153, 225).

<sup>574</sup> Roger Mason describes the historical significance in the field of economics of insisting “that the exploration of why individuals developed certain tastes and preferences was the proper business of sociologists, anthropologists, and psychologists.” (Mason, ‘The Social Significance of Consumption’, 563).

<sup>575</sup> Ahdieh, ‘Beyond Individualism in Law and Economics’, 54.

<sup>576</sup> Ahdieh, 74.

<sup>577</sup> For some anthropological accounts of some of the many different ways human have organized exchange of goods and collective decision-making see Graeber, *Debt*; Mauss, *The Gift*; Fortes and Evans-Pritchard, *African Political Systems*; Clastres, *Society Against the State*.

(social structures play a role in shaping and causing certain preferences in the individuals who inhabit them). In this sense, I will henceforth talk about “endogenous preferences” as those that are caused by or within social structures and interactions. This is hardly a controversial assumption, but it has consequences for political and economic theory of the kind that shape policies. Policies, markets, and institutions are of course assumed to change people’s behaviors, but rarely their desires. The way behaviors are changed while holding preferences constant, is by changing the utility-function of said preferences, i.e. by making their realization more or less costly. This can be done by punitive measures, regulations, taxation, subsidies, or the supply-and-demand mechanisms of the market, all of which can encourage or discourage certain behaviors. We assume people who have a certain preference will rationally choose not to pursue that preference if it is so costly that it would rule out the pursuit of more desired preferences, but the preference would still be intact.<sup>578</sup> But what if preferences are affected by the policies and institutional arrangements? In that case, “policies written as if changing the rules will not affect the attitudes of those people that have to live within the rules will lead to unintended consequences.”<sup>579</sup> Samuel Bowles writes:

If preferences are affected by the policies or institutional arrangements we study, we can neither accurately predict nor coherently evaluate the likely consequences of new policies or institutions without taking account of preference endogeneity.<sup>580</sup>

I think we can go a bit further. If institutional structures affect individual preferences the issue is not merely that policies can have unintended consequences or that their results become unpredictable - it also calls into question the project of political philosophy and theory build upon assumptions about human nature. Such an endeavor becomes almost meaningless when it derives the desirability of specific institutional arrangements from a fixed account of human preferences if these preferences are themselves - at least partially - derived from the institutional arrangements. As Michael Taylor concludes his treaty on Hobbes:

[I]f the state is in part the cause of changes in individual preferences - then we cannot deduce from the structure of these preferences that the state is desirable. Indeed, it is not even clear in this case what it *means* to say that the state is desirable. The same objection can be made to any theory which seeks to justify or prescribe or recommend an institution, rule, practice, technology, or

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<sup>578</sup> Stigler and Becker argues that once tastes are acquired, policies can change the preference structure by “coercive and punitive action.” The tastes themselves are not capable of being changed in adults, only the calculation of whether it pays to act on them (Stigler and Becker, ‘De Gustibus Non Est Disputandum’).

<sup>579</sup> Carpenter, ‘Endogenous Social Preferences’.

<sup>580</sup> Bowles, ‘Endogenous Preferences’, 75.

any set of arrangements in terms of given and fixed preferences if these are changed over time by whatever it is that is being justified.<sup>581</sup>

If, as Taylor argues, the Hobbesian state changes individual preferences by encouraging an atmosphere of distrust and discouraging direct social relations, thus creating the disconnected “solitary” individuals it derives its legitimacy from, the market is no less problematic.<sup>582</sup> Plenty of studies confirm that introducing market structures and a market mentality does not just affect the way people behave but also the preferences their behavior seeks to realize. A famous example is Richard Titmuss’ study from the 1960s on blood donations in the UK and the US respectively.<sup>583</sup> The British system relied on voluntary donors, while the US paid for donations. A fixed preference model would assume that adding a financial incentive would *increase* or even *create* the incentive to give blood, but the reality is that this system *altered* the preferences - by blocking some preferences that might otherwise have existed and creating new ones. In the British, voluntary system, people of all classes donated with what one must assume was an altruistic motivation (or at least an intrinsic one) since they received no compensation, and yet the British donation levels were higher (and relevantly, of better quality) than in the US system, where the financial element meant that donations primarily came from those who badly needed the money (and who tended to have a higher rate of diseases that made the blood unusable). Making it into a transaction made it irrelevant to consider for those who did not need the money. As a result, blood was in low supply in the US, resulting in higher prizes further cementing the fixation upon the monetary element, thus exacerbating the problem. The US administration started an overhaul of the system in 1972, eventually removing the market mechanism for blood donations.<sup>584</sup> Other studies show that introducing market mechanisms (such as replacing reciprocity with contingent transactionalism, introducing performance-based rewards or competition, replacing personal relations with anonymous market actors, etc.), or merely framing a setting in market terminology, tend to inhibit other-regarding preferences, reduce intrinsic preferences, and “undermine moral sentiments,” while making other preferences more salient.<sup>585</sup> In other words, by changing the incentive structures you also change the preferences and desires that arise within that structure.<sup>586</sup>

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<sup>581</sup> Taylor, *The Possibility of Cooperation*, 177–78 (italics in original).

<sup>582</sup> Taylor expands this argument in *Community, Anarchy, and Liberty*.

<sup>583</sup> Titmuss, *The Gift Relationship*.

<sup>584</sup> Lyons, ‘Blood Bank Study Ordered by Nixon’.

<sup>585</sup> Bowles, ‘Policies Designed for Self-Interested Citizens May Undermine “The Moral Sentiments”’. See also Bowles, ‘Endogenous Preferences’; Isoni et al., ‘Do Markets Reveal Preferences or Shape Them?’

<sup>586</sup> In some cases a market-based mentality can be the appropriate one; certain things are mere interchangeable commodities. But not all things. As Michael Sandel argues: “some of the good things in life are corrupted or degraded if turned into commodities.” He also refers to Titmuss’ study and similarly concludes that “commer-

Intrinsic preferences are an interesting case. These are the preferences we have for doing certain things for their own sake, i.e. not as means to a different end but because they fulfill some need or desire on their own. We might go to work primarily to get money but, if we are lucky, the tasks we perform also have some more direct value to us: they might be fun or interesting or involve rewarding social interaction. If they do not, we would not perform those tasks very well as we would constantly need to focus on the money to stay motivated. Even when the task is not all that satisfying, we often make virtue out of necessity by finding some way to make the work more playful.<sup>587</sup> This is fundamental to our biological evolution. Nature has generally found a way to make us want to do those things that in the long run are biologically beneficial and avoid those that are detrimental without the need for us to focus on those utilitarian ends: We pull our hand out of the fire because it hurts and we have sexual or social relations and eat food because it feels nice.<sup>588</sup> Those behaviors are also beneficial for us as a species or as individual bodies but that need not be our reason for doing them. In fact, it would probably be much less efficient if we were to actively consider the utilitarian value of them instead of being equipped with desires directed towards the actions themselves.<sup>589</sup> Intrinsic preferences are thus of paramount importance for us as a biological species (without them there would be no “human nature” to discuss) and they provide our individual lives with meaning and joy.

It is an intuitive, but wrong, assumption that if people are equipped with intrinsic preferences towards certain things and actions, they would not be negatively affected by the addition of *extra incentives* encouraging the behaviors they already want to perform. If, on the other hand, there should be others, who do not have an intrinsic inclination towards doing the things we would like them to do (or worse, are inclined to do things we want to discourage) then it would be good to have an incentive scheme providing them with extrinsic motivations. This is a common assumption in political theory.<sup>590</sup> It does not

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cializing blood changes the meaning of donating it.” (Sandel, *What Money Can't Buy*, 10, 126). Another, easy to grasp, example of how the introduction of monetary incentives can change and even destroy an already existing desire is the case of sex. For many, if they are attracted to another person, being offered payment to have sexual intimacy with that person would cancel out the attraction rather than adding to it (this is of course not the case for a sex-worker who is already in the market-mentality, it thus depends on context).

<sup>587</sup> A personal anecdote: For a short period, while I was unemployed, I was forced in a municipal “activation program” (the Danish term for “workfare”) to assemble coffee presses which were to be sold by a private company. This was tedious and monotonous work but even that is less brain-numbing than doing nothing (we received our benefits regardless of our output so doing nothing was an option), so you eventually develop a routine making it more fun and efficient. As I did not wish to be free labour for a for-profit company I actively had to stop myself from performing this task.

<sup>588</sup> Sober and Wilson, *Unto Others*, 22.

<sup>589</sup> Sober and Wilson, 316–17.

<sup>590</sup> “The critical assumption in the conventional approach is not that other-regarding motives are absent but that policies that appeal to economic self-interest do not affect the salience of ethical, altruistic, and other social preferences. According to this view, the effects of material interests and ‘moral sentiments’ on behavior are ad-

have to be a fully Hobbesian view of human nature but can assume that any given population will contain a mix of people who are cooperative, peaceful, law-abiding, etc. and people who are *not*, and therefore conclude that it is better to design an institutional structure with the latter types in mind since the former will not be hurt by that.<sup>591</sup> On the contrary, the cooperative individuals would be protected from the less cooperative ones because the latter are compelled to behave cooperatively. In this spirit, David Hume proclaims it a maxim that in political-institutional design “every man ought to be supposed a *knave*, and to have no other end, in all his actions, but private interest” (even though he admits it is not a factual claim) and that Rawls insists on the model of self-interest as necessary for a theory of justice for a “human society” contrasted with “an association of saints..”<sup>592</sup> The misanthropic model is thus not a claim about human nature in general but an assumption that is presumed to make the political theory, and political institutions, “robust’ against the worst possible conditions.”<sup>593</sup> This makes sense if individual motivations are not affected by the institutional designs but it is a serious problem if the institutions create the conditions they are supposed to protect against by shaping their subjects in the model the institutions are based upon. If living in a society that assumes the worst in human nature brings out those exact elements in humans - or stifles other elements - then we risk having a vicious circle in which the institutions are constantly trying to protect themselves against problems they have created in their effort to protect themselves against those problems.

Intrinsic preferences have implications for moral philosophy and political theory. We need not assume humans as benevolent saints when we discuss the possibility of people voluntarily doing productive tasks and engaging in cooperative social behavior. They need not do this out of self-neglecting altruism if they have intrinsic motivations for performing them: cooperation can be *fun!*<sup>594</sup> We can grant that not all members of a society are so inclined and still be concerned with what it does to those who are, that we de-

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divitive rather than interactive.” (Bowles, ‘Policies Designed for Self-Interested Citizens May Undermine “The Moral Sentiments”’).

<sup>591</sup> The economist Kenneth Arrow seems to be aiming at this point, in his thoughts on Titmus’ study on blood exchange. He appreciates (and refers to Kropotkin) the fact that some people give out of a sense of altruism and mutual aid, which refutes “the Hobbesian thesis” but also says that he doesn’t want to rely on widespread ethical motivations when appeals to self-interest might be a more efficient tool. This comes down to the fact that he is puzzled about why “the creation of a market for blood would decrease the altruism embodied in giving blood.” He sees it as merely an extra incentive that does not change any already existing motivations. (Arrow, ‘Gifts and Exchanges’).

<sup>592</sup> Hume, *Political Essays*, 24 (italics in original); Rawls, *A Theory of Justice*, 112.

<sup>593</sup> Taylor, *The Possibility of Cooperation*, 177.

<sup>594</sup> Intrinsic motivations thus blur the distinction between selfishness and altruism. If you have a direct desire to help another person then satisfying that desire could be said to be either selfish or altruistic without adding much to the conversation. The fact that you felt something personally does not take anything of moral value away from your act (Damásio, *Descartes’ Error*, 175–77). Sober and Wilson have an extended analysis of psychological egoism vs altruism and interactive desires from an evolutionary perspective in *Unto Others*, 223–50.

sign our society around those who are not: What does it do to the “saint” that we treat everyone as a “knave”? Should we not reward the saint for doing what they would do anyway and give them the security that the knaves will be punished if they do not do what is expected? That would seem to be in accordance with both the Rational Choice model, Rawls’ conception of fairness, and Hobbes’ argument for the state, but behavioral research reveals some counter-intuitive conclusions. An example is an experiment where Israeli teenagers were asked to contribute to a public good (collecting donations to a charity). To make sure they all had a potential intrinsic motivation they were all given the same information about the social value of the task, but some groups were offered an additional financial incentive in the form of a payment relative to how well they performed. The result: Those who were given the rewards performed *worse* overall than those who did not receive any payments.<sup>595</sup> The authors of the study theorize that the most likely explanation is that the introduction of performance-based rewards produces “a shift in the way in which the activity is perceived, and in the meaning it holds for the subjects.”<sup>596</sup> The original motivation we must assume was present in the control group was diminished when an extra motivational factor was added. *Rather than working cumulatively* to increase a behavioral pattern, the two motivational factors *conflicted*, partially canceling each other out (turning “saints” into “knaves”). Similar effects have been documented in many other experiments, both in laboratories and the “real world.”<sup>597</sup> For example, Edward L. Deci’s laboratory studies on intrinsic motivation gave the participants puzzles to complete in a limited time and observed if they continued to work on the puzzles when the period was over and they were free to do whatever they wanted. If they did, that was taken as an indicator that the activity was intrinsically motivated. Those who received rewards for completing the tasks during the official sessions were *less likely* to continue the activity once the reward was no longer present, as were those who had been threatened with *punishments* for not completing them during the official session. Both the threat of punishment and the promise of rewards seem to *cancel out the intrinsic motivation* that comes from the simple joy of doing a challenging task.<sup>598</sup>

It also crowds out the intrinsic motivation that comes from doing something out of a sense of “civic duty” as shown in the more “real-world” studies on opinions on nuclear waste repositories in Switzerland and elsewhere. One study was done during the lead-up to a referendum on that topic, so it was a present issue for the participants with real im-

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<sup>595</sup> Gneezy and Rustichini, ‘Incentives, Punishment, and Behavior’, 578–80.

<sup>596</sup> Gneezy and Rustichini, 586.

<sup>597</sup> Deci, Koestner, and Ryan, ‘A Meta-Analytic Review of Experiments Examining the Effects of Extrinsic Rewards on Intrinsic Motivation’.

<sup>598</sup> Deci, ‘The Hidden Costs of Rewards’.



pact on their lives.<sup>599</sup> Many were in favor of nuclear power and aware that nuclear waste is a side-effect that carries potential problems and costs for the local population near the repositories. Rational Choice Theory should predict that they would favor the general idea of nuclear power, which in their mind would benefit them all, while being against the concrete policy of placing the repositories in their particular community, which would be a cost on them.<sup>600</sup> If you can get the benefits while others carry the cost, then that would be preferable, leading to the “not in my backyard” (NIMBY) problem, structurally similar to the so-called ‘tragedy of the commons’: everybody acting according to their own narrow interest leads to nobody getting what is in their shared interest. But that is not how people rationalized and made their decisions. Those who were in favor of nuclear power were also more open to bear the cost of living near the waste facilities. They knew that is part of the deal. But what happens if the local population is promised a compensation from the government to increase the support for the project? The support drops dramatically, as *the voters are transformed* from reasoning from a sense of what they perceive to be a social good and acting out of “civic duty” to conducting self-interested economic calculations.

What is interesting about these experiments is that they show that different forms of motivation do not add to each other but rather *activate* and *deactivate* each other as different modes of reasoning.<sup>601</sup> Following Foucault, we could say that the power to alter the incentive structures is also the power to *create certain subjects* with different preferences and motivations. The subjects are interpellated as “homo economicus” and thus act accordingly. The ability to reward and punish is thus not to restrict or encourage certain behaviors motivated by desires that already exist in the subjects. Power is *creative*: it produces subjects with particular desires, motivations, and ways of thinking.<sup>602</sup> The conclusion here is that we cannot, from behind a veil of ignorance, say since we do not know the distribution of saints and knaves, we will create a political structure that assumes the worst and therefore creates incentive structures and institutions to regulate people's behavior because those structures and institutions will be codeterminant of how saintly or

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<sup>599</sup> Frey and Oberholzer-Gee, ‘The Cost of Price Incentives’.

<sup>600</sup> Frey and Oberholzer-Gee, 751.

<sup>601</sup> Another, highly topical in the moment, example is in epidemiology. Appeals to individual rational self-interest have been found to not be able to produce the required vaccination rates for a population, but when it the reality of other human motivations are taken into account different options are possible, including appeals to altruism and other-regarding preferences. (Bauch, Galvani, and Earn, ‘Group Interest versus Self-Interest in Smallpox Vaccination Policy’; Galvani, Reluga, and Chapman, ‘Long-Standing Influenza Vaccination Policy Is in Accord with Individual Self-Interest but Not with the Utilitarian Optimum’). See the discussion of this research in relation to the present covid-19 pandemic in the New York Times article with the slightly misleading title “‘The Pandemic Is a Prisoner’s Dilemma Game’” (Roberts).

<sup>602</sup> “We must cease once and for all to describe the effects of power in negative terms: it ‘excludes’, it ‘represses’, it ‘censors’, it ‘abstracts’, it ‘masks’, it ‘conceals’. In fact, power produces; it produces reality; it produces domains of objects and rituals of truth.” (Foucault, *Discipline and Punish*, 194).

knaveily the population is going to be. Human preferences are not exogenous to the political and economic structures but formed, at least partially, in response to them.

### 8.3 Market Mentality

That human preferences are not independent of political or market institutions should be obvious when we consider the institutions that are fundamental in the capitalist market economy. The idea that humans enter a marketplace with fully formed and conscious preferences is as silly as the idea that society is a product of a contract made by rational actors who somehow entered society, fully formed with interests and preferences, from the outside. Just as society was there before we could enter it (or rather, grow up within it), the market is also there, affecting us and acting on our preferences and desires before we are even able to be active economic consumers. The most obvious institution doing this is advertisement.<sup>603</sup> If our preferences were exogenous to the social setting in which they are acted upon, modern capitalism simply could not exist. We would merely have the desires that somehow “naturally” arose without any input from the market, which would make it extremely difficult to sell new products (or new versions of the same product). We are often told that the market simply delivers “what the consumers want” (just like we hear politicians claiming they merely do “what the voters want”) but that has it backwards: To sell new products (or new policies) you have to make new desires. Some products are created as genuine solutions to existing problems, or to satisfy existing needs, but (like policies) many are solutions looking for a problem: it is necessary to create a need where none existed. Advertisement and large parts of the cultural industry are essential parts of the market economy and they are deliberately designed to create or direct desires: to shape the consumers that enter the market looking to satisfy the needs that the market institutions created. They never entered the market; they were submerged in it from the beginning. Already in 1958, the economist John Kenneth Galbraith wrote:

Consumer wants can have bizarre, frivolous or even immoral origins, and an admirable case can still be made for a society that seeks to satisfy them. But the case cannot stand if it is the process of satisfying wants that creates the wants. For then the individual who urges the importance of production to sat-

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<sup>603</sup> Another example is cultural productions such as movies, music, book, etc., which shape our tastes and imaginations. Sometimes cultural productions are veiled advertisements for products. My youngest child would not have a preference for Pokémon products if he had not first been exposed to Pokémon cartoons or been surrounded by other children who had. It is not a preference they had before the products existed and created the particular desires.

isfy these wants is precisely in the position of the onlooker who applauds the efforts of the squirrel to keep abreast of the wheel that is propelled by his own efforts.<sup>604</sup>

He adds that “the businessman and the lay reader” of course recognize the fact that production through advertising and related activities, creates the wants it seeks to satisfy” but this obvious fact has not been incorporated into economic theory and models which means economists have closed their eyes “to the most obtrusive of all economic phenomena, namely, modern want creation.”<sup>605</sup> This is still true today: As Jane E. Fountain notes, this is one of the differences between public service institutions and private corporations that are often overlooked in New Public Management-theories that insist public institutions should operate on market terms and according to the market-logic.<sup>606</sup>

But markets shape us in less obvious ways too. Not just by affecting *what* we desire but also *how* we acquire our desires and act on them. Drawing heavily upon empirical studies, Samuel Bowles identifies five ways markets and other economic institutions affect human preferences: They change the *framing and situational construal* which affect people's choices among the same options; their effect on *intrinsic and extrinsic motivations* means they can alter the strength of, or even induce or negate certain preferences; they influence *the structure of social interactions* and thereby the evolution of social and individual norms; they *structure the tasks* people face and perform which impacts their lives beyond those particular tasks; and they facilitate *broader societal changes* that change the processes of cultural transmission of knowledge, values, and desires.<sup>607</sup> We have already discussed several examples of these effects, so here I just want to dwell on a few of them. In economic theory, the ‘ideal market’ is often defined as one populated by “large numbers of price-taking anonymous buyers and sellers supplied with perfect information” and no “prolonged human or social contact among or between the parties” who are operating “under perfect competition.”<sup>608</sup> This ideal construct hardly describes all of our everyday experience and interactions when we sell our labor or buy our goods, but ‘marketization’ exists on a continuum where certain aspects of the ‘market experi-

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<sup>604</sup> Galbraith, *The Affluent Society*, 126.

<sup>605</sup> Galbraith, 128.

<sup>606</sup> “Firms place as much importance on shaping customer expectations and preferences as they do on eliciting satisfaction.” (Fountain, ‘Paradoxes of Public Sector Customer Service’, 59). I would emphasize the word ‘eliciting’. It is central to modern business-strategy that it should never *give* satisfaction: it must always keep generating new desires - as an advertisement for an advertisement agency puts it: production must keep “innovating products that supercharge demand with each new version” (Patel, ‘7 Marketing Tips To Create A Demand For Your New Product’). This constant generation of desires thus also generates constant frustration, thus “high levels of advertising may depress societal well-being” (Michel et al., ‘Advertising as a Major Source of Human Dissatisfaction’).

<sup>607</sup> Bowles, ‘Endogenous Preferences’, 77.

<sup>608</sup> Hirschman, ‘Rival Interpretations of Market Society’.

ence' are more or less prevalent.<sup>609</sup> Likewise, certain interactions in our lives can be made more or less 'market-like' by structural changes set in motion by cultural shifts or deliberate policy. This changes the way we feel in the situation and the way we interpret it, as we enter a 'market mentality.'

For example, in experiments with the 'ultimatum game' (where one participant is asked to divide resources among the other participants who can then accept or reject the bargain) merely *changing the words* used from "person A" and "person B" to "*buyer*" and "*seller*" affects how the game is played: By framing it as a market interaction the offers are reduced which reduces the total distribution.<sup>610</sup> The introduction of *anonymity* or an element of *competition* - two components of the "ideal market" - has the same effect: they erode the social, other-regarding, preferences and reduce the overall distribution.<sup>611</sup> Whether this is because these modifications activate a selfish market mentality that replaces other-regarding considerations of fairness etc. or if it is because they allow for the rational economic actors to disregard strategic considerations of how the other participants think of them is a topic for debate. The two studies mentioned here respectively represent the two interpretations: Hoffman et al. argue that social behavior does not come from a sense of fairness but a concern for *reputation* while Carpenter argues for an interpretation based on genuine *psychological changes*.<sup>612</sup> I think both are compatible: It is easier to be perceived as having social preferences if one genuinely has them rather than merely pretend to have them, so it makes sense to actually enter an other-regarding mindset when it also happens to be functionally beneficial for establishing mutually beneficial reciprocal relations.<sup>613</sup> In a situation of total anonymity and mutual competition, there is no *strategic* advantage of other-regarding behavior but it also lacks the components that trigger *genuine* social considerations and values: when you strip away all cues of human interaction you might also change the cognitive and motivational state of the subjects. To be in a social interaction, to be seen by and to see other humans, puts us in a different state of mind.<sup>614</sup> This is supported by the fact that the study by Hoffman et al show that the presence of the *experimenter*, who is not a participant in the game, has a positive effect on how social the participants behave. I do not think we have to choose be-

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<sup>609</sup> Lane, *The Market Experience*, 12.

<sup>610</sup> Hoffman et al., 'Preferences, Property Rights, and Anonymity in Bargaining Games'.

<sup>611</sup> Carpenter, 'Endogenous Social Preferences'.

<sup>612</sup> Hoffman et al., 'Preferences, Property Rights, and Anonymity in Bargaining Games', 371; Carpenter, 'Endogenous Social Preferences', 80.

<sup>613</sup> For a discussion of the evolutionary advantage of genuine emotions applied to economic interactions, see Frank, 'The Status of Moral Emotions in Consequentialist Moral Reasoning'.

<sup>614</sup> The effect can be seen even without the presence of other humans. The anthropomorphic features of technology, such as talking voice-activated robots, are well known to cause people to act differently (such as saying "please" and "thank you") than they would when merely pressing a button, often to people's own perplexion. (Burton and Gaskin, "'Thank You, Siri': Politeness and Intelligent Digital Assistants').

tween the two explanations: our feelings and dispositions can be shaped and activated by being functionally relevant in the particular situation.

Whatever the cause might be, the result is the same: the more features of the “ideal market” are present in the situation the less cooperative and other-regarding is the behavior of the actors in it, even when the material incentives and tasks seem to be the same. If we add to that, the findings discussed earlier, that added incentives such as rewards or punishments can crowd out and replace the previously salient motivations things start to get really complicated. As Carpenter concludes: “policies written as if changing the rules will have no effect on the attitudes of those people that have to live within the rules will lead to unintended consequences.”<sup>615</sup> A small policy difference that changes the framing can radically change the attitudes and perceptions of those subject to those changes.

In several decades we have seen an ever-growing number of such small changes in policy, all intended to make various aspects of our lives and societies more ‘market-like.’ This is an aspect of the general phenomenon labeled ‘neoliberalism’ - a term whose meaning is wildly disputed - to which we will now turn. As a summary though, we can say that neoliberalism has meant the implementation of policies intended to increase competition among more or less anonymous buyers and sellers, or to create such competition where none existed, and to introduce stronger incentive structures that reward or punish certain behaviors - all of which, as we have seen, change the motivations, attitudes, and behaviors of those subject to them. In most cases, this is probably an unintended consequence of an economic goal - increased efficiency - while in others the subject-formation is the deliberate goal. The latter seems to have been the case when Margaret Thatcher proclaimed that economic policies were merely the method to achieve the goal of “changing the heart and soul” of the population.<sup>616</sup>

## 8.4 Neoliberal Desire

The lack of consensus on one simple definition has led some detractors of the term “neoliberalism” to denounce it as meaningless (often while defending the policies).<sup>617</sup> But the

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<sup>615</sup> Carpenter, ‘Endogenous Social Preferences’, 64.

<sup>616</sup> Butt, “Economics Are the Method: The Object Is to Change the Soul”.

<sup>617</sup> Luke Savage’s article contains references and quotations from numerous such detractors: ‘Neoliberalism? Never Heard of It’. As an example from Iceland, in 2013 - after the financial crash of 2008 caused by neoliberal reforms - Professor Hannes Hólmsteinn Gissurarson denied that there ever was any neo-liberal experiments in Iceland. (Hannes, ‘Explanations of the Icelandic Bank Collapse’). This is ironic, as he in 2004 glowingly bragged in the Wall Street Journal about Iceland’s “radical and comprehensive course of liberalization that

fact that a term is contested or hard to define does not make it meaningless - if so, we could not use concepts like “the state,” “economy,” “democracy,” or “an individual,” all of which are essentially contested, either.<sup>618</sup> Neoliberalism is both an intellectual movement, an ideology, and a set of (shifting) policies and political rationalities, and it has a history in which it has been modified to different circumstances, geographically, culturally, and institutionally. This is no different from many other political ideas. Unlike most other ideological movements though, the birth and early development of neoliberalism can be located rather precisely in terms of time, space, and contributing individuals. It was formed in academic conferences and meetings, there were journals dedicated to it, and there are detailed records of many of the leading members. The word has a longer history, but for the contemporary understanding, the earliest uses of it were in the 1938 conference *Colloque Walter Lippmann* in Paris where the participants decided upon this word to describe their aspirations for a new and reinvigorated liberal political project which took issues with some of the tenets of more traditional liberalism.<sup>619</sup> Many of the participants at this conference went on to establish the *Mont Pèlerin Society* in 1947, a long-lasting and deeply influential institution created with the goal of developing and disseminating neoliberal ideas.

Philip Mirowski describes neoliberalism not as a coherent political ideology but rather as a “thought collective” consisting of several layers, with the *Mont Pèlerin Society* (MPS) being the core sprouting many offshoots with more localized or temporary purposes.<sup>620</sup> Numerous research departments and journals, hundreds of think-tanks and policy institutions, can all trace their roots to the *Mont Pèlerin Society*. The collective has been defined by European philosophers (such as Louis Rougier and Karl Popper), German economists (*The Freiburg School* represented by Alexander Rüstow, Wilhelm Röpke, and Ludwig Erhard, who formed the *ordoliberal* branch of the movement which laid the monetary foundation for the EU), *The Austrian School of Economics* (represented by Ludwig von Mises and Friedrich A. Hayek who became more influential in the US), with American branches such as the *Chicago School* of economics (including Gary Becker, Milton Friedman, and George Stigler) which created the fusion-discipline of “law and

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mirrors similar reforms in Thatcher’s Britain, New Zealand and Chile” (three prime examples of extensive neoliberal reforms) and attributes it to the fact that “Free-market economists like Friedrich von Hayek, Milton Friedman and James M. Buchanan [all major figures in the neoliberal canon] all visited the country in the 1980s, influencing not only Mr. Oddsson [the prime minister] but many of his generation.” (Hannes, ‘Miracle on Iceland’). Hannes is generally described as “one of the chief architects of neoliberal politics in Iceland” (Durrenberger and Gísli, *Gambling Debt*, xxi).

<sup>618</sup> The term “essentially contested concept” was invented by W. B. Gallie for “concepts the proper use of which inevitably involves endless disputes about their proper uses on the part of their users.” (Gallie, ‘Essentially Contested Concepts’).

<sup>619</sup> Plehwe and Mirowski, *The Road from Mont Pelerin*, 13.

<sup>620</sup> Plehwe and Mirowski, 428.

economics,” strongly influenced the discipline of sociology, and has been foundational in theories of public management and governance (for example through James Buchanan's *Center for Study of Public Choice*, *The Public Choice Society* and the *Virginia School of political economy*). All the names mentioned here have been prominent members of the MPS. Many of them also belong to the canon of essential thinkers in Rational Choice Theory.<sup>621</sup> These thinkers and schools are by no means in agreement on everything but they are somewhat united in a common research program based on methodological individualism, Rational Choice Theory, an economic understanding of social behavior and political institutions, as well as in a rather broad agenda to influence politics globally and locally through the dissemination of ideas at various levels of society - via universities, media, political institutions, etc.

Neoliberalism remained a mostly academic movement for decades (with the exception of West Germany where the more pragmatic ordoliberalism became institutionalized in the post-war economic reconstruction)<sup>622</sup> but gained traction as an established political movement in the 1970s and 1980s in which politicians like Thatcher in the UK and Reagan in the US-led a series of reforms inspired by neoliberal ideas which also came to dominate the policies of the World Bank and the IMF through the “Washington Consensus” and thereby became implemented around the world through loan conditions, “structural adjustment programs,” and occasionally through military coups.<sup>623</sup> Versions of neoliberal thought were institutionalized by treaty in 1992 with the establishment of the European Union where the member states legally committed themselves to a particular economic ideology.<sup>624</sup> In Scandinavia, the neoliberal reform program did not really take off until the 1990s where a series of reforms of the public sector and privatizations of public institutions swept all the Nordic countries regardless of which parties were in government.<sup>625</sup> In Iceland, the primary motor in the neoliberal project was “The Locomotive

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<sup>621</sup> It is not possible here to give a full account of all the aspects and developments of this movement. For detailed historical accounts of the early decades of neoliberalism in different countries see Plehwe and Mirowski, *The Road from Mont Pelerin*. A rich discussion of some of the more nuanced developments, in particular the Chicago School can be found in Davies, *The Limits of Neoliberalism*. Amadae covers the Virginia-based school of Public Choice in *Rationalizing Capitalist Democracy*. Critical theoretical discussions can be found in Springer, Birch, and MacLeavy, *The Handbook of Neoliberalism*. Some recent international perspectives on the practical implementation of the neoliberal project can be found in Tansel, *States of Discipline*.

<sup>622</sup> Ptak, ‘Neoliberalism in Germany’.

<sup>623</sup> Fischer, ‘The Influence of Neoliberals in Chile before, during, and after Pinochet’.

<sup>624</sup> On the Washington Consensus, see Plehwe and Mirowski, *The Road from Mont Pelerin*, 7–10. On the European Union, see Farrand and Rizzi, ‘There Is No (Legal) Alternative’; Hermann, ‘Neoliberalism in the European Union’.

<sup>625</sup> Much has been written about neoliberalism in Sweden, the Nordic country that has gone the furthest in implementing neoliberal reforms (Blomqvist, ‘NPM i Välfärdsstaten: Hotas Universalismen’). For a brief overview of the implantation in Denmark see Stahl, ‘Neoliberalism with Scandinavian Characteristics’. Due to the financial crash of 2008 a lot has been written about Iceland, including Kolbeinn, *Eilífðarvélin*; Durrenberger and Gísli, *Gambling Debt*; Eiríkur, *Iceland and the International Financial Crisis*; Valur et al., *Iceland's Financial Crisis*.

Group” (*Eimreiðarhópurinn*) with members like Davíð Oddsson (former PM and Central Bank chairman) and Hannes Hólmsteinn Gissurarson (professor of political science), both of whom have been members of the MPS.<sup>626</sup> Its ideas have, implicitly or explicitly, influenced the policies of conservative politicians, liberals, social democrats, and military dictators alike - although in various ways. It is hardly surprising that a tendency with such a diverse range of intellectual contributors, and with implementation in radically different circumstances is less than monolithic. Neoliberalism has DNA from different ancestors and has spawned progenies with different genomes as they adapted to different environments and different purposes.<sup>627</sup>

Admittedly, this historical account does not tell us much about the ideological aspirations of neoliberalism. What ideas is this term composed of? What does this thought collective desire? It is perhaps easiest to begin by stating what it is *not*. Neoliberalism is not, as the Marxist geographer David Harvey proclaims in his *Brief History of Neoliberalism*, “deregulation, privatization, and withdrawal of the state” and neither is it in my view accurate to describe it as a doctrine of keeping “state interventions in markets” to “a bare minimum.”<sup>628</sup> Those tenets might describe *some* of the tendencies within the neoliberal thought collective, but they fail to describe what separates it from ‘classical’ liberalism and in some cases, they are at odds with both the neoliberal ideas and practices.<sup>629</sup> For example, it is mistaken to identify neoliberalism with deregulation of or non-intervention in ‘the market.’ In the periods and areas where neoliberal reforms have intensified, so has the amount of government regulation of industries and businesses.<sup>630</sup> While it is true that there has been a wave of privatization of public assets, institutions, and services, this has not meant a “withdrawal” of the state but rather its exercise of control through a more “indirect” and “polymorphic” but still pervasive regime.<sup>631</sup> The neoliberal state is one that has changed from being a provider and producer of certain goods to one that intervenes with regulations and incentive structures to encourage “the market” to provide them or even to create markets where none existed.<sup>632</sup>

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<sup>626</sup> Stefán, ‘The Political Economy of Iceland’s Boom and Bust’, 61.

<sup>627</sup> For an analysis of how the neoliberal regime was actively constructed by economic and political actors within the framework of the particular structural characteristics of Iceland see Ivar, ‘Explaining the Crisis of Iceland’.

<sup>628</sup> Harvey, *A Brief History of Neoliberalism*, 3, 2.

<sup>629</sup> “The realities of state restructuring are therefore inevitably more complex than stylized readings of processes like ‘deregulation’, ‘privatization’, ‘neoliberalization’ and ‘hollowing out’ typically suggest.” (Peck, ‘Geography and Public Policy’).

<sup>630</sup> A study of 48 countries in the period of 1966-2007 concludes that the number of regulatory agencies has been rising steadily and then “exploded” in the 1990s. (Jordana, Levi-Faur, and Marín, ‘The Global Diffusion of Regulatory Agencies’).

<sup>631</sup> Tarko, ‘Neoliberalism and Regulatory Capitalism’.

<sup>632</sup> That marketization requires state intervention and bureaucracy is not a new feature exclusive to neoliberalism. As Karl Polanyi wrote about the creation of the “free market” in the 19<sup>th</sup> Century: “The road to a free market was opened and kept open by an enormous increase in continuous, centrally organized and controlled inter-



The neoliberal state thus takes a *more active role* than it is assigned in some of the classical liberal theory. Neoliberalism was in fact conceived as a critique of the view of the relation between the state and the market in classical laissez-faire liberalism in which the role of the state was merely to secure law and order and enforce contracts at then let the market take care of itself.<sup>633</sup> Milton Friedman explicitly writes that *neoliberalism is a rejection of this laissez-faire liberalism*, as it underestimated certain dangers of free market forces, and he identified neoliberalism with the explicit recognition that “there are important positive functions that must be performed by the state.”<sup>634</sup> Instead of laissez-faire, neoliberalism institutes the goal of a “*competitive order*” which is to be constantly maintained by both market and state forces:

The state would police the system, establish conditions favorable to competition and prevent monopoly, provide a stable monetary framework, and relieve acute misery and distress. The citizens would be protected against the state by the existence of a free private market; and against one another by the preservation of competition.<sup>635</sup>

This is one of the main differences between neo- and classical liberalism: Neoliberalism does not posit the market as a natural kind or a state of nature that must be protected against the state but rather acknowledges that the conditions for its existence must be constructed and is enmeshed in the state.<sup>636</sup> Markets left to themselves tend to lead to monopolies, cartels, and other features incompatible with the ideal market of text-book economic theory and with the newly emphasized goal of preserving competition so they require constant regulation and intervention to keep them as close as possible to the ideal state of perfect competition.<sup>637</sup> *The goal of creating and preserving competition* is thus the neoliberal justification for state intervention in the market, and the foundation for their critique of the “free market.” Conversely, it is also at the heart of both their prob-

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ventionism [...] the introduction of free markets, far from doing away with the need for control, regulation, and intervention, enormously increased their range.” (Polanyi, *The Great Transformation*, 144).

<sup>633</sup> We need to distinguish here, between theory and practice. As Rune Møller Stahl shows, the *idea* of a sharp contrast between neoliberalism and classic laissez-faire liberalism can be traced back to the early neoliberals, but in *practice* economic liberals in the 1800s also employed an active use of state power to promote the project of laissez-faire. (Stahl, ‘Economic Liberalism and the State’).

<sup>634</sup> Friedman, ‘Neoliberalism and Its Prospects’.

<sup>635</sup> Friedman.

<sup>636</sup> Plehwe and Mirowski, *The Road from Mont Pelerin*, 434.

<sup>637</sup> There are exceptions to this general rule. As Davies analyses in great detail, economists like Joseph Schumpeter and Ronald Coase deviated from the standard conception of competition as anti-monopoly and their thoughts influenced the legal practices in the US from the 1970ies and the EU from the 1990ies leading to more and more legal and political acceptance of large monopolies (Davies, *The Limits of Neoliberalism*, 48–53, 88–95). The Coasian school of thought is that since economic efficiency was the reason to prevent monopoly, monopolies can be defended if they turn out to be more economically efficient than the prevention of them would be. Schumpeter’s claim leans on an almost Nietzschean philosophy of ‘creative destruction’ where no monopoly can ever be stable because some genius entrepreneur can always arise who will completely reinvent the existing values and products (Reinert and Reinert, ‘Creative Destruction in Economics’). The latter idea is somehow embodied in the former Danish government’s peculiar “Council of Disruption” (Regeringen, ‘Disruptionrådet’).

lematization of the state and their solution to it: Government is a monopoly in the realm of politics and monopolies lead to corruption and inefficiency, therefore *the state itself* needs to be *subject to competition* and thus run with a more ‘market-like’ mindset. Far from withdrawing from each other, neoliberalism implies that the boundaries between state and market (and later iterations of neoliberalism also include ‘communities’ and the ‘civil society’)<sup>638</sup> collapse: *everything is both governmentalizable and marketizable*, and these two principles become one and the same as they both take the form of behavioral regulation through the introduction and preservation of competition. As Foucault said in his lectures on the genealogy of neoliberalism:

Government must not form a counterpoint or a screen, as it were, between society and economic processes. It has to intervene on society as such, in its fabric and depth. Basically, it has to intervene on society so that competitive mechanisms can play a regulatory role at every moment and every point in society and by intervening in this way its objective will become possible, that is to say, a general regulation of society by the market.<sup>639</sup>

Neoliberalism is not a unified and homogeneous ideology with a set of fixed ideas and principles, but I think we can approach it as an ideology in the sense used by Michael Freeden. Freeden conceptualizes an ideology as a semantic field constituted of “core, adjacent, and peripheral concepts” which interact “with all the others and is changed when any one of the other components alters.”<sup>640</sup> Different thinkers within the neoliberal thought collective differ in which concepts they place at the core but the overall tendency that distinguishes neo- from classical liberalism has been to replace individual freedom and autonomy (some of the core concepts in classical liberalism) with *competition*. Competition was a part of the semantic field of ‘old’ liberalism, but only insofar as it followed from and supported the core concepts. Likewise, individual freedom is certainly important for many, if not all, the neoliberal thinkers, but the unifying element and distinguishing element seems to be the centering of competition which creates a new concept of “the individual” as one constantly engaged in competitive maximization which is quite distinct from the individual restrained by moral sentiments in, for example, Adam Smith or the argument from self-development in Mill and others of his time.<sup>641</sup> Both markets and governments are criticized from this perspective: Governments must intervene in the market when it deviates from the idealized construct of perfect competition, and government itself must reorganize itself so that it too conforms more to the ideal of the com-

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<sup>638</sup> Triantafyllou, *Neoliberal Power and Public Management Reforms*, 47.

<sup>639</sup> Foucault, *The Birth of Biopolitics*, 146.

<sup>640</sup> Freeden, *Ideologies and Political Theory*, 19, 67.

<sup>641</sup> Werhane, ‘The Role of Self-Interest in Adam Smith’s Wealth of Nations’; Valls, ‘Self-Development and the Liberal State’.

petitive market. Neoliberalism is thus not inherently against government or for the market but seeks to promote the competitive *market mentality* in all areas of life.

Let's take an example.<sup>642</sup> Until the 2000s, medical treatment in Denmark almost exclusively took place in public hospitals. The very small market there was for private clinics was primarily for cosmetic and elective surgery. That changed with a series of legislations under different governments, officially aimed at reducing patient waiting periods before operations. In 1993, the Social Democrat government introduced the “free choice of hospital” bill which allowed patients to choose which public hospital they wanted to be treated at. This had little effect on the patients who tend to lack the specialized information and to trust the professionals, but it introduced a new element in the hospital management regime: *competition*. Public hospitals now had to compete with each other for the patients. In 2002, under a Liberal-Conservative government, this was expanded to include private hospitals: If a patient could not receive treatment in the public system within a given period, they could opt for a private clinic which would be compensated by the state with money from the public health care system (in fact, the private hospitals were over-compensated, and the public hospitals were sanctioned for “losing” a patient: the government would pay the private hospitals the full rate the public hospitals normally receive even though that is also used to finance all the other essential services the public hospitals conduct: emergency wards, training of staff, diagnostics, etc.). This act of semi-privatization created a lucrative market where none had previously existed. It was thus not brought about as a result of lobbying from existing private stakeholders. The market was constructed by the state and relied on public interventions.

The public sector is still by far the primary source of healthcare in Denmark though, so it would be a mistake to see the goal as the transfer of funds from the public to the private sector or the creation of the private market. Rather, the competition with the private sector was a tool for managing the public sector: it was a necessary construct used to put pressure on the public hospitals to force them into a mode of competition - the market mentality - based on quantifiable targets and incentive structures. As the minister of health said in the comments to the legislation: it was “a step towards a change in the steering of the health sector which increasingly gives the productive units appropriate economic incentives.”<sup>643</sup> The *marketization* is a form of *governmentalization*: it is intended to make previously uncontrollable factors controllable by inserting them into an incentive structure that can be manipulated and adjusted. But for it to work, the subjects also have to be subjectivized into the market mentality of the “imminently governable”

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<sup>642</sup> This example is based on the analysis of Lars Thorup Larsen in the paper: ‘Fra Ventelister Til Frit Valg.’

<sup>643</sup> L64, ‘Lov om ændring af lov om sygehusvæsenet’, 1877 (my translation).

homo economicus.<sup>644</sup> By forcing people or institutions into a mindset where they are fixated upon the incentives that have been given them by an external authority, it is, in theory, possible for that authority to control their behavior, and thereby guide them towards achieving the desired goals. There are two connected problems with that theory: As we've seen, this switch in subjectivity can lead to unintended results as other motivations might be crowded out. It also relies on the assumption that all the desired goals can be clearly stated, quantified, and rewarded, but so many aspects of health and care work are not so easily quantified (listening to patients for example). To force the attention upon the quantifiable and measurable tasks, the other tasks might feel devalued, and the meaning and value of the work get lost. In 2015 the Danish union of nurses published a report on their working conditions and job satisfaction.<sup>645</sup> The report was based on numerous interviews with nurses and doctors, which were then analyzed by different scholars. One of these summarize the general sentiment:

The deeper meaning, what it's really about, the values and principles that are to be guiding, helping, and determining for us, that is difficult to put in a governmental formula, so we leave that aside. For that which cannot be stated as a tool, as an equation, as a system, well, we cannot trust that or count on it. And we certainly do not dare to let each hospital, each school, etc. operate autonomously. That's too risky. We do not know where that will end. That's why we cling to so-called "New Public Management" (NPM), i.e. control, documentation, measurements, tools, etc., and claim that NPM can give the hospitals sensible answers to all the questions and problems that arise. I claim they cannot.<sup>646</sup>

This aspect of the neoliberal reform agenda is part of the "New Public Management" (NPM) reforms of the public sector. Christopher Hood, who is acknowledged to be the main proponents and developer of this theory, emphasizes that it introduces "competition" and "rivalry" as central components of good governance.<sup>647</sup> NPM draws from different intellectual backgrounds, one of which is Public Choice Theory (PCT).<sup>648</sup> PCT is Rational Choice Theory applied to public institutions and constitutional design. As Buchanan, the founder of this school, proclaims, it can be summarized as the discovery that "people should be treated as rational utility-maximizers *in all* of their behavioral capacities" and that public institutions and the "political order" should be designed to "channel the self-serving behavior of participants towards the common good in a manner

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<sup>644</sup> "*Homo æconomicus* is someone who is eminently governable. From being the intangible partner of *laissez-faire*, *homo æconomicus* now becomes the correlate of a governmentality which will act on the environment and systematically modify its variables." Foucault, *The Birth of Biopolitics*, 270–71.

<sup>645</sup> Gleerup, *Bladet fra munden*.

<sup>646</sup> Hildebrandt, 'Bæredygtig Produktivitet Og et Bæredygtigt Arbejds miljø', 34, my translation.

<sup>647</sup> Hood, 'A Public Management for All Seasons?', 5.

<sup>648</sup> Boston, 'Basic NPM Ideas and Their Development', 23.

that comes as close as possible to that described for us by Adam Smith with respect to the economic order.”<sup>649</sup> In other words, *homo economicus* is no longer just a model for how humans think and behave when making economic decisions and act in “the market;” it is a general theory of human behavior - of human nature - and political (and, one must assume, all others too) institutions fail or succeed to the degree that they resemble the arena designed for these essentially economic creatures: the market.

NPM takes this idea and provides a range of policy ideas for how to governmentalize the public sector by “marketizing” it: institutionalizing competition within and between public institutions, between them and private ones, control of productivity and services via detailed contracts with specific targets and incentive structures that reward or punish actors for delivering or not delivering the agreed targets, and top-down hierarchical organizational structures where professional managers make decisions (they are “free to manage”) while those under them carry out the specified tasks.<sup>650</sup> Services can be ‘outsourced’ or ‘insourced’ as needed: what matters is not “where” a product is delivered but that it is done on the best terms the market can provide, which requires multiple potential agents in steady competition.<sup>651</sup> Each institution is to be run like a company, competing with others for the contract to deliver services to public institutions or to citizens who are now labeled ‘customers.’<sup>652</sup> Ideally this market model is also applied to the employees within the institutions: some public sector groups have been precarized by replacing traditional employment contracts with short-term or call-in temp labor (often hired by an agency rather than the institution itself)<sup>653</sup> while others have introduced intricate systems of differentiated salaries and performance or task-based bonuses,<sup>654</sup> both of

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<sup>649</sup> Buchanan, ‘From Private Preferences to Public Philosophy: The Development of Public Choice’, 17 (italics in original).

<sup>650</sup> Hood, ‘A Public Management for All Seasons?’, 4; see also Boston, ‘Basic NPM Ideas and Their Development’, 39–41; and Kamp et al., ‘New Public Management - Konsekvenser for arbejdsmiljø og produktivitet’, 12–13.

<sup>651</sup> “Sometimes it is argued that NPM is merely a new name for contracting out. This is wrong, because the the gist of NPM is not outsourcing or outhouse production, but contracting in itself. Provision can still be inhouse, but there will be contracts with the internal providers that govern the resource allocation.” (Lane, *New Public Management*, 224).

<sup>652</sup> See for example the reform plan by the Clinton administration, requiring all public institutions to “identify their customers” and to “put customers first” while using “private sector practices as benchmarks.” (Gore, ‘Creating a Government That Works Better & Costs Less’).

<sup>653</sup> Sweden is the Nordic country that has gone the furthest in implementing NPM-based reforms (Blomqvist, ‘NPM i Välfärdsstaten: Hotas Universalismen’, 40). Much of the staff in the homes for elderly and disabled are hired on temporary or “casual” contracts. As such they are not part of a team with established routines and do not have the benefits allowing them to stay home when sick. I cannot help but speculate that this has been a contributing factor in the disastrous handling of the covid-19 pandemic in Sweden where homes for the elderly where particularly hard hit. This suspicion is validated by the clear correlation between the use of casual labour and covid-19 cases in different Swedish municipalities (Martinsson, ‘Var fjärde är tillfälligt anställd i den kommunala äldreården’; Fjällborg, ‘Fler timanställda på covid-19-drabbade äldreboenden’).

<sup>654</sup> In Denmark, the road to individuated salaries in the public sector, where employees compete for bonuses, took a series of reforms starting in the mid-1980s. These were collectively resisted by employees at both the institutional and social level: in some workplaces they simply decided to share the bonuses equally rather than using the “point scales,” and as a sign of the widespread antipathy towards the system it is commonly called

which keep employees in constant competition with each other and with potential others. When such competition is not possible, the fix is the same as for the non-ideal market: control through regulations and bureaucracy to make sure everyone is doing exactly what they have been contracted to do and that every minute of their time is accounted for.<sup>655</sup>

All of this is bound to affect the workers within the affected sectors. Not only in terms of the changes in their working conditions and remuneration but also by affecting their desires and their subjectivity concerning their activities. Several of the elements in NPM work towards reducing the joy in and motivation for doing work. Earlier in this chapter, we discussed studies showing a negative correlation between *material incentives* (rewards and punishments) and *intrinsic motivation* in controlled experiments.<sup>656</sup> The uncontrolled experiment that has been running for decades now in numerous countries seem to confirm the lab results:<sup>657</sup> A French study, which also draws upon results from the UK and the US, finds that the individualized remunerations (performance-based pay, bonuses, etc.) tend to “more often than not” have “negative effects on the work motivation of civil servants” and a meta-survey from the US “finds that performance-related pay in the public sector consistently fails to deliver on its promise.”<sup>658</sup> This is not to say that people are not motivated by money when they go to work or that being paid a decent salary is not relevant to one's feeling of being respected and valued, which can be crucial for both one's pleasure and performance in the work tasks. But targeting the pay towards specific *tasks and outputs* can have the opposite effect: by foregrounding the remuneration as the reason for doing the task the other motivations for doing it can be crowded out.<sup>659</sup> Individualized remuneration systems can be even more detrimental when they are not perceived as fair<sup>660</sup> - which they rarely will be when each worker feels their labor is an important contribution to a shared process.<sup>661</sup>

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“fedterøvstillæg” (“ass-kissing bonuses”). (Madsen, Due, and Andersen, ‘Historien Om Nye Lønformer i Den Offentlige Sektor’).

<sup>655</sup> “The introduction of the profit motive and of managerial ideas coming from the private industry also in public sector welfare establishments (new public management) is fundamentally changing the provision of welfare from democratic control, professional knowledge and ethics to marketisation, and new forms of bureaucratization, where price mechanisms, control and audits dominate.” (Sandberg, *Nordic Lights*, 10).

<sup>656</sup> The meta-review by Deci, Koestner and Ryan examines 128 studies on the effects of extrinsic rewards on intrinsic motivation: ‘A Meta-Analytic Review of Experiments Examining the Effects of Extrinsic Rewards on Intrinsic Motivation’.

<sup>657</sup> The most recent figure I found was that in 2005, two thirds of OECD countries had implemented performance-related pay or where in the process of doing so. (OECD, ‘Performance-Related Pay Policies for Government Employees’, 11). It is undoubtedly higher today.

<sup>658</sup> Forest, ‘Performance-Related Pay and Work Motivation’; Perry, Engbers, and Jun, ‘Back to the Future? Performance-Related Pay, Empirical Research, and the Perils of Persistence’.

<sup>659</sup> “In general, the most consistent finding was that task-contingent tangible rewards (i.e., those given for either engaging in or completing a task) were detrimental to intrinsic motivation.” (Deci, Koestner, and Ryan, ‘A Meta-Analytic Review of Experiments Examining the Effects of Extrinsic Rewards on Intrinsic Motivation’, 634).

<sup>660</sup> Bregn, ‘Performanceforringende Effekter Af Performance-Relateret Aflønning i Den Offentlige Sektor’.

<sup>661</sup> On a personal note, I have worked in daycares for children where I have observed the “new salary” system rewarding the employee who organizes big events and activities (the planning of which, great as they may be,

A major problem with the task-specific or performance-related remuneration system is that it often feels *controlling*. This is hardly surprising as it is presumably the purpose of introducing it: to use incentives to direct employees towards performing specific tasks. This can have the non-intended effect of reducing overall efficiency and motivation. To be controlled in this way reduces the sense of autonomy (that is, after all, the point) and professional pride which is a source of responsibility and motivation.<sup>662</sup> Financial incentives are not the only form of control in the NPM regime which is premised upon a fundamental mistrust towards employees and institutions. This is materialized in detailed contracts specifying each task that is to be performed and how long to spend on it (often referred to as “minute tyranny” by Danish public workers), leaving little time to do other tasks that might be essential and provide meaning to the job for both workers and the clients they care for, and in the increased amount of paperwork demanded to document each minute or resource spent.<sup>663</sup> From all parts of the Danish social and health care system - workers are complaining that they are drowning in paperwork which forces them to spend more time filling out forms than on performing their core tasks.<sup>664</sup> NPM was intended to get rid of the large Weberian bureaucracies by splitting institutions up into smaller units which may be publicly or privately owned but all operate and compete on market terms, but the result was not a decrease in bureaucracy. As a Danish report on the consequences of NPM concludes: “The marketization of public services presupposes the construction of a new bureaucracy where services are specified and in which it is controlled that the expected services are delivered. Thereby market control creates not less but more bureaucracy.”<sup>665</sup>

The incentive structures and control mechanisms are of course there for a reason. It is good to hold people - especially those who work in public institutions and provide es-

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takes time away from the primary job of being with the children) while the quieter employee who spends time just playing with and caring for the children is not noticed or rewarded, despite both of their labor being equally important.

<sup>662</sup> “Although rewards can control people’s behavior - indeed, that is presumably why they are so widely advocated - the primary negative effect of rewards is that they tend to forestall self-regulation. In other words, reward contingencies undermine people’s taking responsibility for motivating or regulating themselves.” (Deci, Koestner, and Ryan, ‘A Meta-Analytic Review of Experiments Examining the Effects of Extrinsic Rewards on Intrinsic Motivation’, 659).

<sup>663</sup> Kamp et al., ‘New Public Management - Konsekvenser for arbejdsmiljø og produktivitet’, 67, 5, 7.

<sup>664</sup> The following are just a few of the stories containing outcries from health, social, and care workers about how the amount of bureaucracy and paperwork, and the lack of time to do their core tasks, negatively affect their work quality and satisfaction: Pettersen, ‘Sosu’en Mette Efter 42 År i Faget: Udsættes for Manglende Tillid Oppefra’; Christensen, ‘Sosuen Nana: “Vi Mangler Tid, Og Der Er Skåret Helt Ind Til Benet”’; Gleerup, ‘Anerkendelsesbehov og krænkelseserfaringer i sygeplejerskers arbejdsliv’; Hildebrandt, ‘Bæredygtig Produktivitet Og et Bæredygtigt Arbejdsmiljø’; Hvid, ‘Ansvarlig autonomi i en bæredygtig sundhedssektor’; Hom, ‘Sundheden drukner i bureaukrati’. Clearly none of these feel they are doing what David Graeber calls “bullshit jobs.” (Graeber, *Bullshit Jobs*). they have extremely important jobs and that probably adds to their resentment and despair when the “bullshitization” of filling out pointless paperwork prevents them from doing the task they find meaningful and important.

<sup>665</sup> Kamp et al., ‘New Public Management - Konsekvenser for arbejdsmiljø og produktivitet’, 53 (my translation).

sential services - accountable. But the way this accountability is institutionalized is a result of a lack of imagination which constrains the available policies. The Rational Choice model of “homo economicus” which presumes that people are only motivated to act by self-interest becomes dangerous when it relies on an extremely narrow conception of self-interest. In the paper “Is Public Choice Immoral?” Buchanan admits that “we do not believe that narrow self-interest is the *sole* motive of public servants” but then contrasts it with the idea that they are motivated solely to promote the public interest, which he (along with all his public choice colleagues) categorically rejects.<sup>666</sup> But this is a false and unimaginative binary choice, failing to take into account the complex and varied human psychology of motivation. We are motivated by so many other things, in which the separation of “self-” and “public” interest collapses: One may find *personal satisfaction* and *pride* in doing a good job which is meaningful because it helps others but is also *self-fulfilling* because of that, one might find a job interesting or *fun* or *challenging*, or get a sense of *self-respect* by getting recognition from colleagues or the outside world - *all forms of self-interest in that they are intrinsic motivations* giving the individual a personal satisfaction - but they fit badly into the simplistic Public Choice model of self-interest.<sup>667</sup> By reducing the potential human motivations and desires to two binary extremes and rejecting one of them, the policies will be designed as if the other one is assumed to be correct. They therefore ignore and fail to promote the many other motivations people can have, and indeed they often undermine and demote them.

There are two potential outcomes, both negative: On the one hand, once other potential motivations have been undermined *the subjects might conform to this model* of human behavior, making it a self-fulfilling prophecy. This would mean they only perform exactly the tasks that are measured and controlled and shirk whenever they can get away with it. The amount of regulation and surveillance would have to increase constantly, pushing the desires of the subjects continuously in the direction that makes the control regime necessary. But since not every task can be measured people would seize to do the tasks that are not rewarded and over-perform the ones that are. As the economist Charles Goodhart once put it: “Any observed statistical regularity will tend to collapse once pressure is placed upon it for control purposes” by which he means that when a measure be-

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<sup>666</sup> Brennan and Buchanan, ‘Is Public Choice Immoral?’

<sup>667</sup> As stated previously, intrinsic motivations and relational preferences blur the distinction between selfishness and altruism. I can take pleasure in helping others. The problem is thus not principally the theory of people as maximizers of self-interest, but the solipsistic and non-relational concept of “interest.” This is not to say that these motivations are all “good.” To identify too much with one’s job or career can also have problematic consequences, as when, as Max Weber writes, “the Puritan wanted to work in a calling; we are forced to do so.” (Weber, *The Protestant Ethic and the Spirit of Capitalism*, 123). This mentality can make labor organizing very difficult and make one accept any working conditions as what is at stake is not mere money but one’s personal (and even spiritual) *identity*. That is the mentality capitalism needs, not one of organized collective interest.



comes a target it ceases to be a good measure because people will find a way to “game” the incentive system in ways that formally live up to the targets but fail to produce the intended outcome.<sup>668</sup> The other potential outcome, which I find more realistic, is that some workers will *continue to do their best within the circumstances* to perform the tasks that are necessary, yet formally invisible, and which provide their job with meaning (such as taking the time to talk to patients, listen to the elderly, play with the children, etc.) in acts of quiet resistance or “responsibility taking disobedience.”<sup>669</sup> To be good at your job would then mean to take on extra work for which you are neither paid nor allotted time, which is bound to result in emotional and physical stress, burnout, and a feeling of lack of appreciation.<sup>670</sup>

The implications reach beyond the workplace though. In political theory, the concept of *prefiguration* has primarily been used with a temporal meaning: usually in the sense that our actions today create habits and norms which generate a “path-dependency” towards a future state with the implication being that our methods today should correspond with our goals.<sup>671</sup> I want to use it in a slightly different sense, more *synchronic* than *diachronic*. Rather than focusing on how our behaviors in one setting set us on a path towards further future behaviors of that type in that same general setting I am interested in how behaviors create *patterns that are imported* and used *across different settings* and situations in the same general time-frame. Using longitudinal surveys and interviews of workers in Sweden and the US Robert Karasek shows that the socialization that happens on the job creates behavioral patterns that have carry-over effects to both leisure activities and social and political participation:

the active job situation with high psychological demand and high decision latitude is significantly associated with high rates of participation in socially active leisure and political activities. Thus, workers do not compensate for passive jobs with active leisure but instead appear to carry over socialized patterns of behavior from work to leisure.<sup>672</sup>

The same conclusion is reached by the philosopher Carol Pateman in her survey of the literature on the relationship between participation in decision-making in the workplace

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<sup>668</sup> Goodhart, *Monetary Theory and Practice*, 96. For an example of how these policies made UK hospitals find creative ways to manipulate official waiting lists, see Buchanan and Storey, ‘Don’t Stop the Clock: Manipulating Hospital Waiting Lists’.

<sup>669</sup> Szebehely, ‘Omsorgsvardag under Skiftande Organisatoriska Villkor – En Jämförande Studie Av Den Nordiska Hemtjänsten’, 62.

<sup>670</sup> See the chapter ‘Selvintensivering og ekstraarbejde’ (self-intensification and extra-work) in Kamp et al., ‘New Public Management – Konsekvenser for arbejdsmiljø og produktivitet’, 23–25.

<sup>671</sup> Gordon, ‘Prefigurative Politics’. As Gordon points out, the word also has a religious usage, which is still temporal but recursive where “the future radiates backwards on its past” rather than being shaped by the present.

<sup>672</sup> Karasek and Theorell, *Healthy Work*, 53. See also Karasek, ‘Job Socialization’.

and political participation.<sup>673</sup> This could merely be a correlation between low decision latitude and low status and income jobs on the one hand, and on the other a general sense among low-income citizens that the political system is not designed to take heed of their demands or interests, but there are many ways of social and political participation besides appealing to the political elite and not all of them should be affected if this was the only causal factor. Rather, Pateman argues, the experience of *lacking autonomy and decision-making power at the workplace* (which is one of the primary disciplinary settings we inhabit most of our lives) has a psychological effect by *reducing the feeling of political competence and self-governance in general*.<sup>674</sup>

Most of the studies on this topic are from the 1950s to -70s - long before the introduction of NPM. But NPM explicitly builds upon the Taylorist management practices that were common in the industrial jobs of that time and has expanded them to the public, the care, and the service sector.<sup>675</sup> Jobs are fragmented into their component operations and each worker is measured on the output of these components and given little control over the overall job requirements whether as an individual or collectively in cooperation with the co-workers. If the studies from past decades are any indication, then NPM reforms would lead to a decrease in overall political participation and a decline in the sense that one can have an influence on the operations of society. NPM is incompatible with republican notions of citizenship and “substantive democracy” that require active participation in collective processes for the deliberation and realization of shared goals.<sup>676</sup> Many would argue that this is a tragedy for democracy, but it is in fact in line with neoliberal Rational Choice Theory which reduces the role of political participation to that of restraining the power of political officials by replacing them with others - not public participation.<sup>677</sup> To quote Amadae:

It is a fundamental result of all Rational Choice Theory that the notion of the public cannot meaningfully be sustained in a theoretical system upholding individuals' private aims and values as the relevant data for study [...] Collective outcomes can only ever be assessed from the vantage point of individual ac-

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<sup>673</sup> See the chapter ‘The sense of political efficacy and participation in the workplace’ in Pateman, *Participation and Democratic Theory*, 45–66.

<sup>674</sup> “[P]articipation in non-governmental authority structures is necessary to foster and develop the psychological qualities (the sense of political efficacy) required for participation at the national level [...] industry is the most important sphere for this participation.” Pateman, 50.

<sup>675</sup> Holmes, *Re-Tayloring Management*, 122.

<sup>676</sup> Aberbach and Christensen, ‘Citizens and Consumers’; Box et al., ‘New Public Management and Substantive Democracy’.

<sup>677</sup> Buchanan and Riker especially embraced a limited view of democracy and democratic participation. William Riker writes that “the function of voting is to control officials, *and no more*. [...] popular participation is not the act of making policy. Participation in this sense is then the act of placing a curb on policy.” (Riker, *Liberalism Against Populism*, 9, 245, italics in original). For a summary of the varied but generally skeptic views on democracy among neoliberal thinkers see Biebricher, ‘Neoliberalism and Democracy’. Other works on the topic include MacLean, *Democracy in Chains* (which particularly covers Buchanan); Brown, *Undoing the Demos; In the Ruins of Neoliberalism*.

tors. The public sphere as an arena of orientation toward others or the social whole is rendered theoretically nonsensical, and all that remains as a conceptual tool is a calculation of how collective outcomes affect private interests.<sup>678</sup>

## 8.5 What's Rawls got to do with it?

Neoliberalism is typically associated with policies to the right of the political spectrum. This is not unfounded but somewhat of a simplification and historically inaccurate. Ben Jackson writes: “The early neoliberals were not advocates of a completely unpatterned distribution of income and wealth, nor of constructing a market economy without a safety net.”<sup>679</sup> There were egalitarians among the early neoliberals.<sup>680</sup> Besides, the thinkers and think tanks associated with the Mont Pèlerin Society did not limit themselves to influencing political forces on the right but disseminated their ideas to all areas of society and to many different academic fields and political tendencies. Thus, the neoliberal reforms in Europe and elsewhere have been carried out by both social democrat and conservative parties.<sup>681</sup> Rather than a distinct political movement, we can think of neoliberalism as what Wendy Brown calls (drawing upon Foucault) a “distinctive form of reason” and a “governing rationality saturating the practices of ordinary institutions and discourses of everyday life.”<sup>682</sup> This governing rationality can take on both formally egalitarian and more explicitly inegalitarian forms. John Rawls' *A Theory of Justice* is formally egalitarian, but it is also, I claim, largely influenced by the neoliberal form of reason which is visible in both his theoretical premises and the more concrete political conclusions.<sup>683</sup>

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<sup>678</sup> Amadae, *Rationalizing Capitalist Democracy*, 143. See also Clarke, ‘Dissolving the Public Realm?’

<sup>679</sup> Jackson, ‘At the Origins of Neo-Liberalism’, 145.

<sup>680</sup> The divisions among the early neoliberals is illustrated by the anecdote recounted by Milton Friedman about Ludwig von Mises who, during an early meeting of the Mont Pèlerin Society, lost his temper and stormed out shouting “You’re all a bunch of socialists!” (Jackson, 140). For later convergence between left-wing and neoliberal thoughts see Bockman, *Markets in the Name of Socialism*.

<sup>681</sup> I don’t think any European social democrats have explicitly referred to themselves as neoliberal (the British ‘New Labor’ comes closest) despite adopting large parts of the neoliberal analyses and policies (Stephanie Mudge refers to these parties as ‘neoliberalized’ in *Leftism Reinvented*, 10). The Democratic Party in the US did have an ideological satellite that embraced the name though, centered around the journalist Charles Peters who wrote ‘A Neoliberal’s Manifesto’. Analytically this manifesto is neoliberal in the standard sense of the word: it dismisses labor unions as a rent seeking interest groups and celebrates the “risk-taking entrepreneur who creates new jobs” while it advocates against raising minimum wages, but it does all this with an almost Rawlsian argument that this would benefit those in the bottom of society.

<sup>682</sup> Brown, *Undoing the Demos*, 35.

<sup>683</sup> An analysis I share with Philip Mirowski, who writes: “In this regard, the nominally left-liberal tradition of social choice theory (Kennet Arrow, Amartya Sen, John Rawls) by this criterion is just as neoliberal as the right-wing tradition of the public choice theory of Buchanan and Tullock and the Virginia School.” (Plehwe and Mirowski, *The Road from Mont Pelerin*, 430).

Biographically it is not hard to establish a connection between Rawls and the neoliberal thought collective. In fact, in contrast to the egalitarian liberal he was later to become known as, the young academic Rawls was more akin to a proponent of the 'libertarian' night-watchman state whose only function is to enforce basic rules and protect individual liberties - a vision he shared with contemporary neoliberals like von Mises, F.A. Hayek and James Buchanan.<sup>684</sup> Rawls' first presented some of his ideas for *A Theory of Justice* at a meeting of James Buchanan's *Committee on Non-Market Decision Making*, which would later become the *Public Choice Society*, and they both credit each other as inspirations for their major works and had frequent correspondence.<sup>685</sup> The meeting included several of the leading figures in Rational Choice Theory and Rawls' philosophy came directly out of that intellectual environment.<sup>686</sup> This is explicitly acknowledged in the opening of *TOJ* where Rawls states: "The theory of justice is a part, perhaps the most significant part, of the theory of Rational Choice."<sup>687</sup> To be fair, Rational Choice was in fashion across the political spectrum and was even embraced by Marxists and anarchists (such as John Elster and Michael Taylor, both of whom later gave up on RCT, as did Rawls),<sup>688</sup> but the neoliberals saw Rawls so much as a potential ally that Milton Friedman invited him to be a member of the Mont Pèlerin Society in 1968 - a brief membership he held until the publication of *TOJ* in 1971.<sup>689</sup> This association was gradually to come to an end after the publication of *TOJ* but within that work the inspiration from RCT and early neoliberal ideas is visible.

The primary element is the grounding of the theory in a concept of atomized individuals seeking only to maximize their private preferences without any regard for others. This is a heuristic device and not an empirical claim, but it is the device used to establish

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<sup>684</sup> See the extensive biography on Rawls and his intellectual development in chapter 1, "The Making of Justice," in Forrester, *In the Shadow of Justice* in particular p. 15. Here Forrester quotes an early lecture of Rawls ("On the Function of Government," which is inaccessible for me but can be located in the physical John Rawls archives at Harvard) in which he writes that the attempt to define the ends of citizens may mean "the use of assassins, informers, gas chambers" and warns against political interference in the economy. This is starkly reminiscent, both in substance and rhetoric, of Isaiah Berlin's claim that positive liberty tends to lead to "totalitarianism" ("Two Concepts of Liberty"); and of Hayek's statement that planned economies lead to 'the hangman' (*The Road to Serfdom*, 151).

<sup>685</sup> On the relation between Rawls and Buchanan as well as Rawls' positions within the Rational Choice community, see Amadae, *Rationalizing Capitalist Democracy*, 258–72. The correspondence between Rawls and Buchanan is reprinted in Peart and Levy, *The Street Porter and the Philosopher*, 405–16.

<sup>686</sup> Amadae, *Rationalizing Capitalist Democracy*, 149.

<sup>687</sup> Rawls, *A Theory of Justice*, 15.

<sup>688</sup> Elster's *Making Sense of Marx*; and Taylor's *Anarchy and Cooperation* are both founded in Rational Choice Theory. Elster expresses his disillusionment with RCT in *Explaining Social Behavior*; and Taylor does it in *Rationality and the Ideology of Disconnection*. Rawls recants his commitment to RCT in a footnote in the essay 'Justice as Fairness: Political Not Metaphysical', 237 (fn 20).

<sup>689</sup> Along with other neoliberals, including Hayek, Milton Friedman, and George Stigler, Buchanan saw in Rawls a potential fellow-traveler." Forrester, *In the Shadow of Justice*, 108. On the MPS membership, see Offer and Söderberg, *The Nobel Factor*, 272. Even after the publication of *TOJ* right-wing neoliberals continued to see common grounds with Rawls. F.A. Hayek wrote that the differences between him and Rawls seem "more verbal than substantial." Hayek, *Law, Legislation and Liberty, Volume 2*, xiii.

ideal justice and to lay out the framework for political institutions as well as to evaluate the justice of existing institutions, and thus it has practical consequences for the non-ideal theory.<sup>690</sup> It is in line with what Mirowski lists as one of the neoliberal tenets: “*treating politics as if it were a market and promoting an economic theory of democracy.*”<sup>691</sup> A consequence is that the starting point, like in Hobbes, inevitably is one of assumptions of conflict and mutual distrust which makes cooperation theoretically unlikely and “for this reason alone, a coercive sovereign is presumably always necessary.”<sup>692</sup> It also means that when we are to consider questions of political justice we have to do it *from the standpoint of solitary abstract individuals* and thus eschew any collective notions like class, gender, ethnicity, etc. which may be essential to the actual existing injustices we experience. This is par excellence one of the epistemic tricks of contemporary neoliberalism: the *individualization* of everything makes it hard if not impossible to see structural problems let alone think of collective solutions to address them.<sup>693</sup>

We also see hints of neoliberal inspirations in some of Rawls' more concrete policy ideas. In describing the basic structure of a just society he envisions a state that secures “the liberties of equal citizenship” and fair equality of opportunity which involves policing private firms “to prevent the establishment of monopolistic restrictions” and guaranteeing “a social minimum.”<sup>694</sup> None of this is uniquely neoliberal but neither is a departure from neoliberal thought or particularly radically egalitarian - neoliberalism is, as we have covered, explicitly focused on preventing monopolies and ensuring fair competition, and, contrary to popular conceptions, many neoliberals have been in favor of guaranteed social minimum standards.<sup>695</sup> What is interesting is Rawls' proposal for how to achieve these minimum standards: A graded income supplement in the form of negative income tax.<sup>696</sup> This is a proposal that comes directly from Milton Friedman's *Capitalism and Freedom* in which he explains that the benefit of this is that it would give money directly to the poor without interfering in the market (and thus will not disturb the structures that keep them poor) and could replace the other measures that the welfare state might have in place.<sup>697</sup>

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<sup>690</sup> In rare passage towards the end of the book Rawls does state that “the social nature of mankind” is “evident” and that human beings in fact “have shared final ends.” (Rawls, *A Theory of Justice*, 458).

<sup>691</sup> Plehwe and Mirowski, *The Road from Mont Pelerin*, 436 (italics in original).

<sup>692</sup> Rawls, *A Theory of Justice*, 211.

<sup>693</sup> See also the critique in Mills, “‘Ideal Theory’ as Ideology’.

<sup>694</sup> Rawls, *A Theory of Justice*, 243.

<sup>695</sup> Plehwe and Mirowski, *The Road from Mont Pelerin*, 26; Jackson, ‘At the Origins of Neo-Liberalism’, 142.

<sup>696</sup> Rawls, *A Theory of Justice*, 243.

<sup>697</sup> Friedman, *Capitalism and Freedom*, 192. Foucault makes a similar point in his treatment of the idea of “negative tax” in France: “The negative tax will never function at the level of the causes of poverty but simply at the level of its effects.” *The Birth of Biopolitics*, 204.

Rawls too, is skeptical of the welfare state. The original version of *A Theory of Justice* was rather vague concerning his political visions, leaving his theory open to different interpretations, but in the preface to the revised version from 1990, he clarifies his position somewhat. Here he explicitly distinguishes his political ideal of “*property-owning democracy*” from that of the welfare state.<sup>698</sup> The term property-owning democracy has a long and varied history; it was first used by British conservatives in the 1920s and was later picked up by the revisionist wing of the Labour Party as well as by people associated with the neoliberal right and it was a central part of Margaret Thatcher's vision for Britain.<sup>699</sup> Rawls describes it as the dispersal of ownership of wealth and capital “to prevent a small part of society from controlling the economy and indirectly political life itself” by “ensuring the widespread ownership of productive assets and human capital.”<sup>700</sup> I want to point out two things here: First, notice the phrase “human capital” - a term popularized by Rational Choice theorist, Gary Becker, and which is steeped in neoliberal discourse.<sup>701</sup> Second, despite Rawls' later claim in *A Restatement* that this is an “alternative to capitalism” we should appreciate that this dispersal of property actually resonates a lot with the neoliberal critique of free-market capitalism.<sup>702</sup> The ideal of the market is one in which there is perfect competition between more or less free and equal agents. If there is too much asymmetry in their relationships - like when one has a near-monopoly on a good the other needs - there is a deviation from the ideal which might need to be rectified by intervention. Rawls' critique of actually existing capitalism is that it allows for such deviations that are not conducive to the state of perfect competition.<sup>703</sup> His vision is much closer to the text-book ideal about how capitalism should be in theory: small, independent, property-holding individuals who engage each other in “a system of (workably) competitive markets” but otherwise “manage their own affairs.”<sup>704</sup> Despite the egalitarian intentions, this is still a profoundly individualistic vision. It is not the socialist

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<sup>698</sup> Rawls, *A Theory of Justice*, xiv. The term “property-owning democracy” might be one he picked up during his trip to Oxford in 1952-53 and in TOJ he attributes the term to a work by British economist James Meade from 1964 but Rawls used the term elsewhere before that work was published (Forrester, *In the Shadow of Justice*, 16). This is relevant as the term is has been used by both conservatives, labor revisionists and neoliberals leaving us with the possibility that rather than explicating what he originally meant by the term Rawls actually used the term with different meanings in different periods.

<sup>699</sup> For a history of the term see Jackson, ‘Property-Owning Democracy’. Thatcher gave 60 speeches and interviews where she placed this at the core of the conservative vision, including her first ‘Speech to Conservative Party Conference’ as party leader.

<sup>700</sup> Rawls, *A Theory of Justice*, xiv–xv.

<sup>701</sup> See Becker, *Human Capital* (originally published in 1964). See also Foucault's discussion on this concept in neoliberal theory in *The Birth of Biopolitics*, 219–33; and Brown's more contemporary analysis in *Undoing the Demos*, 175–222.

<sup>702</sup> Rawls, *Justice as Fairness: A Restatement*, 135.

<sup>703</sup> See Rawls' discussion of market failures and deviations from the “idealized conception” of the market in *A Theory of Justice*, 240.

<sup>704</sup> Rawls, xiv, xv.

egalitarianism of collective decision-making and shared responsibility but rather an egalitarian form of the neoliberal vision of homo economicus as “as entrepreneur of himself, being for himself his own capital, being for himself his own producer, being for himself the source of [his] earnings.”<sup>705</sup>

Rawls does break with Rational Choice Theory though. He makes this public in 1985 in a footnote in the paper “Justice as Fairness: Political not Metaphysical” where he writes that it was an error to describe *A Theory of Justice* as part of the theory of Rational Choice.<sup>706</sup> Here he refers back to his earlier works on Kantian constructivism and distinguishes between the rational and what he calls “the reasonable.” The reasonable is a normative, moral, claim, about which restrictions one *ought* to accept, and thus does not belong in a Rational Choice Theory of rational maximizers of self-interest. It is essential to his social contract theory as it is what gives ground to the hypothetical consent of the citizens to their system government: Reasonable people, he writes in 1958, who have accepted the rules as fair (i.e. in the original position), also impose upon themselves a *prima facie duty to comply* with them even when it is not to their immediate advantage: “As with any moral duty, that of fair play implies a constraint on self-interest in particular cases; on occasion it enjoins conduct which a rational egoist strictly defined would not decide upon.”<sup>707</sup> This means they are not the rational calculators of self-interest implied by the stated commitment to RCT.

This puts Rawls at odds with Rational Choice Theory and with many strains of neoliberal thought, but, interestingly, much closer to the social contract theory of Thomas Hobbes. Hobbes too constructs an “original position” in which agents deliberate as rational egoists but uses this device to show which rules of mutual conduct would be in their interest from such a position. Now, the problem is that once the agreement is made, one might find it to one's advantage to break those rules, and that is what a purely self-interested Rational Choice individual would do after evaluating the pros and cons (the positive and negative incentives, chances of being caught, etc.). This is *not* what Hobbes has in mind. Such short-term self-interested rationality might be a necessity in the state of war, but Hobbes calls a person who engages in such calculations, once peace and society are established, a “fool.”<sup>708</sup> Exactly like Rawls, Hobbes insists that once an agreement is made, there is a *natural duty to comply*: “that men perform their covenants made” is the foundation for justice.<sup>709</sup> As Hartmut Kliemt writes, “Hobbes clearly smuggles in

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<sup>705</sup> Foucault, *The Birth of Biopolitics*, 226.

<sup>706</sup> Rawls, ‘Justice as Fairness: Political Not Metaphysical’, 237 (fn. 20).

<sup>707</sup> Rawls, ‘Justice as Fairness’, 181.

<sup>708</sup> Hobbes, *Leviathan*, 96.

<sup>709</sup> Hobbes, 95.

norm-oriented behavior” which is “clearly incompatible with a strict economic and public choice approach.”<sup>710</sup> Thus, both Rawls and Hobbes believe there is a moral duty originating in one's own reason to comply with rules one has already recognized as just: “Hobbes and Rawls share the concept of obligation arising from assent. [...] Assent to principles discovered by reason binds the individual to following them and makes them personal obligations.”<sup>711</sup>

This is in stark contrast to both Rational Choice Theory and neoliberal analysis. For RCT the rational calculating egoist is a fact of nature, and neoliberal reform programs like Public Choice Theory and New Public Management assume this model to be true and design institutions upon it. Later versions of neoliberal thought, such as behavioral economics, see that humans do not always behave ‘rationally’ in the prescribed sense, and thus introduce policies and structural reforms to ‘nudge’ us to behave according to the ideal.<sup>712</sup> Hobbes though, paints a picture of solitary, selfish, and non-cooperating individuals in the state of nature, not as an ideal but as a *warning*, something that is to be avoided at all costs. Citizens in a society should not behave like that.<sup>713</sup> This is not how Hobbes has traditionally been read by Rational Choice theorists, where every interaction is treated as a one-shot Prisoner’s Dilemma and there is no trust between participants and no feelings of mutual obligation. This reading of Hobbes leads to a theoretical and practical paradox: While starting as a critique of centralized state power, neoliberalism's dogmatic assumption of humans as atomized individuals and perpetual opportunists has led to neoliberal policies of increased control and authoritarian governance.<sup>714</sup> Treating all humans as essentially trapped in a Prisoner’s Dilemma where everyone is going to defect as soon as the opportunity appears means no one can be trusted to do what they have promised unless they are constantly monitored and disciplined by appropriate incentive structures. Amadae:

The Rational Choice interpretation of Hobbes’s Leviathan pushes past its classical liberal roots to reach the neoliberal conclusion that a maximum security state with invasive monitoring and surveillance powers will be necessary to prevent all citizens from acting on their overriding prerogative to defect from cooperation whenever the opportunity presents itself without penalty.<sup>715</sup>

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<sup>710</sup> Kliemt, ‘Public Choice from the Perspective of Philosophy’, 237.

<sup>711</sup> Rhodes, ‘Reading Rawls and Hearing Hobbes’, 396. See also Rolf, ‘The Fool and the Franchiser’; Neal, ‘Hobbes and Rational Choice Theory’; Amadae, *Prisoners of Reason*, 153–73.

<sup>712</sup> McMahon, ‘Behavioral Economics as Neoliberalism’.

<sup>713</sup> Neal makes a compelling argument that Hobbes did not intend Leviathan to be a true account of how society was formed by selfish individuals coming together but rather as an affective narrative intended to deter social beings from the maximizing rationality of homo economicus. Neal, ‘Hobbes and Rational Choice Theory’.

<sup>714</sup> My account of New Public Management in the previous chapter illustrates parts of this tendency. For a global perspective see the contributions on authoritarian neoliberalism in Tansel, *States of Discipline*.

<sup>715</sup> Amadae, *Prisoners of Reason*, 156.



# CHAPTER 9:

## CONCLUSIONS

### 9.1 Trust, Legitimacy, and Crises in Democracy

In *Chapter 1* we saw how one of the foundational myths of Rational Choice Theory, the Prisoner's Dilemma posits human beings as being in a situation where they cannot trust each other and thus cannot cooperate. We also saw how this relies on a very truncated view of humans who are forced into the situation by authorities who manipulate the circumstances to produce the desired behavior. In *Chapter 2* we saw how Thomas Hobbes' state of nature resembles the Prisoner's Dilemma and uses the narrative of untrusting and uncooperating humans as an argument for the necessity of political authority. Hobbes is, to my mind, one of the greatest political thinkers whose argument is still being used today, especially in RCT. In *Chapter 3* we looked at another great political thinker, John Rawls, whose arguments about economic inequality have also had an immense impact on political and philosophical discourse. We saw that it has elements resembling both Hobbes and explicitly builds upon RCT, in that it asks us to contemplate questions of justice from the epistemic standpoint of mutually disinterested individuals contemplating how to satisfy their private desires most efficiently. In *Chapter 4* we took a closer look at some of the debates in RCT, especially concerning the question of what desires people are assumed to maximize, and at how the Prisoner's Dilemma has been applied to the real world with the assumption that people are helpless prisoners, which leads to a narrow range of available policy prescriptions - prescriptions that can undermine trust and cooperation rather than facilitate it. *Chapter 5* continued the examination of RCT by looking more closely at some of the many different types of preferences humans can have which do not fit well into the model of the solitary and mutually disinterested individuals as they are fundamentally tied to other people and social relations. These preferences are relevant for questions about inequality, both economic and political, adding more arguments that are not so salient in the Rawlsian model. *Chapter 6* made the claim that a problem lies in the seemingly neutral commitment to methodological individualism which brings with it more problematic baggage: When people are seen as atoms in a social model, as if they exist independently from others, it becomes hard to recognize them as having other desires than those that are exclusively about themselves, and it furthermore becomes difficult to conceptualize how desires and preferences can change, since such change requires external output from the social world. This innocent commitment

has ideological consequences by foregrounding certain political conclusions while foreclosing other parts of our political imagination.

Whenever we hear a political debate stop short by an appeal to “human nature” that is Hobbes speaking through the ages. RCT is a general theory of human nature that borrows directly from Hobbes and has had immense influence on social analysis, economics, policy, and more, to this day. “Human nature” is used to explain social developments and to defend and legitimize political institutions. In *Chapter 7* I question this approach by arguing that it is impossible to separate human nature and human culture, as both our psychology and our biology is shaped by social processes that take place in institutions; these institutions are thus not necessarily the result of human behavior but might as well be the cause of it. Human subjectivity is a moving target that adapts to the structures it is in and to the framing of the situation, sometimes in unpredictable ways as evidenced by some of the cases covered in *Chapter 8*, where it was shown that appealing to the market mentality of self-interest and external incentives can cause a switch in our motivations, effectively canceling out other reasons we might have had for acting. Towards the end of the chapter, we saw how this is happening in the Nordic countries where neoliberal reform programs, such as New Public Management, attempt to create a market mindset in all aspects of society, thus crowding out other reasons people might have to be engaged in their professional work or participate in public life in general. In the next chapter, I will discuss the question of whether these changes in subjectivity can ever be fully pervasive but in the following, I will contemplate a bit more freely on the implications these developments might have for our societies more broadly and how they relate to contemporary political issues.

We are in the middle of multiple crises: Economic, political, environmental, and social.<sup>716</sup> All of them are in some way related to questions of trust, or the lack thereof. Do politicians trust the voters and vice versa? Do we still have trust in the economic system? Does the youth trust that they will have a livable planet in the future? Even the global coronavirus epidemic, during which this is being written, is loaded with problems of trust: Can we trust that our colleagues have taken the necessary precautions to avoid infection? Does the government trust the people to take such measures or do they need to be disciplined into compliance? Do the people trust the government with the extra power it claims is necessary to protect them from the disease and each other? Trust is a fundamental component in social, political, and economic life. If we do not trust our neighbors there is no cooperation and no society, if we do not trust the political system it loses legit-

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<sup>716</sup> For an analysis of how these themes connect to the topic of climate change, see Sandberg, ‘Climate Disruption, Political Stability, and Collective Imagination’.

imacy, if we do not have some trust in economic stability there will be no long-term investments. Hobbes was very aware of this when he described the consequences of being in a state of war: the insecurity and fear leads to the breakdown of industry, culture, transportation, commerce, construction, science, and society - all of which requires that people cooperate and have trust in both each other and in the future.<sup>717</sup>

Let us briefly dwell on two of these crises: the political and the economic. In the past few years, a series of shocks have been sent into the ‘Western’ liberal self-perception. Both the 2016 Brexit vote in the UK and the US election of Donald Trump caused confusion, panic, and despair among political analysts and actors, but they were just two manifestations of a broader emergence of both rightwing and (to a smaller degree) leftwing “populist” movements, all of which are often presented as irrational deviations from an otherwise well-functioning system.<sup>718</sup> As such, explanations are often sought in something outside the system: Russian hackers, malfunctioning social media algorithms, or perhaps in the inherent ignorance and irrationality of the voters who - by implication - cannot be trusted with the important task of democratic elections.<sup>719</sup> In reality, the dissatisfaction with established political procedures is not a new and sudden trend. Voter participation in Europe and globally has been declining for decades, a phenomenon that has been described as “worrying” and “alarming,” and in the US the public trust in government has been at “historically low levels” long before Trump was elected.<sup>720</sup> The crisis in liberal democracy cannot be explained, I think, without reference to the long trend of growing political apathy and distrust among the voting populations - the crisis comes from within the system.

Related to this political crisis is the economic crisis. This was made particularly salient by the financial crisis of 2007 and the Occupy Wallstreet movement of 2011, both driven by a lack of trust in key aspects of the economic system.<sup>721</sup> But again, the crisis has been brewing for a lot longer. The unspoken deal between voters and politicians in the post-WWII-era has been: Governments would deliver economic growth and rising living standards and in return “the people would defer to political and policy elites on key deci-

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<sup>717</sup> Hobbes, *Leviathan*, 84.

<sup>718</sup> This is not unique to our time. The populist movement dates back to the late 19<sup>th</sup> Century and was also back then ridiculed as “irrational” for its grievances and complaints about a system that was conceived by definition to be the best that could be had (Frank, *The People, No*, 65).

<sup>719</sup> Here is a small sample of titles from American authors displaying and exploiting a cultural tendency of the time to view people of different opinions as inherently less intelligent: Geoghegan, *Dumb, Stupid American Voters*; Pierce, *Idiot America*; Shenkman, *Just How Stupid Are We?* On the “Russian Hackers” and other attempts to locate the cause of the current predicaments outside of the reality one can be responsible for, see Cohn, ‘The Fantastic From Counterpublic to Public Imaginary’.

<sup>720</sup> Solijonov, ‘Voter Turnout Trends around the World’; Delwit, ‘The End of Voters in Europe?’; Doherty et al., ‘Beyond Distrust’.

<sup>721</sup> Earle, ‘Trust, Confidence, and the 2008 Global Financial Crisis’; Roth, ‘The Effect of the Financial Crisis on Systemic Trust’; Uslander, ‘Trust and the Economic Crisis of 2008’.

sions shaping economic policy.”<sup>722</sup> Another part of the deal is the “Rawlsian bargain”: That the policies which cause greater inequality and disproportionately benefit the rich can be accepted provided they *also* lift the absolute levels of the lower-income groups. The terms of this “social contract,” which has granted a sense of legitimacy to the state and its policies, are no longer met: In the US income levels for all groups except the wealthiest have stagnated since the 1970s and even started dropping in the 2000s, despite increases in production and general economic growth in the same period.<sup>723</sup> Likewise in the EU, “the income distribution is more unequal today than in the 1980s in almost all Member States” and a “decreasing share of total income is labour income.”<sup>724</sup> The part of the deal that involved the knowledge that one could trust that one’s children would have greater prosperity and opportunities than their parents had is also over: From the generation born in the 1940s to the one born in the 1980s, levels of absolute income mobility have dropped from 90% to 50% in the US, and on average across OECD countries, upwards mobility for the lower classes have stagnated for those born after 1975 and declined in the 1990s.<sup>725</sup> Even if living-standards have generally improved materially, there has been a move away from the economic inclusion that liberal egalitarians like Rawls imagined and which people in the postwar period had reason to feel optimistic about. These developments have surely contributed to the lack of trust in the political system and a more generalized political apathy. As the OECD also reports: “People with a deteriorating economic situation over the past five years are less likely to feel that their voice counts” (and as we saw in chapter 5.4, they are not wrong in that assessment).<sup>726</sup>

No wonder then, that there is a crisis of distrust, a loss of political legitimacy, and a growing resentment, all of which have trouble finding a constructive outlet and sometimes result in political movements that latch on to anything that represents something other than the established status quo. This status quo is anchored in a political discourse based on narrow conceptions of a fixed “human nature” that only allows for specific social arrangement, foreclosing our collective imagination and discussion about other possibilities; in the words of Thatcher: “There Is No Alternative.”<sup>727</sup> This “capitalist realism,” as Mark Fisher calls it, is still constraining our thinking even while we reject it. It is hard to think outside the mental prison when we imagine ourselves trapped in thought exper-

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<sup>722</sup> Galston, ‘The Populist Moment’, 24.

<sup>723</sup> Mishel, Gould, and Bivens, ‘Wage Stagnation in Nine Charts’; Mishel, ‘The Wedges between Productivity and Median Compensation Growth’.

<sup>724</sup> European Commission, ‘Employment and Social Developments in Europe 2018’, 112, 57.

<sup>725</sup> Chetty et al., ‘The Fading American Dream’; OECD, ‘A Broken Social Elevator?’, 29, 32.

<sup>726</sup> OECD, ‘A Broken Social Elevator?’, 24.

<sup>727</sup> “There is no alternative” (TINA) was a phrase Thatcher used in many speeches, including the 1980 ‘Speech to Conservative Women’s Conference’.

iments that do not allow for collective action or cooperation. In the hypothetical Prisoner's Dilemma, as in Hobbes' state of nature, we need an outside force to compel us to cooperate - the choice is between collective ruin while we act like solitary individuals, or salvation through political domination, competition, or coercion. This assumption is implicit in so much of our political discourse, and I posit that this is a mindset we need to break out of. Ideologies work by making contested claims seem like natural and indisputable facts. Fisher writes:

An ideological position can never be really successful until it is naturalized, and it cannot be naturalized while it is still thought of as a value rather than a fact. Accordingly, neoliberalism has sought to eliminate the very category of value in the ethical sense. Over the past thirty years, capitalist realism has successfully installed a 'business ontology' in which it is *simply obvious* that everything in society, including healthcare and education, should be run as a business. [...] It is worth recalling that what is currently called realistic was itself once 'impossible': the slew of privatizations that took place since the 1980s would have been unthinkable only a decade earlier.<sup>728</sup>

The economic and the political developments cannot be separated. The implementation of neoliberal policies was made by state actors and politicians but often concealed - ideologically and legally - behind transnational institutions (such as the EU, WTO, IMF, The World Bank, and the various multilateral trade deals, all of which are constructed and constituted by states) and behind a rhetoric in which policymakers blame global market forces (that were never independent of the political forces) for 'forcing' them to implement certain policies so that the nation can be 'competitive.' The trick of blaming outside institutions or 'non-political' market forces might allow political actors to shirk responsibility, but the market did not force this development by itself; it was facilitated and guided by political actors. Neoliberalism did not shrink the state's control, it merely changed the nominal ownership of the executive bodies: While everything can now in principle be privatized and outsourced to private entities, the parameters for the operation of the services are set by the state in an expanding market created and, at least in principle, governed by the state. Jason Royce Lindsey writes in *The Concealment of the State*:

Thus, the idea of an autonomous market allows the state to further conceal its agency in plain sight. Despite the ideological rhetoric of privatization "downsizing" or "rolling back" the state, the actual outcome is the expansion of the state. [...] This shell game of having official government employees and agencies versus off-the-books contractors allows the state to claim it is following the indisputable logic of the market.<sup>729</sup>

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<sup>728</sup> Fisher, *Capitalist Realism*, 17 (italics in original).

<sup>729</sup> Lindsey, *The Concealment of the State*, 45.

Austerity programs, selling national resources, tax cuts for businesses and the wealthy, and wage restraints for the workers, have all been labeled as ‘the necessary’ policies by politicians who then get to avoid responsibility for their choices and actions. The ‘politics of necessity’ - or what Arendt calls “pure administration” - has replaced a politics based on visions and values that can be discussed and chosen between.<sup>730</sup> It is a form of ideological concealment, but the ideology is still there working to shape the premises of the political thinking and what is considered ‘necessary’ or ‘unrealistic.’ This has further increased the feeling that political engagement is meaningless, the perception that there is little ideological difference between the parties, and even if there was there would be no reason to vote for one over the other as they have no power anyway. The political establishment has not tried to dissuade people of this belief. On the contrary. For example: While it is true that the European Union has set up strict requirements for austerity and severe restrictions on how national governments can spend their revenues, it is also the case that national politicians have been happy to pursue such policies while informing the public that they acted under orders of the EU.<sup>731</sup> The idea that the State has lost power relative to the Market and transnational organizations has been a welcome trend for the political establishment who can then continue their policies undisturbed by voters’ demand for meaningful change. But it has also led to voter fatigue, political apathy, and resentment. The more people feel that policies are imposed by outside forces, the less do they support and trust their governments and democratic processes.<sup>732</sup>

While the economic policies of major political parties have been seen as indistinguishable, they have instead focused on the differences that serve to lead the attention of the voters away from economic policies. Issues of distribution of resources have been *de-politicized* while cultural issues have been *hyper-politicized*. Questions about cultural practices, religious beliefs, ethnic diversity, sexuality and gender identities, inclusion and recognition, are certainly important, but they have also been centered as the primary and *existential issues* that define contemporary politics, while questions of who has the power and how society’s resources should be distributed have been placed out of bounds of the general discussion.<sup>733</sup> Particularly the issue of migration has been over-exploited by poli-

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<sup>730</sup> Arendt, *The Human Condition*, 45. “Politics of necessity,” or in Danish “nødvendighedens politik,” was a phrase often used by the Danish government coalition in the years 2011-2015, as they for example let consultant firms design their political agendas (see Busch, *Bjarne Corydon og nødvendighedens politik*). This is also a theme in Roberto Unger’s work *False Necessity*.

<sup>731</sup> Hermann, ‘Neoliberalism in the European Union’; Farrand and Rizzi, ‘There Is No (Legal) Alternative’.

<sup>732</sup> Armingeon and Guthmann, ‘Democracy in Crisis?’

<sup>733</sup> While conservatives on the right tend to blow certain cultural events out of proportion, such as the imaginary “War on Christmas” in the US or in Denmark the association of national identity and the survival of the nation with whether everybody eats pork, liberal centrists and progressives on the left have played their part too in hyper-politicizing cultural topics to the extent that it overshadows questions about power (for a nuanced philosophical discussion on the debates in Denmark, see Marker and Hendricks, *Os Og Dem*). As Nancy Fraser

ticians who are happy to let people believe that the reason for their loss of economic prosperity is caused by ‘outside’ forces such as ‘globalization’ or immigrant labor pressing down wages and burdening the welfare system. The function is to resolve themselves of responsibility and to depoliticize their policies by over-politicizing other issues. As power over the economic decisions in society is obscured and the topic disappears from political discourse, political engagements and priorities change. As Ivan Krastev writes about the new EU member states from Central and Eastern Europe:

[T]he paradox of European integration is that it weakened class identities (the very identities on which the West European democratic model had been built) while strengthening the ethnic and religious markers of belonging. For these small states, integration with Europe and “structural adjustment” meant that major economic decisions such as the size of the budget deficit were effectively removed from the arena of electoral competition. What remained was identity politics.<sup>734</sup>

This is not a development Rawls would have wanted - on the contrary! Yet I cannot help but see his philosophy as being a part of the problem in a small way, even while it argued against it. Rawls' early works were deeply rooted in the paradigm of Rational Choice Theory with its assumptions of atomistic individuals pursuing narrow self-interests. With that premise, there is neither room for alternative collective imagination, nor a position from which one can understand and critique the contemporary reactionary backlash. In his later political works, he replaces the emphasis on rationality with a criterion of “reasonableness.”<sup>735</sup> A person or a demand is either ‘reasonable’ or outside the scope of accepted liberal discourse. There are echoes of both of these elements when media today think they can dismantle the politics of resentment merely by fact-checking and “debunking” false claims without taking seriously or appealing to the deeper emotional factors that make those claims attractive and when voters are dismissed as “stupid,” “ignorant,” or “deplorable” because they do not conform to a Rational Choice or “reasonable” liberal concept of voting behavior.<sup>736</sup> As I discussed in Chapter 5 and 6, the focus on disembodied rational calculations and the dismissal of other-regarding emotions (such as envy, solidarity, a sense of belonging, etc.) sometimes leads to bad analyses and predictions, but it can also have bad political consequences: When a belief that “feels true” because it

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writes: “The demise of communism, the surge of free-market ideology, the rise of “identity politics” in both its fundamentalist and progressive forms - all these developments have conspired to decenter, if not to extinguish, claims for egalitarian redistribution (...) it is my general thesis that justice today requires *both* redistribution *and* recognition.” (Fraser and Honneth, *Redistribution Or Recognition?*, 8, 9, italics in original). Fraser pursues this claim together with Cinzia Arruzza and Tithi Bhattacharya in the manifesto *Feminism for the 99%*.

<sup>734</sup> Krastev, ‘The Unraveling of the Post-1989 Order’.

<sup>735</sup> Rawls introduces the criterion of “reasonableness” in *Political Liberalism*. For a critical examination of its application to the American society see Young, ‘Rawlsian Reasonableness’.

<sup>736</sup> Cillizza, ‘Why Fact-Checking Doesn’t Change People’s Minds’; DeVega, ‘Are American Voters Actually Just Stupid?’; Brennan, ‘Trump Won Because Voters Are Ignorant, Literally’; BBC, ‘Clinton: Trump Supporters “Deplorables”’.

speaks to a “felt sense” (like a feeling that something is wrong), however wrongly articulated it speaks, is simply dismissed in a way that does not take that felt sense seriously it can lead to both epistemological and emotional backlash.<sup>737</sup> As Charlene Seigfried writes, you cannot just expose the biased and distorted views of reality and “replace them with objective claims that transparently capture reality as it really is” - emotions are not merely subjective inner states that have no basis in objective reality; they are subjective responses to objective situations.<sup>738</sup> The subjective responses might be misguided and take the form of bigotry and scapegoatism, longing for a never-existing past, parochial politics of belonging, replacing one's lack of trust in the established authorities with blind faith in authoritarian movements, charismatic demagogues, ‘traditional values,’ or conspiracy theories, or in resentment and angry self-assertion - things that can neither solve the problems nor adequately address the feeling of discontent.<sup>739</sup> But to the extent that these affective reactions and false beliefs stem from the objective situation in which a political and economic system does not work for everyone, then the *mere denial* of those beliefs or calling the reactions ‘unreasonable,’ without addressing their causes, will be felt like a kind of gaslighting in defense of the status quo.<sup>740</sup> People are not always looking for facts or calculations of interest; they also need values and meaning, and contemporary liberal/neoliberal discourse is ill-equipped to provide those things. Rational Choice-based neoliberalism, Public Choice, New Public Management, etc. are forms of nihilism telling people they have no shared interests, no values or commitments, that they are merely solipsistic maximizers of private self-interest, standing in market-based customer relationships to each other and their community.<sup>741</sup> Whether people *accept* this message and conform to it, or they *reject* it and rebel against it, the result is an erosion of trust in and sense of legitimacy of liberal procedures and institutions: In the former case, the institutions will have no inherent legitimacy other than as potential providers of services,

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<sup>737</sup> On “felt sense” and the relevance of unarticulated, unreflected feelings, see Gendlin, “The Primacy of the Body”; Schoeller and Thorgeirsdottir ‘Embodied Critical Thinking’.

<sup>738</sup> Seigfried, *Pragmatism and Feminism*, 152, 164.

<sup>739</sup> Wendy Brown provides a Nietzschean analysis of how neoliberalism’s “nihilistic devaluation of values” has resulted in various forms of destructive affects, such as rancor and resentment, misogyny and racism. Arlie Russell Hochschild has a more sympathetic analysis of reactionary movements in places that have been “left behind” by the political and economic processes (and elites) and who cling to values like community, land and honor. (Brown, *In the Ruins of Neoliberalism*, 161–88; Hochschild, *Strangers in Their Own Land*). I think both have valuable insights.

<sup>740</sup> On gaslighting see McKinnon, ‘Allies Behaving Badly’. To me, one of the moments that signify Hillary Clinton’s loss of support from part of her potential voters was when her campaign adopted the slogan “America is already great” - a statement that, unlike the campaign of her opponent, completely disregarded the actual suffering that many people have experienced. This too, is an act of gaslighting (The Guardian, “America Is Already Great”). While Trump certainly did not offer any solutions, his campaign explicitly recognized the pain many people felt, and that alone, I think, goes a long way in a popularity contest.

<sup>741</sup> For an overview of the customer mentality implied in the NPM concept of “citizenship” see Aberbach and Christensen, ‘Citizens and Consumers’.



and in the latter case people will look for something of value elsewhere - wherever that might be.

There is a paradox in this development: While public trust in political authorities and institutions and the sense of their legitimacy have declined, the *power* and *de facto authority* of the state has *not*. Neoliberalism, despite its inherent critique of political processes, its skepticism of the epistemic power of government, and its professed desire to curtail the power of the state, has not resulted in less state regulation or intervention in neither the economic sphere nor in the daily life of the citizens. On the contrary, as William Davies writes, there is a “paradox that is fundamental to neoliberalism, namely how the economic critique of the state can be employed precisely to legitimate, empower and expand the state.”<sup>742</sup> Critique of state authority thus does not necessarily lead to a decrease in state power. Amadae, in her analysis of Buchanan of the school of Public Choice, locates this paradox in the nihilistic critique of authority by a theory that is more ‘Hobbesian’ than Hobbes in that it incorporates his theory of the amoral state of nature into political society as well, leading to the “neoliberal conclusion that a maximum security state with invasive monitoring and surveillance powers will be necessary to prevent all citizens from acting on their overriding prerogative to defect from cooperation whenever the opportunity presents itself without penalty.”<sup>743</sup> When everyone is expected to cheat, and even told that cheating is rational, control and coercion become necessary.

It is perhaps helpful to take a historical view: Today, Hobbes' Leviathan is famous for being a justification of the absolute authority of the state, but in his time it was seen as an attack on and an undermining of the foundations of political legitimacy. Pre-Hobbes, political legitimacy was grounded upon the ‘divine right of kings’ - a transcendental foundation, which is destroyed in Hobbes' philosophy that grounds authority in the rational interest of the individual subjects. Hobbes' does not advocate anything we would call a ‘liberal’ government, but he lays a foundation for liberal political thought when he grounds government in the consent of the subjects who are seen as naturally free and equal: “Naturally every man has right to every thing,” Hobbes proclaims, and it is only by voluntary acts that this right can be transferred or relinquished and hierarchy and authority established.<sup>744</sup> In his time, this “Natural Freedom of Mankind” was a radical position that defenders of the *old order*, such as Robert Filmer, considered, a “Dangerous Opinion.”<sup>745</sup> For Filmer and other patriarchalists, authority was established from the beginning, through the act of God who gave dominion to Adam. For Filmer, the natu-

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<sup>742</sup> Davies, *The Limits of Neoliberalism*, x.

<sup>743</sup> Amadae, *Prisoners of Reason*, 156.

<sup>744</sup> Hobbes, *Leviathan*, 86, 88.

<sup>745</sup> Filmer, *Patriarcha*, 53.

ral *inequality* of all humans is the foundation of authority which has ontological primacy.<sup>746</sup> In that context, Hobbes' was a radical who attacked the metaphysical foundations of political authority. And yet, his philosophy was a new way of legitimizing political hierarchy, this time grounded, not in a transcendental order, but in 'human nature.'

Likewise, Rational Choice Theory and neoliberalism started by rejecting the foundations of political authority, whether moral, epistemic, or ontological: There are no public servants motivated by a commitment to their task or politicians motivated by 'the public good' or political values and visions since we are all acting as rational economic agents seeking to maximize our own interest; no public planning is possible since the only mechanism of epistemic value is the competition of the market, and even such a thing as 'the public will' or a 'social good' are rendered ontologically nefarious as there only exist isolated individuals with competing interests that cannot possibly be represented by a democratic process.<sup>747</sup> Like in Hobbes, this is a form of 'disenchantment' of politics which removes the metaphysical foundation for political sovereignty while at the same time seeking to preserve the power of the state and provide it with new legitimacy.<sup>748</sup> In Hobbes, the legitimacy of the state comes from its supposed ability to provide security. This is not available for neoliberalism which posits *uncertainty* as the new *metaphysical fact*, not just in an imagined "pre-political" world but also in political life of the modern state.<sup>749</sup> The neoliberal attack on political authority consists primarily of economic arguments and it is economics that also provides the legitimacy: the role of the state is to make sure the market functions (which in theory should provide us all with economic prosperity). This is not something politicians can do, as the delicate balance and uncertainty of the market require disinterested, expert knowledge, free from normative commitments, partisan interests, and concerns about the "public" or being "popular." Thus, a particular economic analysis is elevated "to an unprecedented authority in determining the optimal institutional and legal arrangements," and economists are given "a quasi-judicial status."<sup>750</sup> This *technocratic* turn might provide some legitimacy as long as the promise of economic stability is fulfilled, but as Davies states: "Neoliberalism's paradoxical antipathy towards normative and political discourse means, inevitably, that it will struggle to maintain normative-political order, sooner or later."<sup>751</sup>

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<sup>746</sup> Filmer, 12.

<sup>747</sup> On the meaninglessness of "social goods" and "public will" in Rational Choice Theory, see Amadae, *Rationalizing Capitalist Democracy*, 131. A central text on the impossibility of planning and the epistemic value of competitive markets is von Hayek, 'The Use of Knowledge in Society'.

<sup>748</sup> Davies, *The Limits of Neoliberalism*, 4, 23.

<sup>749</sup> On the role of uncertainty as an existential fact in neoliberal discourse see Davies, 17, 149; (also Weisskopf, 'The Method Is the Ideology').

<sup>750</sup> Davies, *The Limits of Neoliberalism*, 97.

<sup>751</sup> Davies, 19.

Robert Filmer argued that Hobbes' attempt to ground political authority in a contract between self-interested free individuals was “destructive to all government whatsoever,” as it seemingly allows the citizens to withdraw their consent if the regime is no longer in their interest.<sup>752</sup> The same can be said about neoliberalism and other political theories that profess a view of humans as bound only by their own private interest, stripped of all moral ties or obligations. Such a theory has no answer to the question “why should I obey the government when it is not in my interest to do so?” This is not necessarily a problem. My aim here is *not* to defend or reinvent a classical and more normative liberalism where the state is a priori legitimate. Power and authority *should* indeed be questioned and claims to their legitimacy challenged. To the extent that Rational Choice Theory unmask the self-serving, or class-based, interests of economic and political actors, it can be a tool for emancipatory critical analysis.<sup>753</sup> The problem is that when the view of human nature is generalized and essentialized it leaves us with no practical ways to challenge the power structures: If we also see ourselves and each other as nothing but mutually disinterested, self-serving individuals, unable to cooperate freely as equals, we will be unable to imagine, let alone create, alternative forms of living. We might have lost faith in the metaphysics of authority but still see *no way out* of the reality of it. This disenchantment could lead to an embrace of reactionary or other policies that offer a re-enchantment in the form of pride of belonging to a certain group or salvation by authority that does away with liberal ideas altogether. What we need is *not* a nostalgic return to old liberalism *nor* more authoritarianism. We need to cultivate *trust in each other and our abilities to live together as cooperative members of a community who care about each other and can have shared interests and goals*. That requires a completely different view of humans, one that can only come through praxis and through social structures that allow and encourage these ideas to become bodily habits and second nature.

## 9.2 Self-Realizing Prophecies?

A question I posed in the opening of this dissertation was: How do the philosophical anthropologies (theories of “human nature”) influence political theories and policies and, more importantly, how do they impact the subjectivity and behavior of the actually exist-

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<sup>752</sup> Filmer, *Patriarcha*, 248.

<sup>753</sup> The term unmasking comes from Karl Mannheim, who writes: “ Political discussion is, from the very first, more than theoretical argumentation; it is the tearing off of disguises - the unmasking of those unconscious motives which bind the group existence to its cultural aspirations and its theoretical arguments.” (Mannheim, *Ideology and Utopia*, 35).

ing humans - is there a risk of the anthropological assumptions becoming self-fulfilling prophecies? The question is two-fold, with the first part being relatively straightforward: As we have seen throughout this thesis many political (and socioeconomic) theories - from Hobbes to Rawls and Rational Choice Theories - are implicitly or explicitly premised upon a particular theory of “human nature,” which may include assumptions about human motivations, what prompts us to action, human rationality and cognition, relations to other humans, etc. These assumptions work as the foundation upon which the rest of the theory is built: the concepts of freedom, the prescriptions for institutional arrangements, etc., all depend on the particular ideas about what type of humans inhabit the philosophical world that is built. The theory is thus both shaped and constrained by the anthropological premises. This is probably not a controversial argument.

Neither is the claim that these assumptions are often too simplistic compared to the complex humans who inhabit the real world and often fail to represent actual human motivations and behaviors adequately. And sometimes that is not the intention either. Sometimes these theories are just hypothetical models meant to illustrate a thought-experiment or prompt us to consider a question from a certain perspective. But that does not make these theories purely hypothetical constructs with no impact on the “real world,” because a minimally successful philosophical theory will influence the way the readers think about the world, and in some cases, it can percolate for years through the cultural consciousness, in academic journals or think tanks, and thereby come to have an impact on social and political analyses that eventually shape structural policies and real institutional arrangements. If the philosophical and sociological theory and the studies and examples presented throughout this dissertation are not enough to convince the reader that theories of human nature impact political decisions, then let me give just one last and very succinct example: When the Icelandic minister of finance was asked to increase the support for those who had lost their jobs during the Covid-19 pandemic, he rejected it and argued that benefits need to be low so people have incentives to get new jobs, adding that “this is simply human nature.”<sup>754</sup> We need not speculate about what his theory of human nature is and how it necessitates economic suffering during a pandemic in order to see that *some* theory about human nature is at work in the formation and justification of policies.

The second part of the question is more controversial. It is the claim that these theoretical anthropological assumptions can have an impact on actual human subjectivity and behavior. That they can, so to say, shape real humans in their own image, so that the theories become true by being put out in the world. One of the reviewers for a funding-

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<sup>754</sup> RÚV, ‘Deficit foreseen for several years’.

application for this project rejected this question outright and thought it not even worth investigating. “It seems rather obvious that the models of human nature assumed are not produced and reproduced in the real world,” the reviewer wrote, and continued:

It may be that many public policy instruments are modelled on assumptions about human nature, but I see no prima facie reason to think that these assumptions actually function like self-fulfilling prophecies. RC assumptions in theories plainly do not make actual human beings behave like homo oeconomicus.

Well, it did not seem obvious to me, and a “prima facie” idea that something does not exist is not a reason to not examine whether it does. Prima facie means “at first glance” which should be an invitation to take a closer look, i.e., to do the research. The role of philosophy is to go deeper and beyond our prima facie assumptions, to examine the ideas we take for granted and think are “obvious.” In any case, the concept of theories as self-fulfilling prophecies is well-established in the scientific literature, including in economics where a paper with the title “Economics Language and Assumptions: How Theories Can Become Self-Fulfilling” opens with these words: “Social science theories can become self-fulfilling by shaping institutional designs and management practices, as well as social norms and expectations about behavior, thereby creating the behavior they predict.”<sup>755</sup> And in psychology, it is not controversial to ask the question “how exactly does the assumption that humans are self-interested become a self-fulfilling prophecy?”<sup>756</sup> Why should it be in philosophy? It is not - Ian Hacking's works on the “looping effects of human kinds” are widely cited.<sup>757</sup> In other words, the reviewer probably was not familiar with the topic or interested in it. It is a rather important question though, because if it is true, then sociopolitical theories based on morally problematic or cynical views of human nature might not only be *wrong* but also *harmful*. This is perhaps an unwelcome thought for philosophers (by which I here include not just those with a specific academic degree but all those who think about and create theories on these topics) that *our theories might have an impact on the world* and do not stay isolated within the purely academic discourse. If that is true, then the theories can also be *criticized from outside of academia*, namely from the standpoint of the living communities and people who are impacted by them.<sup>758</sup>

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<sup>755</sup> Ferraro, Pfeffer, and Sutton, ‘Economics Language and Assumptions’.

<sup>756</sup> Miller, ‘The Norm of Self-Interest’.

<sup>757</sup> Hacking, ‘The Looping Effects of Human Kinds’.

<sup>758</sup> A concrete example is the massive harm that has been perpetrated because certain real-world actors have become convinced by absurd philosophical thought-examples like the “ticking timebomb” defense of torture (Hassner, ‘The Myth of the Ticking Bomb’).

I have made the case that human subjectivity and behavior are impacted in various ways by the anthropological assumptions within sociopolitical theories. This can happen in two ways: On the one hand, these theories *inform policies* that shape the social structures and institutions in which most human beings are socialized, learn how to have social relations, develop their preferences, etc. On the other hand, the theory can *directly influence* individuals. After all, if a theory about being a human manages to convince people then we should assume that those who are convinced will also adapt their behavior to those beliefs. But it is not even necessary for an individual to believe in an idea for it to affect the way they see and act in the world. As Slavoj Žižek noted in a lecture, there are beliefs that can function socially without anyone believing in them.<sup>759</sup> It is enough to believe that *others* believe them or that we *think* others do. Even if we do not think of ourselves as untrustworthy, selfish knaves, if we think other people are then we will adapt our behaviors towards them in ways that undermine our ability to cooperate as free equals. The reviewer is right about this, though: The models are not *simply* produced and reproduced in the real world, they do not function as fully self-fulfilling prophecies. It is more complicated and less predictable. Throughout my research I have found examples of ideological models reproducing themselves directly in human behavior (such as the study showing students of microeconomics becoming less cooperative and less concerned with fairness), but also examples where it changed human behavior in unintended and unpredicted ways (such as the introduction of fees for being late which increased the rate of people being late), as well as cases where people react by resentfully rejecting the role they have been ascribed (such as de Waal's capuchin monkeys or the humans who refuse to participate in the economists' "willingness-to-pay" survey).<sup>760</sup> This indicates a more complex process than a simple reproduction of the models - which is reason for optimism.

That does not settle the question though. We still do not know what is going on. It certainly does not mean that there is a fixed "inner core" of human nature that is unaffected by theoretical models and the structural designs based upon them. We have seen for example, that subjects participating in game-theoretical experiments tend to cooperate quite instinctively, contradicting the assumptions of game theory, but also that slight alterations in the design, and even just the language used to frame the experiments, can change that significantly (see discussions in Chapters 1.2, 4.2 and 8.3), which strongly implies that the cognition and behavior of the subjects are to some degree *malleable*. I

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<sup>759</sup> Žižek, 'The Courage Of Hopelessness' (min. 49).

<sup>760</sup> Frank, Gilovich, and Regan, 'Does Studying Economics Inhibit Cooperation?'; Gneezy and Rustichini, 'Incentives, Punishment, and Behavior'; de Waal, *Primates and Philosophers*, 46; Taylor, *Rationality and the Ideology of Disconnection*, 76. See the discussions of these in Chapters 5.2, 6.3, and 8.2.

find the studies and theories by for example Bowles, Gneezy, Rustichini, Deci, Sally, and others particularly interesting, showing that particular inputs, such as incentive structures, linguistic and situational framing, etc., do not necessarily just ‘add’ something extra to already existing considerations, but can *shift* the perception of the situation and the role the subject plays in it so that certain motivations and ways of thinking are *activated* while others are pushed in the background (see for example 6.3, 8.2, and 8.3).<sup>761</sup> Not only does this lend some support to the claim that “homo economicus” is, at least in some circumstances, a being that needs to be called forth and constructed, rather than the default and universal subject-position, but it could also explain why the categorization of subjects as if they occupy that position sometimes results in *anger* or *confusion*: When they are not in that ‘state of mind’ and have not performed the switch, it is uncomfortable to be interpellated in a way that renders your values, connections and emotions meaningless and asks you to put a price on everything. The insight of behavioral economics, which in recent years has been a contender to Rational Choice Theory as the theoretical basis of neoliberal governmentality, is that humans need to be ‘nudged’ in order to think and behave like the theoretical construct homo economicus would (see also chapter 4.3, 7.4, and 8.5).<sup>762</sup> This is the reversal of Hobbes, according to Patrick Neal who makes an interesting argument that such a *shift in subjectivity* is what Hobbes intended and sees *Leviathan* as a tool for “psychological conversion” to turn people *away* from the short-sighted economic rationality they might have in the natural state.<sup>763</sup>

One reason these models can never be fully self-realizing prophecies could be that there is something in human nature that resists them. We are social creatures - even our moral vices tend to be social: What is, after all, pride, greed, and thirst for power, other than attempts to gain recognition and social status? We are also playful creatures, *Homo Ludens*, as Johan Huizinga argued.<sup>764</sup> We seek activities that are joyful, meaningful, and rewarding for their own sake (see 8.2, and 8.4). Constantly calculating potential benefits in an extrinsic reward system is simply not fun; at some point, other motivations and values will set in. Another reason is that no ideological or structural system can ever be so hegemonic and totalizing that it dominates all aspects of our lives. *Society is never monolithic*. No matter how pervasive market or state relations are in certain institutional settings, there are always other settings in our lives characterized by different relations and

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<sup>761</sup> Bowles, ‘Policies Designed for Self-Interested Citizens May Undermine “The Moral Sentiments”’; ‘Endogenous Preferences’; Gneezy and Rustichini, ‘A Fine Is a Price’; Gneezy and Rustichini, ‘Incentives, Punishment, and Behavior’; Deci, Koestner, and Ryan, ‘A Meta-Analytic Review of Experiments Examining the Effects of Extrinsic Rewards on Intrinsic Motivation’; Sally, ‘Conversation and Cooperation in Social Dilemmas’.

<sup>762</sup> Davis, *Individuals and Identity in Economics*, 62; McMahan, ‘Behavioral Economics as Neoliberalism’.

<sup>763</sup> Neal, ‘Hobbes and Rational Choice Theory’.

<sup>764</sup> Huizinga, *Homo Ludens*.

practices (for example in our friendships, families, communities, hobbies, etc.) and thus different “competing rationalities,” as MacIntyre says.<sup>765</sup> Or in the words of Mannheim: “The world is known through many different orientations because there are many simultaneous and mutually contradictory trends of thought.”<sup>766</sup>

It is unlikely, though, that the form of rationality cultivated in one setting does not carry over into another setting; we do not jump from one isolated situation to another, effortlessly switching modes of thinking and valuing. As I have discussed (see 6.3, 8.4), the mindset of competitive individualism cultivated in the economics degrees, which might be suitable for market transactions, seems to impact behaviors and social relations outside the strictly economic domain, and the mindset of passive obedience cultivated in some workplaces can spill over to other activities including leisure activities and political participation.<sup>767</sup> The social domain is made up of an “interconnecting network” of “intersecting social practices,” some of which reinforce and some of which conflict with each other.<sup>768</sup> For this reason, I am skeptical of Michael Walzer and other communitarians who think we can maintain separate “spheres of justice,” each with their own values and norms. The behaviors, dispositions, and habits we learn in one sphere create “somatic markers” that reactivate when we recognize the same patterns in other settings.<sup>769</sup> What happens in one sphere affects the others.<sup>770</sup>

This is *not just* bad news for those who are concerned about the dominance of competitive and hierarchical relations in our lives, because it also opens the possibility of resistance and critique. Samuel Clark, for example, critiques what he sees as Walzer’s conception of discrete societies and social totalities each with their separate and incommensurable norms and meanings as a misrepresentation of the “typical human situation of being involved in multiple, cross-cutting networks of interaction.”<sup>771</sup> These each involve different, but not incommensurable, social practices and relations, providing us with a multitude of experiences and standpoints from where we can evaluate, emulate, or deconstruct. This means there is an “outside” of the state and market logic which is still “inside” our social world - sites where we cultivate alternative values and relations, new narratives about our “nature” and how we want to view ourselves, and these too might spill

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<sup>765</sup> MacIntyre, *Whose Justice?*, 9.

<sup>766</sup> Mannheim, *Ideology and Utopia*, 241.

<sup>767</sup> Frank, Gilovich, and Regan, ‘Does Studying Economics Inhibit Cooperation?’; Pateman, *Participation and Democratic Theory*, 45–66; Karasek, ‘Job Socialization’.

<sup>768</sup> Franks, ‘Anarchism and the Virtues’.

<sup>769</sup> Damásio, *Descartes’ Error*, 165.

<sup>770</sup> Of course, Walzer recognizes that “what happens in one distributional sphere affects what happens in the other” but his theory of justice is one of ‘complex equality’ where no group can achieve domination across different spheres because they each have separate goods. Inequality within one sphere is justified as long as it doesn’t spill over to another. (Walzer, *Spheres of Justice*, 10, 19). It is this separation I am skeptical of.

<sup>771</sup> Clark, *Living Without Domination*, 52.



over and compete with homo economicus. For such to actually create a competing mentality they have to be based on different relations and practices, not merely be smaller versions of the same patterns. We see the latter, for example, when organizations that are supposedly not working by neither the logic of the market nor the state, such as value-driven NGOs, labor unions, or even ostensibly ‘oppositional’ organizations like left-wing parties, etc. - organize themselves by the same hierarchical structures and competitive cultures that characterize the corporate firm or the centralized state and thereby reproduce the same relations, and behaviors among their members.<sup>772</sup> The same goes for the various ‘communities’ (whether they be defined as ethnic groups, religious or other belief-systems, sports associations, etc), which might be just as hierarchical and disempowering as the institutions they ostensibly provide alternatives to. Although community is necessary, not all communities are emancipatory or egalitarian. Since praxises in different spheres, by the principle I called ‘synchronic prefiguration’ (chapter 8.4), carry over and affect our relations in other spheres they can be subjected to critique from the ‘outside’ - because they never stay completely outside - by considering the types of social relations they promote across the different structures we engage in.<sup>773</sup>

Martin Buber noted that all societies - and we can add, all organizations and communities - contain both ‘the social principle’ and the ‘political principle’ to various degrees, where the former is horizontal organization based on association and fellowship and the latter is vertical organization based on subordination and domination. The stronger one of these principles are, the weaker the other - he defines political power and government as a surplus of the political principle.<sup>774</sup> The political principle goes hand in hand with the fragmentation of society into solitary individuals, as Buber and many others have also noted. Individualism is *not* the antithesis of the state, it is its *corollary*. As Buber's friend, Gustav Landauer, said: the power of the state depends on “the powerlessness of the masses, which are divided into helpless individuals.”<sup>775</sup> In other words: solitary individuals who have become convinced they are prisoners trapped in a game. Landauer famously defined the state as “a social relationship; a certain way of people relating to one another” which can only be destroyed by “creating new social relationships; i.e., by

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<sup>772</sup> For an analysis of how corporations compare to authoritarian governments in internal organizational structure, see Anderson, *Private Government*. A series of essays criticizing the ‘non-profit industrial complex’, including the ways NGOs are often hierarchically structured in ways that are not empowering the communities they ostensibly want to help but rather mirror the logics of states and corporations, can be found in the volume by INCITE!, *The Revolution Will Not Be Funded*.

<sup>773</sup> I thus disagree with the relativism of communitarians like Walzer who says there are “no external or universal principles” that can be used for judging social meanings and values as each account of justice must be local (Walzer, *Spheres of Justice*, 314). This presumes that local meaning-making practices stay isolated and do not overlap or interact with others - a kind of non-relational ontological independence akin to the individualistic accounts but transferred to collective entities.

<sup>774</sup> Buber, *Pointing the Way*, 174.

<sup>775</sup> Landauer, *Revolution and Other Writings*, 214.

people relating to one another differently.”<sup>776</sup> That applies equally to other institutions that are constituted by human relations, such as the capitalist market. This is easier said than done, of course, because these institutions are not *merely* constructed by the relations of their subjects: there are also real physical and material elements to the systems of domination that should not be ignored. In a Foucauldian sense, we might all be part of the structures of power, but we are not equal parts and we do not hold the same power.<sup>777</sup> The point still holds though: To change the structures of domination it is necessary, though not sufficient, to change the relations between us, to create relationships that can produce new subjects.

A problem with most of the theories discussed in this dissertation is that they take human subjects, with their preferences and desires, as fixed - as unaffected by the institutions and relations in which they exist. Political theory then becomes the science of how to regulate their behavior by changing the incentive structures that factor into the preference calculations of the individual actors, while ethical theories like utilitarianism or welfare economics become about how to most efficiently satisfy the given preferences. Little attention is paid to the formation of the desiring subjects: how are their desires created and where do their preferences come from? I propose, as a topic for future research, that a form of virtue ethics is relevant here in that it posits the ethical question of not merely ‘should I *act* on my desires’ but also ‘what do I want my desires to *be*?’ This is in part a moral decision because desires and motivational dispositions can be cultivated, strengthened, and changed - they are not static forces in our ‘nature’ reducing our decisions to mere calculations of which of them to act on. It is not merely an individual decision though, because as I have argued throughout this text, we are constantly shaped by interactions with others which take place in structures that restrain and guide those interactions. Virginia Held argues that virtue ethics is individualistic in that it “focuses especially on the states of character of individuals, whereas the ethics of care concerns itself especially with caring relations.”<sup>778</sup> As I see it, those two questions are inseparable: To develop different characters it is necessary to develop different relations.

These relations do not have to be invented anew; they already exist! We know them whenever we engage with each other as potential friends and collaborators rather than competitors, whenever we do activities for the joy of it rather than as calculated means to maximize some other good, and in all of our relations that are characterized by caring and solidarity, by *mutual interest*. The pervasive ideology of solitary individualism which

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<sup>776</sup> Landauer, 214.

<sup>777</sup> There is an resemblance between Landauer and Foucault. See Lynteris, ‘The State as a Social Relation: An Anthropological Critique’.

<sup>778</sup> Held, *The Ethics of Care*, 19.

gives rise to the legitimization of political domination and the justification of economic inequality does shape our institutions, structures, relations, and thus cannot help but shape us as individuals. But it never shapes us completely in its image because we are impacted by different forces and have different roles and relations. It is not a closed system. There is a world outside.



# BACK MATTER

## Útdráttur

Margar pólítískar, samfélagslegar og hagfræðilegar kenningar byggja á ályktunum um ‘manneðlið’ - ályktunum um hvernig menn hugsa og hegða sér, hvað drífur þá áfram o.s.frv. Þessar ályktanir eru í senn uppistöður líkana um samfélagsleg samskipti og rami fyrir hagfræði- og stjórnmalakeningar. Í þessari doktorsritgerð færi ég rök fyrir því að það sé ógerlegt að setja fram stjórnspekilega merkingarbærar staðhæfingar um ‘manneðlið’ vegna þess að mannfólk er ævinlega skilyrt af menningarlegum skilningi á sjálfu sér og staðsett í samfélagslegum tengslum og pólítískum stofnunum, sem til samans hafa áhrif á hvernig menn hugsa, hegða sér og eru drifnir áfram. Það merkir að þegar þessi fræðilegu líkön um manneðlið verða hluti af samfélagslegum veruleika okkar og stofnunum geti þau mögulega orðið að sjálfrætinni spá. Eitt slíkt líkan er um hinn stakstæða einstakling sem á sér sjálfstæðar langanir og sem þráir að gera sem mest úr þeim. Þetta líkan á rætur í stjórnspeki Thomas Hobbes, en við sjáum það einnig í heimspeki John Rawls, og það er kjarni kenningarinnar um skynsamlegt val sem býr að baki mörgu því helsta í hagnýtri stefnumótun í samtímanum. Í doktorsritgerðinni er rannsakað hvernig þetta líkan hefur mótað stjórnmalakeningar og stjórnmal og hvernig það hefur áhrif á hegðun og drifhvata raunverulegs fólks. Ég ræði þessi málefni ennfremur í ljósi þess hvernig þau móta skilning okkar á trausti, samvinnu og jafnrétti.

Upphafskaflinn er stuttur inngangur að ‘fangaklípunni’ (e. prisoner’s dilemma) sem er tilgátu-líkan sem hefur haft víðtæk áhrif á mörgum fræðasviðum og á pólítíska ákvarðanatöku. Líkanið er dæmi um skilning á manneðlinu sem rætt er í doktorsritgerðinni: fangarnir eru skilgreindir sem samfélagslega einangraðir einstaklingar sem geta ekki haft samskipti sín á milli, þeir eru einungis drifnir áfram af skammtíma eiginhagsmunum, eru ósnortnir af félagslegum tengslum, áhugalausir hver um annan, og hafa engan samtakamátt eða einstaklingsbundna gerendahæfni í þeirri gerð aðstæðna sem þeir eru staddir í. Þetta er líkan sem grefur undan möguleika á trausti og samvinnu og er þess vegna oft vísað í það sem sönnun á því að pólítískra afskipta sé þörf til að koma á samvinnu í þágu almannahagsmuna. Í þessum rökstuðningi birtist blinda á þá staðreynd

að fangarnir eru einmitt staddir í þessum aðstæðum fyrir tilstilli pólitískra afskipta. Þeir eru ekki í 'eðlilegri stöðu' heldur sitja fastir í aðstæðum sem yfirvald hefur komið þeim í.

Annar kafli er rannsókn á því hvernig líkindi eru með kenningu Hobbes um nauðsýn ríkisins og fangaklípunni. Hann sér fyrir sér náttúrulegt ástand þar sem menn eru stakstæðir einstaklingar ófærir um samvinnu vegna þess að þeir geti ekki treyst hverjir öðrum og þurfa af þeim sökum á valdastofnun að halda sem neyði þá til að vinna saman. Í kaflanum er greining á sálfræði einstaklinganna í kenningu Hobbes og er hún borin saman við rannsóknir samtímans á mannlegum vitsmunum.

Í þriðja kafla er sýnt fram á að þetta líkan er einnig kjarni Kenningar um réttlæti eftir John Rawls þar sem grunnforsendan er einstaklingar sem eru áhugalausir hverjir um aðra og leitast eftir að framfylgja sínum einkamarkmiðum. Í stað náttúrulegs ástands ímyndar Rawls sér menn undir fávísisfeldi sem viti ekki hver samfélagsleg staða þeirra er og verði að koma sér saman um sanngjarna skiptingu gæða. Ég held því fram að þetta líkan þrengi mjög að hugtaki réttlætis og að þegar menn koma undan fávísisfeldinum kunni þeir hafa ástæðu til þess að vera síður en sáttir við útkomuna.

Í fjórða kafla er kenningin um skynsamlegt val kynnt til leiks með hliðsjón af því hlutverki sem fangaklípán hefur gengt í samfélagslegum og stjórnspekilegum kenningum og í líkaninu um manninn sem veru sem leitast við að hámarka langanir sínar. Með kenningunni um skynsamlegt val er annað hvort hægt að setja fram 'ítarlega' eða 'knappa' greinargerð um mannlega drifhvata, þ.e. um hvaða langanir við reynum að hámarka, en þær eru hver um sig vandkvæðum bundnar: ítarleg greinargerð á á hættu að gefa einfaldaða og ranga mynd af mannlegri hegðun á meðan knöpp greinargerð gerir kenningunni um skynsamlegt val ókleift að spá nokkru fyrir um mannlega hegðun. Kenningin um skynsamlegt val er síðan borin saman við nytjastefnu og færð rök fyrir því í báðum kenningum sé ónógur gaumur gefinn að tilurð og mótun langana.

Í fimmta kafla er áfram haldið rannsókn á kenningunni um skynsamlegt val með hliðsjón af mismunandi löngunum sem eiga illa heima í einstaklingsmiðuðu líkani - langanir sem eru samfélagslegar í sér hvað varðar uppruna og inntak. Þessar langanir geta af sér hegðunarmynstur sem setja forspárgildi líkansins um skynsamlegt val í uppnám, og þær eru einstaklega mikilvægar þegar spurst er fyrir um samfélagsleg tengsl og samfélagslega uppbyggingu. Þær fela í sér rök gegn misrétti sem líkan Rawls um einstaklinga sem eru áhugalausir hverjir um annan nær ekki að henda reiður á.

Í sjötta kafla eru aðferðafræðilegar forsendur kenningarinnar um skynsamlegt val kannaðar og sýnt fram á hugmyndafræðilega slagsíðu sem birtist í henni: hollustan við aðferðafræðilega einstaklingshyggju torveldar greiningu á samfélagslegum formgerðum og tengslum sem móta langanir einstaklinga vegna þess að þeir birtast í kenningunni sem séu þeir hverjum öðrum óháðir. Það gerir samvinnu og lýðræðislega umræðu fræðilega

vandkvæðum bundna vegna þess að átök eru álitin vera upphafspunktur sem síðan setur pólitísku ímyndunarafla skorður.

Í seinni hluta doktorsritgerðar er sagt skilið við hinar einstaklingsmiðuðu kenningar um manneðlið og leitað á vit hugsmíðarhyggju. Sjöundi kafli fjallar um hvernig mannverur eru 'félagslegar hugsmíðar' (e. social constructs). Stuðst er við hugtak Ian Hacking um mannverur sem 'viðbragðslykkjur' (e. looping kinds), þ.e. sem verur sem mótaskast af því hvaða hugtök eru notuð um þær. Einnig er stuðst við skrif Judith Butler og Robert Axelrod um mikilvægan þátt tíma og endurtekningar í efnisgervingu sjálfsverunnar og viðmiða um hana. Færð eru rök fyrir því að það sé ógerlegt að ræða manneðli utan marka menningar og að viðleitni í þá veru sé hluti af hugmyndafræðilegri hringskýringu þar sem afurðir samfélagslegra formgerðar - einstaklingarnir sem eru staðsettir í þeim - eru álitnir réttlæta samfélagslegu formgerðirnar sem gátu þá af sér.

Áttundi kafli inniheldur umfjöllun um tiltekinn þátt mótunar sjálfsverunnar: hvernig rök hugsun 'markaðarins' getur af sér mannverur sem hugsa, þrá og hegða sér á ákveðinn hátt. Nokkrar rannsóknir á mannlegri hegðun úr sálfræði og félagsvísindum eru kannaðar sem sýna að samkeppni og efnislegir hvatar breyta því hvernig fólk hugsar við ákveðnar aðstæður. Þetta leggur grunn að lokakafla ritgerðarinnar sem er rannsókn á nokkrum hliðum nýfrjálslyggju-pólitíkur eins og hún birtist í nýskipan í ríkisrekstri (e. New Public Management) sem einkennist af áherslu á samkeppni og efnislega hvata sem fela í sér hættu á að öðrum hvötum sé rutt úr vegi.

Lokakaflinn hefst á almennri umræðu um hvernig þessi umfjöllunarefni geti tengst pólitískri þróun í samtímanum, einkum og sér í lagi vaxandi vantrausti á stjórnámálum og hagkerfi. Færð eru rök fyrir því að líkan kenningarinnar um samfélagslegt val um menn sem hámarki persónulega hagsmuni leiði til vanda pólitísku lögmætis sem getur einungis verið fyrirbyggt svo lengi sem borgarar hafa á tilfinningunni að þeir hagnist persónulega. Aukið efnahagslegt misrétti sem skilur stóra hópa almennings útundan leiðir hins vegar til vaxandi pólitískrar óánægju. Í öðru lagi verður undirtitill ritgerðar ræddur: geta heim-speki-mannfræðilegar ályktanir orðið að sjálfrætnum spám? Niðurstaða mín er sú að þótt þær geti haft áhrif á sjálfsveru manna með beinum og óbeinum hætti með því að móta hvernig við hugsum um okkur sjálf og pólitíkina sem mótar samfélagsgerðina þá er ekkert líkan um manneðlið allsráðandi. Við athöfnum okkur á mismunandi sviðum samfélagsins sem innibera ólík viðmið og venjur sem leiða til sjálfsveruhátta sem eru í andstöðu og samkeppni hverjir við annan. Hvernig þessir sjálfsveruhættir skarast og orka hverjir á aðra er verkefni frekari athugana og rannsókna.

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<sup>779</sup> Icelandic names are indexed by their given name followed by their patronym/matronym. Spelling of Icelandic names are kept the way they appear in the respective publications, which can mean that the same authors appear more than once due to having published under different variations of their name.



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