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The Social Choice Theory: Can it be Considered a Complete Political Theory?

Abstract

Social choice theory (SCT) deals with the aggregation of individual preferences in order to arrive at social preference orders, i.e. at the 'general will'. The present paper examines whether SCT could be regarded as a *complete* political theory. SCT is evaluated against seven criteria, proposed by Martha Nussbaum, that a political theory needs to fulfill in order to be regarded a complete political theory. These criteria are: understanding of material need; procedural justice; liberty and its worth; racial, ethnic and religious differences; gender and family; international relations; and moral psychology. The analysis showed that SCT is strong at problems of procedural justification, distributive justice and some problems of ethics. It is weaker on the issues of moral psychology, and justice between nations. It is neglectful concerning the issues of racial, ethnic and religious inequality, and issues of gender and family. The paper concludes that the SCT can have an important place *within* more comprehensive political theories, but cannot claim itself to be a complete political theory.

Keywords: Social choice theory; social preferences; political theory; distributive justice; collective decisions.

Introduction

Social choice theory (SCT) deals with the question of "how can it be possible to arrive at cogent aggregative judgments about the society

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(for example, about “social welfare”, or “the public interest”, or “aggregate poverty”), given the diversity of preferences, concerns, and predicaments of the different individuals within the society?” (Sen 1999. See also: Arrow 1950; Craven 1992; Elster and Hylland 1986; Rowley 1993; Sen 1983). It has been claimed that social choice theory, as a theory dealing with the ‘general will’, could be regarded as a comprehensive political theory. The claim has been supported by three related reasons. They are: privileged relationship of the social choice theory to (1) economics and (2) mathematics, and (3) its concern with distributive justice. While these elements indeed constitute the essential elements of the SCT, it can be disputed whether they are sufficient to attribute it a status of a political theory in a more general sense, and especially whether it can be regarded as a complete political theory. This paper will attempt to show that social choice theory in fact is not a complete political theory, and, moreover, due to its character it cannot aspire to become one.

1. Clarification of the Criteria

Martha Nussbaum (1997), in her discussion of whether Nietzsche could be considered a political thinker, proposed “seven criteria for serious political thought: understanding of material need; procedural justification; liberty and its worth; racial, ethnic and religious differences; gender and family; justice between nations; and moral psychology” (Nussbaum 1997: 1). In her view, serious political thinkers, such as Kant, Mill, Rousseau, or Rawls, contributed to most of the listed problems. Theorists and theories that fall short of that requirement, like Nietzsche in her view, cannot be regarded as having to offer something important for “political thought in the 1990s” (*Ibid.*). The same question is asked, in this paper, concerning the social choice theory.

Before proceeding to the examination of the social choice theory, it is useful to clarify the meaning of the seven criteria proposed by Nussbaum. Material need: political theory “must show an understanding of the needs human beings have for food, drink, shelter, and other resources, including the role of these resources in supporting the development of higher human capacities, intellectual and moral”. Third primarily refers to distributive justice and corresponding ‘institutional structures’. Procedural justification concerns the “procedures through which a political structure is determined, procedures that legitimate

and/or justify resulting proposals”. Liberty and its worth: Political theory has also to “give an account of the various types of human liberty that are relevant for political planning... preferably also an account of the role of the political in creating the capacity for choice”. Another important area is racial, ethnic, and religious difference. Political theory should “show an understanding of the role played in political life by differences of race, ethnicity, and religion, and make some proposals for dealing with these differences.” Likewise, Gender and the family are important issues: “different ways in which society has structured the family, and of the ways in which differences of gender have been and can be regarded by political institutions”. The subsequent criterion for a comprehensive political theory is Justice between nations. Political theorists “must show awareness of the fact that nations share a world of resources with other nations, and make some proposal concerning the obligations nations owe to one another, both with respect to the morality of international relations and with respect to economic obligation”. Finally, the seventh area is moral psychology: “an account of human psychology - motivation, emotion, reaction - as this pertains to our interactions in the political sphere, either fostering or impeding them” (Nussbaum 1997: 2-3).

2. What is Social Choice Theory

Social choice theory has been developed by a multitude of authors. While its origin is located in Kenneth Arrow’s book *Social Choice and Individual Values* (Arrow 1950), a number of later authors contributed to the development of the social choice theory in various directions.²

Social choice theory, or rather the social choice field, refers to a, occasionally loosely connected, set of problems, theories and hypotheses, concentrated around a relatively narrow problem, namely criteria and methods of arriving at ‘social preference’ on the basis of individual preferences. According to Craven, SCT “concerns the possibility of making a choice or judgment that is in some way based on the views or preferences of a number of individuals, given that the views or preferences of different people may conflict with each other” (Craven 1992: 1). In his view, there are four major areas of application of the SCT: elections,

² Eighteenth century thinkers Condorcet and Borda are often quoted as early predecessors of SCT.

committees (decisions in small groups); economic contexts, and moral judgments. Craven does not claim that the SCT is primarily a political theory, even less that it is a complete political theory. In fact, he complains about the ‘unjust’ status assigned to the SCT, namely that it does not fully belong to any of the established disciplines, or in his words, that it is “homeless” (*Ibid.* 2).

According to Lalman *et al.* (1993: 77), SCT can be subsumed under the general group of theories, called ‘formal political theory.’ The focus of these theories is the “analysis of rational choices and their aggregate consequences in non-market contexts” (1993: 77). The connection to economic theory is based on a shared “set of assumptions concerning individual choice” (*Ibid.*), i.e., on the concept of rationality.

SCT is extensively dealt with in three volumes edited by Rowley (1993). The first volume presents foundations of the theory (e.g., Kenneth Arrow’s work) and deals primarily with the aggregation of individual preferences. It includes a number of works on collective rationality, voting³ and strategy-proofness (Tideman and Tullock 1976), a number of early critiques of the social choice theory, and finally some new trends and developments, including the problems of interpersonal comparisons of utilities (Harsanyi 1955), cardinal welfare, ‘free-riding’, and enriching informational basis about individuals (Sen 1977). The second volume covers two topics: utilitarian ethics (e.g., differences between utilitarianism and welfarism), and contractarian ethics. The last volume concentrates on social justice ethics (including several texts on John Rawls, and four texts by Rawls), and on classical liberal ethics.

Finally, major contributors to the SCT also agree about its unclear identity. Amartya Sen poses the same question: “let us begin with at the beginning: what is social choice theory? This is not an easy question to answer [...]” (Sen 1986). He then distinguishes between two ‘levels of specification’: “social choice theory as a field of study”, and social choice theory as a “particular approach or a collection of approaches typically used in that field of study” (*Ibid.* 213). He also argues that many of its criticisms come from confusing the two levels. In his words, “It is a mistake to think of social choice theory as a given set of complete ideas that are unleashed every time any problem is taken up for a ‘social choice theoretic’ treatment” (*Ibid.* 238).

3 Gibbard (1973) discusses how the impossibility conclusion can be overcome by different types of voting.

From this brief overview of the domain of SCT, it can be inferred that its main topics are problems of collective decision making, problems of distributive justice, and problems of ethics in general. Some of its boundaries are not clear, for example with rational choice theories in general, or game theories. Therefore, here will be examined not only the narrowly defined SCT, but also some aspects of related, closely connected approaches from the same 'scientific family'.

3. The Test

In this part, a contribution of the social choice theory to the seven problems listed by Martha Nussbaum (1997) will be examined.

3.1 Material Need, or Distributive Justice

The contribution of social choice theorists to the field of distributive justice is substantial. It consists in both formal examination of the existing theories and hypotheses, and in offering original solutions. Harsanyi, for example, was one of the first authors to apply rational choice concepts to the problems of distributive justice (Harsanyi 1955).

Concerning the 'understanding for material needs of human beings', social choice theorists generally do not deal with it in an explicit manner. In line with their context-less, hypothetical-deductive approach, human needs enter the picture as part of individual preferences, or as elements in the formulae for social utility or welfare calculation. The extensive debate about the maximin principle (Rawls 1958; Harsanyi 1975), or the analysis of distributive justice as bargaining games, are examples of how the problems of material welfare have been treated in this tradition.

Nussbaum requires that a political theory ought to say something also about the resources needed for "supporting the development of higher human capacities, intellectual and moral" (Nussbaum 1997: 2). Narrowly defined SCT hardly pays any attention to these problems, due to taking into account only abstract individual preferences and treating them as given. 'Development of higher human capacities' implies potential preferences, which are not simply 'given', but in favorable circumstances could be actualized. This problem has been recognized by

some social choice theorists. Sen suggests that “we have to go beyond looking only for the best reflection of given individual preferences, or the most acceptable procedures for choices based on those preferences” (Sen 1995: 17). He suggests, together with Elster (1986) and others, more Habermassian, public discourse approach. In any case, it cannot be disputed that the SCT significantly contributed to the analysis of problems of distributive justice.

3.2 Procedural Justification

The problem of procedural justification is a major focus of the social choice theory. Its main concern has been whether there is a procedure by which one can arrive from individual preferences to social ordering of preferences, such that it satisfies some basic criteria of ‘social rationality’. Although the result to which the SCT has arrived is negative (the ‘impossibility theorem’), its contribution to this field is fundamental.

However, according to Nussbaum, procedural justification is a broader field than simply making social choices. It should also include procedural justification of political institutions. In fact, theories of voting inspired by the Arrowian theory have been developed, as well as normative suggestions for the improvement of voting mechanisms (Gibbard 1973; Tideman and Tullock 1976; McLean 1991). Therefore, it can be concluded that social choice approach substantively contributed the problems of procedural justification and potential improvement of democratic political institutions.

3.3 Liberty and its Worth

Concern with problems of ethics, and liberty specifically, is another area in which social choice scholars extensively contributed. Emphasis on liberty was included already in the original Arrow’s formulation of the condition of collective rationality, known as the condition of ‘non-dictatorship’.

However, as the quest for adequate mechanisms for making social choices lead to the formulation of the impossibility theorem (Arrow 1950), so the application of the SCT framework to problems of liberty led to the formulation of another impossibility theorem, this time the ‘impossibility of a Paretian liberal’ (Sen 1970). Discussions about this

new ‘impossibility’, in addition to causing problems to the social choice theorists, also has led to new developments. For example, Hammond suggests the inclusion of ‘rights-inclusive social states’, i.e., “along with social states in the usual sense, both individual and group rights should themselves become the object of both individual preference and social choice” (Hammond 1995).

SCT’s, recognition of the importance and sovereignty of individual preferences is rooted in liberal thought. Yet, it could be objected that problems of liberty have been treated in a relatively narrow manner. Much theorizing has been concerned with the formalization and with problems which have arisen due to the formalization procedures. For example, commenting on the resolution of the Paretian liberal paradox, Sen argues that “there is nothing much to ‘resolve’ anyway. The impossibility of the Paretian liberal just brings out a conflict of principles - a conflict which might not have been immediately apparent. There are, of course, many such conflicts.” (Sen 1983: 28) In other words, formal methods revealed contradictions that have already been familiar to the traditional moral (political) theory.

As additional problems, one could list the lack of “an account of the role of the political in creating the capacity for choice” (Nussbaum 1997), or the relatively instrumental treatment of human beings, in line with its general utilitarian approach. Nevertheless, these problems concern specific solutions offered by the SCT, while the main concern here is finding whether it has something to offer in this field. Hence, the theory passes this test too.

3.4 Moral Psychology

While social choice theorists have written extensively on a variety of moral issues, their contribution to our understanding of moral psychology is unclear. Often, psychological research on morality is overlooked, or some references are made as a matter of courtesy.⁴ Typically, it is simply assumed that individuals are self-interested, egocentric beings. According to Elster, “Much of the social choice and public choice literature, with its assumption of universally opportunistic behavior, simply seems out of touch with the real world, in which there is a great deal of honesty and sense of duty” (Elster 1989: 179).

4 Harsanyi (1977), for instance, mentions Piaget’s work only in passing.

There are also more refined treatments. Harsanyi distinguishes different 'kinds' of rationality that are applicable to realms of economics, politics and morality. He presents four postulates "that the simplest motivational theory accommodating non-economic and nonegoistic motives must involve" (Harsanyi 1969: 125). The first is the "postulate of 'low-cost' impartiality and public spirit" (*Ibid.*), meaning that if it does not cost them much, people may behave public-spiritedly and impartially. The second postulate states that third parties in conflict situation can behave in an impartial way, and judge the situation according to the principle of maximizing "some 'social welfare function'" (*Ibid.*). The last two postulates refer to the ability of individuals to morally commit themselves, and therefore to act in other-centered way, and that individuals are motivated by the need for economic gain and for social acceptance. While this is a psychologically more sensitive approach, these are postulates, not empirical generalizations and their 'scientific' usefulness is evaluated by their operation in formal models, not against the empirical evidence on how real individuals actually make moral judgments.

In fact, Sen hints that the social choice framework may be an incomplete foundation for a moral theory (Sen 1977). For example, he discusses whether it can fully take into account the concept of liberty, or the Marxian notion of exploitation, and to what extent the SCT could be helped by enriching the informational basis. It seems that Sen believes that the answer is negative, that 'welfarism' cannot fully account for such concepts.⁵ In the end, it seems that the test of the moral psychology contribution is only partly passed by the SCT.

3.5 Racial, Ethnic and Religious Difference

This field is virtually out of the concern of the social choice theorists. However, the defense could argue that SCT indirectly addresses questions of this sort. For example, taking into account all concerned individuals, and giving equal weight to their individual preference orderings, means that ethnic and other minorities play a role in making social decisions. Moreover, if that is not enough, procedures could be devised through which the voice of minorities could be amplified, e.g.,

5 However, Roemer presented a specific framework for social choice theory basing it on the Marxist theory of exploitation (Roemer 1986).

by various weighting procedures. Also, since the notions of rights and liberties can be incorporated into this approach, it is another route to addressing the issue of minorities. Hammond's suggestion for using the "rights-inclusive social states" in social choice calculus may be applicable here (Hammond 1995: 57).

While such considerations demonstrate the flexibility of the social choice framework, and its ability to accommodate a variety of issues and problems, it is hardly sufficient. First, as aforementioned, the treatment of preferences as given creates problems. History of suppression of a group can prevent it from articulating preferences that are more favorable to itself. Hence, it may be preferable to turn to more discursive approaches, or to non-consequentialist ethical theories. Second, the theory does not deal with the problem of who is to be included or excluded from making social decisions. Discussion of issues of citizenship, voting rights and others, cannot be accommodated into the social choice framework. Obviously, the problem of racial, ethnic and religious differences has to be dealt with through other approaches, and than perhaps used as external information in social choice theory. This is as an inherent weakness of the social choice and other rational choice approaches. These problems are among the most important political issues, and therefore a complete political theory should be able to address them.

3.6 Gender and Family

Virtually all that has been argued concerning the previous point can be applied to issues of gender and family as well.

3.7 Justice Between Nations

This is another issue largely neglected by the social choice theory, though not to the same degree as the issues of gender and ethnic and racial differences. Game theories have often been applied to problems of international relations (Harsanyi 1965: Lalman *et al.*: 1993). However, it is not sure that these applications showed "awareness of the fact that nations share a world of resources with other nations, and make some proposal concerning the obligations nations owe to one another", as Nussbaum requests from a political theory (Nussbaum 1997: 3). Ra-

tional choice scholars could be found among Pentagon advisers perhaps not less often than among those committed to justice between nations.

SCT is applicable to the relationships between already existing and well defined groups, such as states, although it does not imply how the out-groups should be treated. This state of affairs fits Held's judgment that the "mainstream Western political thought has remained by and large impervious" to addressing questions "of social justice in the larger international order" (Held 1991: 2). The problem becomes urgent in the era of globalization, when choices made at one place at the globe may have very serious consequences on quite another place.

In any case, one thing is to analyze behavior and strategies of competing power groups, and quite another to provide a critique of power relations, whether within a society, or on the international scale. While rational choice theories may be good at the former, they seem to be less effective concerning the latter.

4. Final Considerations and the Conclusion

As the previous analysis shows, social choice theory, both in its narrower and broader meanings, belongs to the realm of political theories. Its major concerns, like aggregation of choices or preferences, distributive justice, liberties, constitute some of the most important problems that a political theory has to deal with. Yet, as the test against the criteria provided by Nussbaum showed, it is also clear that it covers only one part of the problems that political theory ought to address. Social choice framework could be extended to some additional areas, but it seems that it cannot aspire to become a comprehensive and complete political theory. It is strongest, as its name indicates, in the field of social choice procedures. Still, even there it does not have to serve as the only paradigm. Sen's judgment that any political theory has to offer some account of social choice problems, but that it does not necessarily have to be traditional Arrowian theory, is justified (Sen 1986). The need for public discourse, and treatment of preferences as open and changeable in the course of decision making, is a necessary complement to the formal theory.

Concerning the seven criteria, the analysis showed that SCT is particularly strong at problems of procedural justification, distributive justice and some problems of ethics (theory of liberty). It is weaker on

the issues of moral psychology, and justice between nations. It is neglectful concerning the issues of racial, ethnic and religious inequality, and issues of gender and family. Hence, the grade it has to receive is: incomplete.

As a normative theory, based on rational choice paradigm, a serious difficulty is its narrow understanding of human nature. Although Arrow specifically emphasized that his theory does not make a particular assumption about universal individual egocentrism, such hypotheses generally dominate the social choice studies. Even when a more elaborated approach to human moral psychology is adopted, it still remains based on simplifying assumptions. It is not clear whether it can be overcome, because formal models require simplifying assumptions about constant moral and motivational inclinations. The neglect of the context is also a problem. As Mouzelis argues, “game-theoretical approaches deal with macro/collective actors in a way that underemphasizes the various historical and socio-cultural contexts within which human rationality takes its specific forms” (Mouzelis 1995: 40).

With all due respect to social choice theory for the achievements in the fields of distributive justice, moral theory, social decision procedures, or sophisticated advances in the theory of voting, the present inquiry arrived at an unfavorable verdict. The main conclusion of the paper is that social choice theory can have an important place within more comprehensive political theories, but cannot claim itself to be a complete political theory.

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