

Separate bargaining creates externalities that can make everybody worse off than if a single, encompassing union had negotiated on behalf of all.<sup>115</sup> There are exceptions to this statement. Sometimes all are better off by virtue of not being able to present a united front. By and large, however, unity makes for moderation and collective gains.

<sup>115</sup> This is a major theme in Olson (1982).

### 3. Social norms

#### Introduction

One of the most persisting cleavages in the social sciences is the opposition between two lines of thought conveniently associated with Adam Smith and Emile Durkheim, between *homo economicus* and *homo sociologicus*. Of these, the former is supposed to be guided by instrumental rationality, while the behaviour of the latter is dictated by social norms. The former is 'pulled' by the prospect of future rewards, whereas the latter is 'pushed' from behind by quasi-inertial forces.<sup>1</sup> The former adapts to changing circumstances, always on the lookout for improvements. The latter is insensitive to circumstances, sticking to the prescribed behaviour even if new and apparently better options become available.<sup>2</sup> The former is easily caricatured as a self-contained, asocial atom, and the latter as the mindless plaything of social forces or the passive executor of inherited standards. In this chapter I attempt to characterize this contrast more fully. I also argue that while social norms are extremely important for solving the first problem of social order, their contribution to the second problem is more ambiguous. Social norms do coordinate expectations. They may or may not help people to achieve cooperation.

Generally speaking, three solutions have been proposed to resolve the opposition between the two paradigms. First, there is the eclectic argument that some forms of behaviour are best explained on the assumption that people act rationally, whereas others can be explained by something like the theory of social norms. Alternatively, the eclectic view could be that both rationality and social norms are among the determinants of most actions. By and large, I shall adopt one or the other of these eclectic views.

<sup>1</sup> For a useful exploration of this contrast, see Gambetta (1987).

<sup>2</sup> The theory of social norms must be supplemented by a theory of what happens if the prescribed behaviour ceases to be feasible. Durkheim's theory of anomie was in part intended to answer this question (Besnard 1987).

Second, one might argue that what seems to be norm-oriented action is, in reality, a form of rational or, more generally, optimizing behaviour. I shall argue against this view. Third, there is the converse reductionist strategy of trying to reduce rationality to one social norm among others. One might argue, for instance, that the modern Western emphasis on instrumental rationality is not present in all cultures. We adopt it because we are socialized into thinking in this manner, even when it is actually counterproductive in its own instrumental terms. I will not comment further on this view, which to my knowledge has not been clearly articulated by anyone.<sup>3</sup>

Rational action is concerned with outcomes. Rationality says, 'If you want to achieve *Y*, do *X*'. By contrast, I define social norms by the feature that they are *not outcome-oriented*.<sup>4</sup> The simplest social norms are of the type 'Do *X*', or 'Don't do *X*'. More complex norms say, 'If you do *Y*, then do *X*', or 'If others do *Y*, then do *X*'. Still more complex norms might say, 'Do *X* if it would be good if everyone did *X*'. Rationality is essentially conditional and future-oriented. Its imperatives are hypothetical, that is, conditional on future outcomes one wants to realize. The imperatives<sup>5</sup> expressed in social norms either are unconditional, or, if conditional, are not future-oriented. In the latter case, norms make the action dependent on past events or (more rarely) on hypothetical outcomes. Rational actors follow the principle of letting bygones be bygones, cutting one's losses and

<sup>3</sup> See, however, Neurath (1913) and Elster (1989a) for discussions of 'pseudorationalism' or 'hyperrationality', i.e., the obsessional desire to have decisive reasons for acting, even in cases in which reasons are unavailable or prohibitively expensive. This tendency could, perhaps, be stated as a social norm: never act unless you have sufficient reason. For a discussion of a different set of cases in which instrumental behaviour can be instrumentally counterproductive, see Elster (1983a), ch. 2. Other works that would seem relevant to the view that rationality is but one norm among others are those of Hollis and Lukes, eds. (1982) and MacIntyre (1988). I have not succeeded, however, in extracting from these writings a clear and refutable theory. In my view, the task is doomed to failure, for reasons stated by Davidson (1980). There can be no society in which people *as a rule* knowingly refuse to choose the best means to realize their goals. If we observe people asserting that their goal is *A* and that they believe *B* to be the best means of realizing *A*, yet observe them doing *C* instead, we do not in general conclude that they fail to follow our standards of rationality. Rather we tend to conclude by imputing other goals or beliefs to them. Verbal behaviour is only one type of, and by no means privileged, evidence for imputing goals and beliefs to other people. Much of the time we impute goals and beliefs on the basis of actions, together with an assumption that people are, by and large, rational. Davidson argues, and I agree, that there is simply no other way to make sense of other people.

<sup>4</sup> A related distinction between 'terminal values' and 'adjectival values' is made by Lovejoy (1968), pp. 79–81. Terminal values are outcomes of actions, whereas adjectival values inhere in the actions themselves.

<sup>5</sup> I am disregarding the purely descriptive sense of norms, the adjectival correspondence of which is 'normal' rather than 'normative' (Stroll 1987).

ignoring sunk costs. In the operation of social norms, by contrast, the past plays an essential role. The notion of cutting one's losses is foreign, for instance, to the relentless pursuer of revenge or to the trade union leader who would rather fight and lose than not fight at all.<sup>6</sup>

For norms to be *social*, they must be (a) shared by other people and (b) partly sustained by their approval and disapproval.<sup>7</sup> Some norms, like norms against cannibalism or incest, are shared by all members of society. Other norms are more group-specific. Managers and workers, or workers of different skill levels, do not have the same idea of fair distribution. One might ask whether there could be a stable frequency-dependent polymorphism of norms, analogous to what one finds in many areas of animal behaviour.<sup>8</sup> Or perhaps there might be a stable, frequency-dependent coexistence of norm-guided behaviour and rational, self-interested behaviour.<sup>9</sup> The problem with these suggestions is the lack of a plausible mechanism that could explain how norms appear and disappear according to the expected payoffs associated with them.<sup>10</sup> From the fact that honesty sometimes pays, one cannot infer that honesty will appear if and only if it pays.

The other respect in which these norms are *social* is that other people are important for enforcing them, by expressing their approval and, especially, disapproval. These sanctions can be very strong. In societies with a strong code of honour, the ostracism suffered by a person who fails to avenge an offence can be crippling. One might ask whether the existence of sanctions does not make it rational to follow the norm, thus undermining the contrast between rational behaviour and norm-guided behaviour. A partial answer is provided in the next paragraph. A fuller discussion is provided later.

In addition to being supported by the attitudes of other people, norms are sustained by the feelings of embarrassment, anxiety, guilt and shame that a person suffers at the prospect of violating them, or at least at the

<sup>6</sup> See Golden (1988) for examples of trade union leaders who knowingly seek defeat.

<sup>7</sup> By and large, I shall limit myself here to expressions of disapproval. Approval is usually sought for actions that go out of the ordinary and excel in some way, not for actions that conform to a given standard. For a discussion of the relation between love of praise and fear of blame as mainsprings of human motivation, see Lovejoy (1968), p. 133 and *passim*. See also the comments in the concluding chapter on the relation between envy-avoidance and envy-provocation.

<sup>8</sup> See, e.g., Maynard-Smith (1982). <sup>9</sup> Frank (1987, 1988).

<sup>10</sup> The most plausible case is that in which the strategies have associated with them differential rates of survival, rather than simply different degrees of economic success. The discussion of *furbi* and *fessi* in the concluding chapter might provide an example, although I doubt it.

prospect of being caught violating them.<sup>11</sup> Social norms have a *grip on the mind* that is due to the strong emotions their violations can trigger. I believe that the emotive aspect of norms is a more fundamental feature than the more frequently cited cognitive aspects. If norms can coordinate expectations, it is only because the violation of norms is known to trigger strong negative emotions, in the violator himself and in other people.

Most social norms are simple to obey and to follow, compared with the canons of rationality which often require us to make difficult and uncertain calculations. The operation of norms is to a large extent blind, compulsive, mechanical or even unconscious. This statement somewhat exaggerates the unreflective character of norm-guided behaviour.<sup>12</sup> Later, it will become abundantly clear that social norms offer considerable scope for skill, choice, interpretation and manipulation. In some contexts, following the lodestar of outcome-oriented rationality is easy compared with finding one's way in a jungle of social norms. In Chapter 6 I argue, for instance, that the plurality of social norms regulating collective bargaining can obstruct rather than facilitate agreement, whereas negotiation from threat advantage would force immediate settlement. I still want to retain the basic contrast between rationality and social norms, however. The force of norms – the feature that makes manipulation and interpretation worth while – is that they do have a grip on the mind; otherwise, there would be nothing to manipulate. I shall return to this point.

One might question whether this conception of social norms corresponds to what earlier writers have meant by that phrase. I am quite confident that there is substantive extensional agreement, in that most of the examples of social norms cited in the next section would also be given that name by most of those who have written on the topic. The degree of intensional agreement is less clear, and I am not sure it matters much. Some writers have defined social norms by what they do – their consequences for social life – rather than by what they are. Others have defined them by their causes, that is, by the social and psychological mechanisms that sustain them. I have chosen to define norms mainly by their intrinsic nature rather than by their causes or effects.

Social norms must be distinguished from a number of other, related

<sup>11</sup> Edelman (1987) offers a systematic discussion of the nature, causes and consequences of embarrassment in social life. The stronger emotions of guilt and shame are brilliantly discussed in Levy (1973), ch. 10 and *passim*.

<sup>12</sup> I am grateful to John Padgett for pressing this point on me, although I am sure he will not think I have drawn the full implications from it.

phenomena. First, social norms differ from moral norms. To bring out the difference, let us distinguish between obligation, permission and interdiction (the moral analogues of necessity, possibility and impossibility). Social norms consist of nonconsequentialist obligations and interdictions, from which permissions can be derived. Some moral theories, like utilitarianism, rest on consequentialist obligations and interdictions. These are different in a straightforward way from social norms. Other theories, like libertarianism, rest on nonconsequentialist permissions, from which certain interdictions can be derived. The basic notion of these theories is an assignment of rights to individuals, together with an injunction to others not to violate them. Rights assignments bear some resemblance to social norms. The principle 'finders keepers', for instance, could be variously interpreted as a right or a social norm.<sup>13</sup> (It could also be justified, however, by rule-utilitarian incentive-effect arguments.) Still further theories, like Kant's moral philosophy, rest on nonconsequentialist obligations. These have an even greater similarity to social norms. In fact, later in this chapter and in Chapter 5 I classify 'everyday Kantianism' as a social rather than a moral norm. I am not claiming that this bears a very close relation to Kant's own theory, however.

Second, social norms differ from legal norms.<sup>14</sup> For one thing, obedience to the law is often rational on purely outcome-oriented grounds. Although most people do not consider punishment to be merely the price tag attached to a crime, laws are often designed as if this were the case, so that legal sanctions will suffice to deter people from breaking the law. The law does not rest on informal sanctions and the voice of conscience, but provides formal punishment. More important, it is individually rational for law enforcers to apply these sanctions: they will lose their jobs if they do not. By contrast, or so I shall argue, the enforcement of social norms is not in general individually rational.

Third, norms are not convention equilibria. Consider the social norms that have the greatest similarity to conventions, such as norms of dress, etiquette and manners. One might argue that such norms are traffic rules of social life: it does not matter which set of rules one adopts, as long as

<sup>13</sup> Sugden (1986), ch. 5, argues that the rule is a convention (in his sense, not mine). In ch. 8 he also argues that conventions tend to harden into social norms or rights, a point that is explored in Chapter 6.

<sup>14</sup> An intermediate case of considerable interest are professional norms, such as the norms regulating lawyer-client or doctor-doctor relations. Abbott (1983) offers a good survey with many valuable observations.

there is agreement on one set. As in convention equilibria, one not only would want to follow the norm itself but would want others to follow it. The analogy is, however, misleading. If I violate a traffic rule, two bad things can happen to me. I can have an accident, and I may be blamed by bystanders, because bad things can happen to them if I drive recklessly. If I pick up the wrong fork at the dinner table, the only bad thing that can happen to me is that others will blame me for my bad manners. Convention equilibria are guided by outcomes in a substantive sense, not just in the formal sense that people want to avoid disapproval. I return to this distinction later.

Fourth, social norms differ from private norms, the self-imposed rules that people construct to overcome weakness of will.<sup>15</sup> As explained in Chapter 1, people often face what amounts to an intrapersonal collective action problem. They would be better off if they never smoked, never drank, never took a second helping of dessert than they would if they always engaged in these practices. They would be better off if they engaged in a regular practice of exercising, saving or educating themselves than they would if they never did any of these things. Yet at any given moment the activity which has bad long-term consequences may seem more attractive. To overcome temptation, people may *bunch their choices* by asking the perennial question, 'If not now, when?' In doing so, they set up a domino effect in which failure now predicts failure in the indefinite future. By raising the stakes, they make it easier to resist temptation.<sup>16</sup> The price they have to pay is rigid adherence to the rule. In William James's phrase: 'Never suffer a single exception.'

In this respect, private norms are just as mechanical as social norms. They dispense with the need to consider consequences, since the proscribed action is laid down by an unambiguous rule: *don't do it*. To show that the rule has its price, recall that in a collective action problem universal cooperation is not always the optimum. Similarly, it is not clear that my life on the whole will go better for me if I *never* drink, *never* smoke or *never* eat ice cream or that I should jog *every* day, save a little bit *every* month or read a good novel *every* week. It would be better if I gave myself an occasional break. At the very least, as I enter old age, dissaving will

<sup>15</sup> The following draws heavily on Ainslie (1975, 1982, 1984, 1986).

<sup>16</sup> Ainslie shows that this is a formal implication of a specific model of weakness of will in terms of nonexponential time preferences. But the idea is also intuitively plausible. I return to the problem in Chapter 5.

make more sense than saving, and there is no reason why I should not take up smoking if I want to. But even in the midst of life the pleasure gained from occasional indulgences exceeds the sum total of the many small harms they do to my future selves, pleasures being both more keen and less harmful the rarer they are.<sup>17</sup> Yet the person who has made the unbreakable rule for himself is incapable of fine-tuning resistance to temptation. The anxiety he feels at the very thought of yielding deters him from doing so even when he can see that it might be a good idea.<sup>18</sup>

Private norms, like social norms, are non-outcome-oriented and sustained by feelings of anxiety and guilt. They are not, however, sustained by the approval and disapproval of others since they are not, or not necessarily, shared with others. I may feel a need to protect myself against an addiction to watching television sports on Sunday simply because there are other things I want to do more, not because my friends would frown on me were they to learn about it. In fact, most of my friends may be happily and guiltlessly addicted to the practice. To be sure, many cases are ambiguous. There are social norms against smoking, drinking and overeating. Or consider the following comment on Tahitian religion:

[An] expressed motive for the involvement in religion is 'protection from one's own impulses to bad behavior'. Teiva, for example, says that all villagers are religious (although not enough to save themselves from hell) because they remember the savage pagan behavior of their ancestors, the wars and cannibalism (matters which missionary teachings constantly emphasized when they portrayed the salvation from savagery brought by religion), and being afraid of backsliding, use religion to protect themselves from doing evil.<sup>19</sup>

Here a socially inculcated practice is voluntarily accepted as a means to impulse control.<sup>20</sup> Borderline cases notwithstanding, the distinction between private and social norms is fairly clear. The superego, to use Freud-

<sup>17</sup> I am not here considering addictive effects that might remove the intermediate strategies from the feasible set.

<sup>18</sup> *Not* yielding to temptation can, therefore, also be a form of weakness of will. Davidson (1980), p. 30, uses the example of the compulsive toothbrusher to bring out this point. As I remarked in Chapter 1, compliance with social norms can also be a form of weakness of will.

<sup>19</sup> Levy (1973), pp. 184-5.

<sup>20</sup> Stephen Holmes (personal communication) asks whether this practice is at all intelligible: can one intentionally 'decide to believe' in religion *just* to keep from backsliding?

ian terms, may be a private construct or a social one, originating either in the individual himself or in his environment.

Fifth, norm-guided behaviour must be sharply distinguished from habits and compulsive neuroses. Although similar in their mechanical character and lack of concern for consequences, they differ in several respects.<sup>21</sup> Unlike social norms, habits are private. Unlike private norms, their violation does not generate blame or guilt.<sup>22</sup> Unlike neuroses and private norms, habits are not compulsive. The habit of washing one's hands after dinner is not like the neurotic's need to wash his hands ten or fifty times every day. Nor is it like the private norm of *always* washing one's hands after dinner, regardless of the degree of inconvenience and need. Habits begin as intentional behaviour which later, as a result of repetition, loses its conscious, deliberate character. Compulsive neuroses are more complex and not well understood.<sup>23</sup>

Sixth, I would distinguish social norms from tradition. The distinction is tenuous, but I think it can be made. *Tradition* I understand as mindlessly repeating or imitating today what one's ancestors did yesteryear. The subject matter of tradition, thus understood, is how to build a house, when to sow and when to harvest, how to dress when going to church on Sunday and so on. Traditions are subject to drift, by the cumulative result of many imperfect imitations, unless external forces keep them from deviating<sup>24</sup> or the activity in question varies discretely rather than continuously.<sup>25</sup> By contrast, *traditionalism* – the deliberate imitation of some original model – is not subject to drift.<sup>26</sup> If the traditionalist makes a mistake in copying the model, the mistake will not be passed to the next generation, which will go back to the original rather than to the previous copy. Tradition has

<sup>21</sup> We may note, however, the claim by Fenichel (1945, p. 586), that 'many forms of reaction which today are designated as compulsion neuroses are normal and institutionalized in other civilizations'.

<sup>22</sup> Durkheim wrote that 'a rule . . . is not only a habitual means of action, it is, above all, an obligatory means of acting' (cited after Camic 1986).

<sup>23</sup> 'For reasons no one understands, the compulsions are expressed in behaviors such as hand washing, which correlates with the obsession of contamination, and counting and checking, which is associated with being obsessed with doubt' (Gazzaniga 1988, p. 125). Nor do we know much about the etiology of compulsion, except that it is likely to have a strong biological component (ibid., p. 130).

<sup>24</sup> Elster (1983b), pp. 135–8, reports Eilert Sundt's analysis of boat construction in northern Norway as an example of tradition constrained by seaworthiness.

<sup>25</sup> Like the Norwegian tradition of ending the Christmas holidays on the twentieth day following Christmas Eve.

<sup>26</sup> See, e.g., the analysis of traditionalism in Chinese painting in Levenson (1968), vol. 1, pp. 26–32.

a short memory, traditionalism a long memory. Traditionalism is usually supported by social norms. Tradition may be supported by a norm (as in deciding how to dress for church), but need not be so. A person who deviates from tradition in technical matters, for example, may be regarded by his neighbours as stupid or eccentric but not as a transgressor of a norm.

Finally, we must distinguish social norms from various cognitive phenomena to which they bear some resemblance. It follows from my definition of social norms that they have the effect of focusing and coordinating expectations. They help to solve what I referred to in the Introduction as the first problem of social order. If the norm to do *X* is shared within a community, each will expect others to do *X*. An alternative means of focusing expectations is by psychological salience or prominence.<sup>27</sup> One option may stand out, by virtue of simplicity, symmetry, temporal or alphabetical priority or some other feature. Maxims for allocating resources often correspond to such focal points: divide equally, divide proportionally, do as we did last year, flip a coin. Sometimes salience is unambiguously different from norms. When we lose each other in a foreign city, there is no norm to meet at the hotel: it is simply the obvious thing to do. In other cases the distinction is harder to draw. In particular, the importance of norms of equality may be related to their salience.

I conclude these introductory comments with three methodological remarks. The first is that the distinction between rationality and social norms does not coincide, as is often taken for granted, with the distinction between methodological individualism and a more holist approach. Although these two distinctions go together in Durkheim and many others, I believe one can define, discuss and defend a theory of social norms within a wholly individualist framework.<sup>28</sup> A norm, in this perspective, is *the propensity to feel shame and to anticipate sanctions by others at the thought of behaving in a certain, forbidden way*. As explained earlier, this propensity becomes a *social* norm when and to the extent that it is shared with other people. As will be explained, the social character of the norm is also manifest in the existence of higher-order norms that enjoin us to punish violators of the first-order norm. To repeat, this conception of a network of shared beliefs and common emotional reactions does not commit us to

<sup>27</sup> Schelling (1963).

<sup>28</sup> Sperber (1984) provides a useful starting point for an individualistic analysis of culture, although for my purposes I would give more emphasis to emotions and less to cognitive representations.

thinking of norms as supra-individual entities that somehow exist independently of their supports.

Second, social norms can exist on an unconscious or barely conscious level. Consider the culture-specific norms that dictate the minimal permissible distance I must keep from another person while talking to him in an unconstrained situation. If I move closer to him than, say, thirty centimeters, he will move away and look at me in a strange way, as if wondering whether I am drunk, aggressive, inappropriately amorous or just uncouth. Noticing his behaviour, I will feel embarrassed, blush and escape from his company as soon as possible. In many people, this norm of distance is so ingrained that they never violate it. Some may move in circles in which it is never violated. They have never had the occasion to think of it and formulate it consciously as a norm of behaviour. They will instantly recognize a violation, yet may be unable to formulate the norm that has been violated. Nor will the violators themselves always understand exactly where they went wrong. These norms require a somewhat more complex analysis than the phrase I italicized in the preceding paragraph, but can be handled on basically similar lines, as propensities to act and to react, resting on an involuntary reinforcement mechanism rather than on conscious inculcation.

Third, I want to repeat that the contrast between norms and self-interest need not generate a distinction among different kinds of action. Both types of motivation may enter into a single action. Often, norms and self-interest coexist in a parallelogram of forces that jointly determine behaviour. When the norms require me to do *X* and self-interest tells me to do *Y*, I may end up with a compromise. If I know I should kill to avenge an offence but fear that I will be killed in return, I may swallow my pride and limit myself to a demand for blood money.<sup>29</sup> Alternatively, self-interest may act as a constraint on norms: I do *X* provided that the costs – the direct costs of doing *X* and the opportunity costs of not doing *Y* – are below a certain level. I regularly carry out my civic duty of voting, unless the weather is so bad that I will be drenched going to the election locale or so glorious that I would rather go on a picnic. Conversely, norms may constrain and limit self-interest. Cutthroat competitiveness in bargaining may coexist with trustworthiness in respecting the agreement that is reached ('self-interest without guile'). In this chapter I usually ignore this kind of interaction

<sup>29</sup> Boehm (1984), ch. 8, emphasizes this aspect of revenge decisions.

between norms and self-interest. By contrast, I have quite a bit to say about another mode of interaction, namely the extent to which norms are shaped by self-interest. In Chapters 5 and 6, both forms of interaction are considered.

## Examples

To fix our ideas, it is necessary to offer some examples of social norms. For convenience, and without any claim of completeness, I have grouped them in ten major categories. Some of them are very general and apply across a variety of arenas. Others are more arena-specific. It may well be possible to subsume them, too, under more general norms, but I will not try to do that. I do not claim that these are all the important norms there are. Many, such as norms regulating marriage and kinship, are neglected. My task here is not to offer a full analysis of norms – their varieties and hierarchies – but to argue for their reality, importance and autonomy.

### *Consumption norms*

Simple, paradigmatic cases of social norms are those regulating manners of dress, manners of table and the like. *Le côté de Guermantes* shows that these norms, while utterly trivial in themselves, may be the object of obsessive interest and form the major criterion by which people are judged, accepted and rejected. In *La distinction* Pierre Bourdieu has extended the notion of consumption norms to cultural behaviour: Which syntax, vocabulary and pronunciation do you adopt? Which movies do you see? Which books do you read? Which sports do you practise? What kind of furniture do you buy?<sup>30</sup> There is a subtle blend, in such cases, of individual preference and social norms. At one extreme, manners of table – such as the rule to begin with the outermost fork – have no element of personal taste. At the other extreme, many choices of books or leisure activities are wholly personal. What one does in the privacy of one's home is, by and large, not the target of social approval and disapproval, nor of internalized norms and feelings of guilt. This is not to say that these choices are uncaused or uncorrelated with one's social background and environment. The point is simply that these social forces do not serve as a homeostatic mechanism keeping deviants in line.

<sup>30</sup> Bourdieu (1979).

In between are the ambiguous and seemingly overdetermined cases that form the target of social satirists. The snob follows the social norm, while believing that he simply has superior taste. When the norm changes, his preferences change with it. It is not that he has a taste for conformity, only that his tastes conform to those of others. The behaviour of others is the cause of his utility function, not an argument in it.<sup>31</sup> This may lead him into trouble. All tourists know the feeling that one would be perfectly happy were it not for the other tourists, not recognizing that a common force has led them all to converge on the same place. Moreover, the snob does not hesitate to condemn those who do not conform to the norm, further undermining his claim to a personal preference.

More than other norms, cultural norms and consumption norms have strong elements of innocent play and not-so-innocent gamesmanship.<sup>32</sup> While some are norm followers, others, like the Duchesse de Guermantes, are norm setters. Some are in the grips of norms, while others are normative virtuosi who delight in calculated transgressions and creative refinements. 'Is there any keener joy for a writer rigorously trained in artistic discipline, or for a borderline Protestant like Gide or Eliot, than becoming reverently conscious of strict rules which he may some day delight in breaking?'<sup>33</sup> Sometimes norms are deliberately violated to put in their place those who believe they can get a foothold in an upper class by going by the book, while amused tolerance is reserved for those who violate the norms because they do not know any better.

#### *Norms against behaviour 'contrary to nature'*

Rules against incest and cannibalism exist in most societies. 'Unnatural' sexual acts, such as homosexuality or sodomy, are often frowned upon. There is often much hypocrisy surrounding these practices. In a case described by Colin Turnbull, a young man was severely punished for having committed incest with his cousin. 'Yet it was plain that everyone had known about the incest for months. Incest with one's cousin was wrong – the Mbuti seemed unanimous about this – but it was not until the incest be-

<sup>31</sup> Both cases must be distinguished from that discussed in Chapter 1, in which the *utility* of other people is an argument in one's utility function.

<sup>32</sup> As I argue in Elster (1981), the main flaw in the argument of Bourdieu (1979) is the assumption that all play is ultimately a form of gamesmanship.

<sup>33</sup> Peyre (1967), p. 227.

came indiscreet that it required action'.<sup>34</sup> Until recently, the same was true about attitudes towards homosexuality in Western societies. Public knowledge that someone was homosexual in private was much less offending than homosexual behaviour in public. Members of the Bloomsbury circle got away with it, while Alan Turing was faced with the choice between going to jail and having hormonal treatment.

Let me digress to expand this point, which is of quite general importance: to violate a norm in public shows a disdain for public opinion that is often more severely disapproved of than the norm violation itself.<sup>35</sup> Conversely, by hiding the violation, one respects and upholds the norm. In the limit, the norm may be respected even though everybody knows that nobody pays more than lip service to it. This seems, for instance, to characterize many norms of socialist behaviour in China and in the USSR. 'One attitude toward study and criticism is: well, we have to go along, even though we hate it; we know everyone is lying, but we have to go along so we don't leave a bad impression. . . . The situation is an embarrassing one: everyone is aware of the ridiculous and undignified role he plays in this charade; its seriousness is ensured by the foreman, silent and attentive, but always very much in evidence'.<sup>36</sup> This psychologically baffling *culture of hypocrisy* is sustained by a feeling of guilt from complicity: since everybody is both victim and perpetrator of these practices, nobody can denounce them.<sup>37</sup>

The norm against cannibalism allows for exceptions in case of *force majeure*. When the survivors of a 1972 aircrash in the Andes ate the flesh of the dead, they were not condemned but forgiven, absolved and even turned into celebrities of heroic stature.<sup>38</sup> It may even be acceptable for a group to kill and eat some among themselves, provided the victims are selected in a proper way. The custom of the sea in such cases has been to use a lottery,<sup>39</sup> and it is hard to think of any other procedure that would be found acceptable.<sup>40</sup>

Again, this can serve as a point of digression. Whenever there is a norm, there are often a set of adjunct norms defining legitimate exceptions. Often,

<sup>34</sup> Edgerton (1985), p. 136, summarizing Turnbull (1961).

<sup>35</sup> Abbott (1983), pp. 859–60, finds that 'enforcement of [professional] ethics . . . is a function largely of the visibility of the offence'.

<sup>36</sup> From two reports from the People's Republic of China, cited in Walder (1986), pp. 156, 157.

<sup>37</sup> Kolakowski (1978), vol. 3, pp. 83–91. <sup>38</sup> Edgerton (1985), p. 51.

<sup>39</sup> Simpson (1984), p. 140.

<sup>40</sup> See Elster (1989a), ch. 2, for a general discussion of selection by lot.

these are less explicit than the main norm and rely heavily on judgement and discretion. They form, as it were, a penumbra around the main norm, a grey area that leaves room for maneuvering. Robert Edgerton has shown that there are large variations in norm enforcement. Some societies enforce their norms more strictly than do others.<sup>41</sup> Some norms are enforced more strictly than others.<sup>42</sup> Some individuals are treated more leniently than others.<sup>43</sup> And some circumstances are more extenuating than others.<sup>44</sup>

#### *Norms regulating the use of money*

Money can be perceived as essentially good or essentially bad. Both Marx and Simmel, for instance, insisted on the liberating effects of money.<sup>45</sup> Others have been deeply critical of the effects of money on social relations. Partly this is because money can turn into an end in itself, as in speculation and interest bearing, thus diverting energy from productive purposes.<sup>46</sup> Partly it is because money can be used improperly, to buy things that money should not be able to buy. Thus there have been norms or laws against buying salvation, votes, public office, spouses and exemption from military service, to cite but some examples.<sup>47</sup> I shall discuss two cases not regulated by law but nevertheless subject to social norms.

Consider a suburban community where all houses have small lawns of the same size.<sup>48</sup> Suppose a houseowner is willing to pay his neighbour's son ten dollars to mow his lawn, but not more. He would rather spend half an hour mowing the lawn himself than pay eleven dollars to have someone else do it. Imagine now that the same person is offered twenty dollars to mow the lawn of another neighbour. It is easy to imagine that he would refuse, probably with some indignation. But this has an appearance of irrationality. By turning down the offer of having his neighbour's son mow his lawn for eleven dollars, he implies that half an hour of his time is worth at most eleven dollars. By turning down the offer to mow the other neighbour's lawn for twenty dollars, he implies that it is worth at least twenty

<sup>41</sup> Edgerton (1986), chs. 8 and 9. <sup>42</sup> *Ibid.*, ch. 11. <sup>43</sup> *Ibid.*, ch. 4.

<sup>44</sup> *Ibid.*, chs. 3, 5, 6.

<sup>45</sup> Simmel (1978), ch. 4; Marx (1865), p. 1033. (Needless to say, this statement does not fully summarize Marx's attitude towards money.)

<sup>46</sup> See, e.g., Kuran (1983).

<sup>47</sup> For fuller lists, see Simmel (1978), ch. 5, and Walzer (1983), pp. 100–3. To their examples one could add the widespread norm against the sale of land (Stone 1972, p. 73; Finley 1981, ch. 4).

<sup>48</sup> I am indebted to Amos Tversky for suggesting this to me as an example of social norms.

dollars. But it cannot both be worth less than eleven and more than twenty dollars.

As an explanation, it has been suggested<sup>49</sup> that people evaluate losses and gains forgone differently. Credit card companies exploit this difference when they insist that stores advertise cash discounts rather than credit card surcharges. The credit card holder is affected to a lesser extent by the lost chance of getting the cash discount than by the extra cost of paying with the card. Similarly, the houseowner is affected to a greater extent by the out-of-pocket expenses that he would incur by paying someone to mow his lawn than by the loss of a windfall income. But this cannot be the full story, because it does not explain why the houseowner should be indignant at the proposal. Part of the explanation must be that he does not think of himself as the kind of person who mows other people's lawns for money. *It isn't done*, to use a revealing phrase that often accompanies social norms. One may argue that the norm serves an ulterior purpose. Social relations among neighbours would be disturbed if wealth differences were too blatantly displayed and if some treated others as salaried employees. Yet on any given occasion, that would usually not be the reason or motive for refusing the offer, or for not making it. It simply isn't done.

Next, there seems to be a social norm against walking up to a person in a cinema queue and asking to buy his place. Note that nobody would be harmed if someone did this. Other people in the queue would not lose their place. The person asked to sell his place would be free to refuse. If he accepted, he and the buyer would both gain by the exchange. The norm against buying places in a queue may be related to the finding that people consider queuing a more equitable way of allocating surplus tickets to a baseball game than either a lottery or an auction.<sup>50</sup> Although a totally wasteful activity, queuing seems to create a special entitlement to scarce goods.

#### *Norms of reciprocity*

These norms enjoin us to return favours done to us by others.<sup>51</sup> The potlatch system among the American Indians is a well-known instance. According to one (contested) interpretation the potlatch was something of a poisoned gift: 'The property received by a man in a potlatch was no free

<sup>49</sup> Thaler (1980), p. 43.

<sup>50</sup> The finding was reported in an earlier version of Kahneman, Knetsch and Thaler (1986a).

<sup>51</sup> Gouldner (1960).

and wanton gift. He was not at liberty to refuse it, even though accepting it obligated him to make a return at another potlatch not only of the original amount but of twice as much'.<sup>52</sup> An extreme example of such ambiguous altruism is found in Colin Turnbull's description of gift and sacrifice in this society among the miserable Ik of Uganda:

These are not expressions of the foolish belief that altruism is both possible and desirable: they are weapons, sharp and aggressive, which can be put to divers uses. But the purpose for which the gift is designed can be thwarted by the nonacceptance of it, and much Icier ingenuity goes into thwarting the would-be thwarter. The object, of course, is to build up a whole series of obligations so that in times of crisis you have a number of debts you can recall, and with luck one of them may be repaid. To this end, in the circumstances of Ik life, considerable sacrifice would be justified, to the very limits of the minimal survival level. But a sacrifice that can be rejected is useless, and so you have the odd phenomenon of these otherwise singularly self-interested people going out of their way to 'help' each other. In point of fact they are helping themselves and their help may very well be resented in the extreme, but it is done in such a way that it cannot be refused, for it has already been given. Someone, quite unasked, may hoe another's field in his absence, or rebuild his stockade, or join in the building of a house that could easily be done by the man and his wife alone. At one time I have seen so many men thatching a roof that the whole roof was in serious danger of collapsing, and the protests of the owner were of no avail. The work done was a debt incurred. It was another good reason for being wary of one's neighbours. Lokeléa always made himself unpopular by accepting such help and by paying for it on the spot with food (which the cunning old fox knew they could not resist), which immediately negated the debt.<sup>53</sup>

These transactions, like the potlatch, involve repeated prestations and counterprestations among the same individuals. A more intriguing form of

<sup>52</sup> Helen Codere, cited after Piddocke (1965).

<sup>53</sup> Turnbull (1972), p. 146. These strategies are universally employed. As I was completing this book, I came across a passage in a crime novel (Engel 1986, p. 155) making the same point: 'I decided to make a fast getaway. I had done Pete a favour and it didn't pay to let him thank me for doing it. It was more negotiable the other way. I heard him calling after me but I kept going'.

reciprocity is that which Eilert Sundt found on the Norwegian West Coast.<sup>54</sup> Here wedding guests were expected to give a certain amount of money to the bridal couple, who in turn were expected to do the same when they were invited to a wedding. Presumably most of the guests were already married and hence could not hope for a later counterprestation. Intergenerational reciprocity is also found between parents and children. Assuming that parents cannot disinherit their children, the latter have no incentive to take care of their parents in old age, except perhaps to make sure that they do not squander the inheritance by going into expensive old-age homes. Yet most societies have a norm that you should help your parents, in return for what they did for you when you were at a similarly helpless stage.

Reciprocity is not the combination of two unconditional norms: *X* should do *A* and *Y* should do *B*. It is a conditional norm: if *X* does *A*, *Y* should do *B*. It often goes together with another conditional norm: if *X* does *A*, *X* should also do *B*. There is, let us assume, an unconditional norm that I should give a Christmas gift to my children.<sup>55</sup> There may be a conditional norm that if I give something to a friend for Christmas, he has an obligation to reciprocate. Suppose the friend is wealthy and there is a norm that wealthier people should give more in absolute terms (although allowed to give less in relative terms). I can then exploit the situation to my advantage by making the initial gift. Finally, there is the less explicit but powerful norm that if I begin offering gifts to someone at Christmas, I am expected to go on doing so in the future. Not wanting to incur the obligation, I might hesitate to take the first step.

The Chinese notion of *guanxi*, a kind of instrumental friendship,<sup>56</sup> illustrates the same point.<sup>57</sup> At one extreme of the spectrum of *guanxi* are situations in which preexisting affective ties are the basis for mutual help. At the other extreme are relations that differ little from sheer bribery. In between are situations in which the tie is created by unilateral donations by one party for the purpose of inducing some unspecified reciprocation at some unspecified date. Doctors who can dispense certificates of illness or superiors who can allocate scarce consumption items are frequent targets

<sup>54</sup> Sundt (1974–8), vol. 3, p. 183.

<sup>55</sup> Caplow (1984) studies mainly unconditional norms of Christmas gift giving. They regulate partly the recipients and partly the value and nature of the gifts. When there are unconditional norms for *A* to give to *B* and for *B* to give to *A*, each will expect reciprocation, but the obligation is to give, not to reciprocate.

<sup>56</sup> The term is from Wolf (1966).

<sup>57</sup> The following draws on Walder (1986), pp. 179–86; see also Hwang (1987).

of such instrumental giving. It is clear from the following description that the practice has a normative component that goes beyond a simple exchange of favours:

This is a very deliberate thing. You have to make it seem like it isn't a bribe. It is a very subtle art. You can say, 'I don't need this anymore, just let me leave it in your office for a while'. It's really a gift, but on the surface it doesn't look like it. It's a delicate and complicated matter. . . . It's like a down payment that obliges the person to do you a favor later on, or lose face. . . . Of course many people think it's wrong, but it still goes on.<sup>58</sup>

### Medical ethics

In their professional training doctors are inculcated with certain norms of proper treatment which turn out to subvert more rational, outcome-oriented criteria. Examples include the norm that more serious cases should be treated before less serious cases and the norm that each patient should be given the fullest possible treatment. I shall have more to say about the first norm, but first a few words about the second. It is easy to see how this norm can subvert efficiency if, as is plausible, treatment has decreasing marginal efficacy. When medical treatment is a scarce resource, the goal of saving lives or of promoting health dictates that it should be spread thinly across many patients rather than concentrated on a smaller number. Yet this principle goes against a deeply ingrained tendency in the medical profession to help each patient as much as possible.

Napoleon's chief medical officer, Baron Larrey, and the first to set up norms for medical 'triage', insisted on treating the most serious cases first. 'Those who are dangerously wounded must be tended first, *entirely without regard to rank or distinction*. Those less severely injured must wait until the gravely wounded have been operated on and dressed'.<sup>59</sup> Larrey may have believed that this was also the most efficient principle, assuming that the worst cases were also the ones that could most benefit from treatment. Yet a second's reflection shows that the relationship is much more likely to be as depicted in Fig. 3.1.

In this diagram, the expected benefit from treatment is represented by

<sup>58</sup> Walder (1986), p. 185. <sup>59</sup> Cited after Winslow (1982), p. 2.

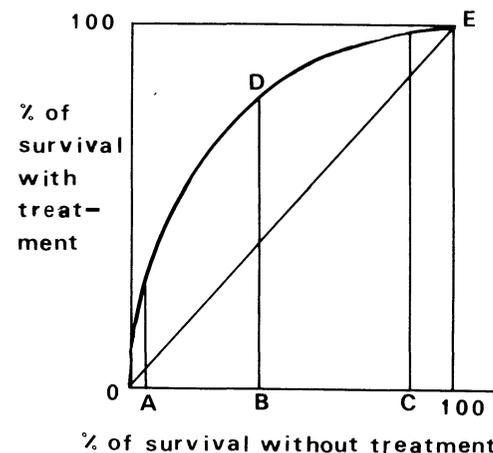


Fig. 3.1

the distance between the 45° line and the curve *ODE*. The worst cases, who are almost certain to die without treatment, are also unlikely to benefit much if treated. Conversely, the best cases, who are almost certain to get well spontaneously, do not benefit much from treatment. The largest benefits come in the intermediate cases. To select patients for treatment when not all can be treated, one might use one of three criteria. (a) Choose the patients who will benefit most from treatment, that is, those with a prior survival chance about *B* in Fig. 3.1. (b) Choose the patients with the smallest prior survival chance, that is, about *A*. (c) Choose the patients having the largest chance of surviving without treatment, that is, those about *C*. By and large, the first, utilitarian criterion is the one that is adopted by health authorities in most countries. By contrast, practising doctors often follow the second criterion, which corresponds more closely to the norms of their profession. In one study of admission to intensive care units the authors found that 'physicians appeared to be reluctant to conserve resources by withdrawing care from acutely ill patients even when the anticipated benefit of that care was vanishingly small'.<sup>60</sup> The third criterion is in clear violation of both social efficiency<sup>61</sup> and medical norms. Yet there

<sup>60</sup> Singer et al. (1983), p. 1159.

<sup>61</sup> At least when the social goal is that of saving the maximum number of lives. If the goal is that of treating soldiers to get them ready for combat, it may make sense to treat the least seriously wounded before the moderately serious cases, as has indeed become the practice in modern warfare (Winslow 1982, pp. 6–11).

is some evidence that mental health professionals allocate their attention in this way – that ‘large numbers of highly trained provider groups are being well paid mostly to talk about personal matters to people with mild emotional problems’ while people with severe mental disorders go untreated.<sup>62</sup> In Norway, private hospitals systematically select patients by the third criterion, leaving the more serious cases for treatment in public hospitals.

Hence we see that efficiency in the pursuit of health is threatened from two sides. On the one hand, the preference of doctors for profit or for a quiet life may lead them to select the least serious cases, which require fewer efforts and make their statistics look good. While a fully rational practice in the light of these desires, it thwarts the effort of the public health system. On the other hand, efficiency is undermined by doctors’ professional norms, which lead them to concentrate on critically ill patients even when the very acuteness of their condition makes treatment unlikely to succeed. Those norms are not outcome-oriented, at least not in the relevant sense of enjoining the doctor to compare the outcomes of alternative actions. Rather, they tell the doctor to compare the outcomes of alternative inactions: who is most likely to die if not given treatment?

### *Codes of honour*

This term might be used as a synonym for social norms in general, since norm violation is usually thought of as dishonourable. I use it in a more restricted sense, however, to designate codes that regulate *the life of the proud man*, in the sense of the classical moralists. Usually, codes of honour come as a package that has both positive and negative components. On the positive side, they tell people to act courageously, to return favours, to honour commitments and to tell the truth. On the negative side, they enjoin people to insult others, to carry out any threats they might have made and to retaliate if others try to take advantage of them.<sup>63</sup> Crucially, they tell people to act in these ways even when it would appear to be in their self-interest to behave otherwise. A further analysis of codes of honour is postponed until the next section and the concluding chapter. Here I shall adduce a few examples, beginning with the Roman concept of *dignitas*:

<sup>62</sup> Knesper, Pagnucco and Wheller (1985), p. 1367.

<sup>63</sup> Codes of honour include, therefore, norms of reciprocity and norms of retribution. But these norms can also exist separately, thus justifying the separate discussion in the text.

Much light can be shed on the nature of power in this world through considering the usages of the word *dignitas*. It might well be applied to those various moments and attributes, displaying high position . . . : the parade of wealth, the shouting herald who went first in the street, the showy costume and large retinue, the holding of oneself apart, and the limitation of familiar address. All this might be called the substance of *dignitas*. But the term had a darker side, too. As used by Cicero, Caesar, or Pliny, it meant the ability to defend one’s display by force if need be; to strike back at anyone who offended one or hurt or offended one’s dependents; to avenge oneself and others, and to be perceived as capable of such baneful, alarming conduct. In both Greek and Latin authors. . . . revenge was approved and a man was called good who could deliver a hard blow as well as extend a kindly gesture.<sup>64</sup>

Similarly, the unwritten laws of Albania between the wars had two sides.<sup>65</sup> On the one hand, there was an absolute obligation to be truthful in oath telling, which was widely used to regulate contested property cases. ‘A man detected in a false oath became an outcast, despised and condemned by all his fellows, and was never again invited into any house in the tribe’.<sup>66</sup> On the other hand, there was an equally absolute obligation to seek revenge for an offence. ‘A man slow to kill his enemy was thought “disgraced” and was described as “low-class” and “bad”’. Among the Highlanders he risked finding that other men had contemptuously come to sleep with his wife, his daughter could not marry into a “good family” and his son must marry a “bad” girl’.<sup>67</sup> Similarly, the Montenegrin code of honour tells people not only to take revenge under appropriate circumstances, but also not to lie and steal within the tribe.<sup>68</sup>

Sometimes the positive part of the code seems more prominent. James Coleman, summarizing Joseph Wechsberg’s *The Merchant Bankers*, describes the practices of diamond dealers and bankers as follows:

In both of these close communities, verbal agreement will suffice because (a) the reputation for trustworthiness is of central importance in

<sup>64</sup> MacMullen (1988), p. 69. He does not assert, however, that truth telling and promise keeping were required by *dignitas*. My conjecture is that they were not.

<sup>65</sup> The following draws on Hasluck (1954). <sup>66</sup> *Ibid.*, p. 193. <sup>67</sup> *Ibid.*, pp. 231–2.

<sup>68</sup> Boehm (1984), p. 77.

both businesses; and (b) that reputation is shared and quickly communicated among all those on whom the trustee depends for his future business – i.e., for future placement of trust. The concern with integrity, trustworthiness, reputation is almost an obsession among merchant bankers in the City of London. Wechsberg quotes: ‘. . . if a man has been an old customer and friend we’ll do anything for him. Even when money is tight, we won’t take advantage of him. We are very jealous of our name.’ . . . ‘[Merchant banking is] a sense of commercial honor, an absolute fairness in all dealings, willingness to suffer pecuniary loss, if need be rather than tarnish by one unworthy act the good name of the firm’.<sup>69</sup>

Conversely, some codes appear to be mainly negative. The picture which emerges of mafiosi or wiseguys, for instance, is the following.<sup>70</sup> Their code of honour does not allow them to make empty threats, to accept others’ breaking of their promises or to suffer threats without retaliating. It does not require them to honour their own promises. In dealing with ordinary citizens this allows them to use either force or guile, whichever is the most appropriate. When dealing with other wiseguys they must be more careful. Opportunism (not honour) then dictates that promises be kept or, as an alternative, that the promisee be killed. Similarly, threats are never made among wiseguys; they simply take each other out without prior warning. There is no honesty among thieves.

#### *Norms of retribution*

Some societies have had norms of strict liability for harm, regardless of intent or circumstances. Edgerton reports that the Jalé of New Guinea have extreme and rigid rules of liability. ‘For example, should a man’s wife die in childbirth, the husband was liable for her death; had he not impregnated her, the Jalé said, she would not have died’.<sup>71</sup> Even more dramatically:

Kevel was cutting down a large branch of a tree that grew close to a path when the woman approached. Disregarding both the markings that Kevel

<sup>69</sup> Coleman (1982), pp. 286–7.

<sup>70</sup> The following is based on Pileggi (1987), on Smart (1983), and possibly on the reading of too many crime novels. Gambetta (1988a,b), while allowing for a role of codes of honour in mafia operations, emphasizes explanations based on rational self-interest.

<sup>71</sup> Edgerton (1985), p. 161.

had placed across the path to warn people of danger and his furious shouts, she hurried on. As the woman passed the tree, the branch broke and killed her and a child she was carrying on her shoulders. My informants insisted that Kevel had to indemnify the woman’s relatives because ‘the branch fell down by his hands’, even though the accident occurred through the woman’s own fault.<sup>72</sup>

More generally, retributive systems can (a) require both intent and success as conditions for liability or, more weakly, regard the lack of either as an extenuating circumstance; they can (b) accept lack of intent, but not lack of success, as an excuse or (c) vice versa; or they may (d) accept no excuses whatsoever. By targeting action rather than the outcome of action, social norms can sanction people for acting in a way that *may* have a bad outcome, regardless of whether it actually occurred or was foreseen. One might argue that such norms *are* ultimately guided by outcomes and hence do not fall under my definition. Yet although outcomes may enter into the definition of the target action or be part of the explanation of why certain actions are targeted, application of the norm need not be outcome-oriented.<sup>73</sup> One might counter that norms of strict liability have good outcomes on the whole, even if on particular occasions they may appear absurd. This is manifestly false, however: no good incentive effects are created by a social norm that makes people responsible for all actions in which they are causally involved. Rather, the effect is to make people excessively cautious, to the point of paralysing any initiative. As we shall see later, many social norms have this effect.

A widespread form of retribution is the vendetta or feud. Whether highly organized as in the Mediterranean countries<sup>74</sup> or among the Yanomanó Indians of Amazonas,<sup>75</sup> or more loosely structured as in the southern Appalachians in the late nineteenth century,<sup>76</sup> the feud rests on powerful conditional norms. Although there may be some leeway as to whether an ini-

<sup>72</sup> Koch (1974), p. 88, cited after Edgerton (1985), p. 162.

<sup>73</sup> As I make clear below, a similar observation applies to norms of cooperation.

<sup>74</sup> Busquet (1920) contains much information about Corsican vendettas. Black-Michaud (1975) is useful, but marred by a high ratio of functionalist speculation to facts and mechanisms. Hasluck (1954), chs. 22–5, contains extremely detailed descriptions of the norms regulating blood feuds in Albania. The most valuable book on Mediterranean vendettas is perhaps Boehm (1984), if once again we disregard the dubious functional explanations.

<sup>75</sup> Chagnon (1988).

<sup>76</sup> Rice (1982) is a blow-by-blow account of the most famous of these feuds.

tial offence is serious enough to exact retribution,<sup>77</sup> the first act of revenge almost inexorably leads to others. Vendettas are 'nonrealistic' conflicts in Lewis Coser's sense. They differ from, say, raids in that they are 'not oriented towards the attainment of specific results'<sup>78</sup> like the acquisition of cattle or money. They involve strong group pressures and strong feelings of honour and shame. Referring to his childhood in Montenegro, Milhovan Djilas writes that

revenge is an overpowering and consuming fire. It flares upon and burns away every other thought and emotion. Only it remains, over and above everything else. . . . Vengeance – this is the breath of life one shares from the cradle with one's fellow clansmen, in both good fortune and bad, vengeance from eternity. . . . It was our clan, and Uncle Mirko – his love and suffering and the years of unfulfilled desire for revenge and for life. Vengeance is not hatred, but the wildest and sweetest kind of drunkenness, both for those who must wreak vengeance and for those who wish to be avenged.<sup>79</sup>

The other side of the coin is the sufferings of the man who fails to take revenge when the norms of vengeance tell him to do so. In Corsica, he is constantly exposed to the *rimbecco*, an insult reserved for those who have failed to revenge an offence:

The life of the individual who is exposed every day to the *rimbecco* is hell. . . . 'Whoever hesitates to revenge himself, said Gregorovius in 1854, is the target of the whisperings of his relatives and the insults of strangers, who reproach him publicly for his cowardice.' . . . 'In Corsica, the man who has not avenged his father, an assassinated relative

<sup>77</sup> For instance, a young Corsican girl is compromised if a man tries to take off her head covering, but an insistent look from a man who meets her on the street can also be sufficient (Busquet 1920, p. 355). In Kohistani Thull, offence was taken at men who 'stare at wife or daughter, reflect light from a snuff box mirror on a wife or daughter, propose intimacy with a wife or daughter, look through a camera at a wife or daughter, flee or attempt to flee the community with a wife or daughter, or have illicit sexual relations with a wife or daughter' (Lincoln-Keiser 1986, pp. 500–1). Clearly, some of these are easier to ignore than others, should one want to do so. (They are also easier to impute without justification, should one want to do so.) Boehm (1984), pp. 145–9, argues that in a feud two decisions are largely discretionary: the decision to go out of one's way to insult somebody and the decision by the insulted party to retaliate by homicide. Later decisions are more automatic, although, he argues, not fully so.

<sup>78</sup> Coser (1986), p. 49. <sup>79</sup> Cited after Lincoln-Keiser (1986), p. 491.

or a deceived daughter *can no longer appear in public*. Nobody speaks to him; he has to remain silent. If he raises his voice to emit an opinion, people will say to him: avenge yourself first, and then you can state your point of view'. The *rimbecco* can occur at any moment and under any guise. It does not even need to express itself in words: an ironical smile, a contemptuous turning away of the head, a certain condescending look – there are a thousand small insults which at all times of the day remind the unhappy victim of how much he has fallen in the esteem of his compatriots.<sup>80</sup>

Acts of vengeance are paradigmatic examples of norm-guided action. 'Who sees not that vengeance, from the force alone of passion, may be so eagerly pursued as to make us knowingly neglect every consideration of ease, interest, or safety?'<sup>81</sup> Because of the high stakes involved, these norms are at the opposite extreme from the no less paradigmatic norms of etiquette. The challenge to any theory of social norms is to account for both.

#### *Work norms*

The work place is a hotbed of norm-guided action. In Chapter 6 I discuss the role of social norms in collective wage bargaining. Here I give three other examples of work-related norms. The first two are targeted directly at work and work performance, while the third concerns wage differentials within the firm.

There is a social norm against living off other people and a corresponding normative pressure to earn one's income from work. This norm can explain why workers in ailing industries sometimes refuse wage subsidies. They may, however, accept much more expensive subsidies to the firms that employ them. In Norway, workers in the textile industry are envious of the workers in the aluminium industry, who can demand energy subsidies rather than outright wage subventions. Similarly, the fishermen in northern Norway prefer state support to shipowners to direct wage subsidies. In all cases, however, the main goal and effect of the subsidies is to ensure employment.<sup>82</sup> A rose by another name may smell more sweet. One

<sup>80</sup> Busquet (1920), pp. 357–8. I have already quoted a similar description by Hasluck (1954), pp. 231–2. See also Bourdieu (1966) for a subtle discussion of the predicament of the man who fails to avenge an offence.

<sup>81</sup> Hume (1751), app. 2. <sup>82</sup> Elster (1988).

norm may apply to the glass that is half full and another to the one that is half empty. Norms, like preferences, are defined over actions or outcomes *as described in a specific way*.<sup>83</sup>

At the work place one often finds informal norms among the workers that regulate their work effort. Typically, these set lower as well as upper limits on what is perceived to be a proper effort. The Hawthorne study of Western Electric quotes workers as saying, 'You should not turn out too much work. If you do, you are a ratebuster', and 'You should not turn out too little work. If you do, you are a "chiseler"'.<sup>84</sup> It has been argued that the norm against rate busting is due to sheer conformism<sup>85</sup> or to envy.<sup>86</sup> The obvious alternative explanation – that the norm is a rational response to the constant pressure of management to change piece rates – will concern us later.

George Akerlof – one of the rare economists to take social norms seriously – has proposed 'a theory of social custom, of which unemployment may be one consequence'.<sup>87</sup> He argues that the persistence of 'fair' rather than market-clearing wages can be explained by assuming that employed workers have a 'code of honour' that forbids them to train new workers who are hired to do the same job for lower wages.<sup>88</sup> Because new workers require on-the-job training to learn their job, the refusal of old workers to train them deters the employer from hiring them, thus generating involuntary employment. Although one can think of more plausible explanations for worker and employer reluctance to two-tiered wage systems,<sup>89</sup> Akerlof's proposal is at least worth considering. An objection to his argument is discussed and refuted later.

<sup>83</sup> See Tversky and Kahneman (1981) for a discussion of framing of preferences.

<sup>84</sup> Roethlisberger and Dickson (1939), p. 522.

<sup>85</sup> Jones (1984). <sup>86</sup> Schoeck (1987), pp. 31, 310. <sup>87</sup> Akerlof (1980).

<sup>88</sup> His article was written before the introduction of two-tiered wage systems in several American airlines.

<sup>89</sup> Employers might oppose the system if they fear that the newly hired will strike for higher wages once they are hired or that their lower status will be bad for their morale and, hence, for their productivity. Workers might oppose it because of the potential it creates for divide-and-rule tactics on the part of the employers (Bowles 1986). Or they might oppose it simply because of the psychological uneasiness created by face-to-face interaction among unequals, a mechanism that may also be at work when affluent industrial countries limit the number of immigrants. The old workers will neither take a cut in wages nor work side by side with workers paid less than themselves. The average Norwegian will neither subsidize immigrant workers nor accept the existence of second-rate citizens, in spite of the fact that many potential immigrants would vastly prefer being second-rate citizens of Norway to their current situation.

### *Norms of cooperation*

In Chapter 1 I surveyed outcome-oriented maxims of cooperation. A utilitarian, for instance, would cooperate if and only if his contribution increased the average utility of the members in the group. There are also, however, non-outcome-oriented norms of cooperation. A full discussion is postponed until Chapter 5, but brief definitions are in order here.

On the one hand, there is what I call 'everyday Kantianism': cooperate if and only if it would be better for all if all cooperated than if nobody did. In one sense, this norm is outcome-oriented since it refers to the outcome that would be realized if everybody acted in a certain way. In another sense – the sense that is relevant here – the norm disregards outcomes, since it does not enjoin an individual to consider the outcome of *his* action. The norm is conditional upon hypothetical outcomes, not actual ones.

On the other hand, there is what I call 'the norm of fairness': cooperate if and only if most other people cooperate. This norm is conditional upon the past behaviour of others. Clearly, these others cannot all be motivated by the norm of fairness. They might, for instance, be utilitarians or Kantians. In Chapter 5 I try to bring out how these motivations can build upon each other in various ways to produce collective action.

### *Norms of distribution*

The definition just given of the norm of fairness may seem too restrictive. When people talk about 'norms of fairness', what they usually have in mind is fairness of distribution rather than fairness of contribution. These norms include norms of equality, norms of equity, reference-point norms and more complex norms such as the one embodied in the Kalai–Smorodinsky solution to bargaining problems. I refer to Chapter 6 for a more extensive discussion of norms of distribution. Here I make only a few general remarks.

Democratic societies, according to Tocqueville, are characterized by a pervasive norm of equality. At certain times, 'the passion for equality seeps into every corner of the human heart, expands and fills the whole. It is no use telling them that by this blind surrender to an exclusive passion they are compromising their dearest interests; they are deaf'.<sup>90</sup> Norms of distri-

<sup>90</sup> Tocqueville (1969), p. 505.

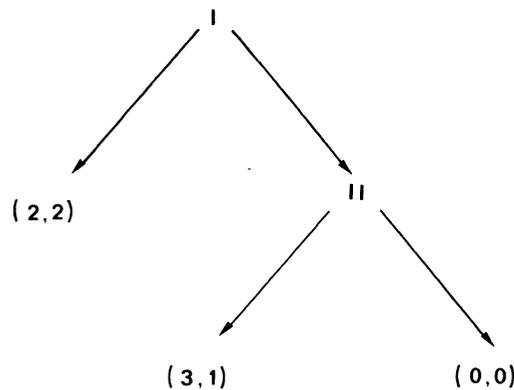


Fig. 3.2

bution, like other social norms, have a grip on the mind and an emotional appeal that is largely independent of their contribution, if any, to individual or social welfare. Norms of equality may imply, for instance, that if there is not enough of an indivisible good to go around, it is better that it be destroyed than that only some should receive it. Or they may imply that scarce water should, like grace, fall impartially on barren and on fertile ground. Or, more radically, they may enforce equality even if everybody would be better off if some inequality were allowed.

One might object that norms of distribution are not social norms as I have defined them, since they refer to what people shall *get*, not to what they shall *do*. Norms of behaviour can, however, be derived from norms of distribution. For any norm of distribution defining the fair outcome as  $X$ , there is a norm of behaviour telling people not to accept less than  $X$ . Often, people will refuse to share on what they perceive to be unfair terms, preferring to break off negotiations and take a loss rather than accept what they would get according to their threat-based bargaining power. In doing so, they may (or may not) end up better off than they would have had they bargained solely from threats. Figure 3.2, which may be usefully contrasted with Fig. 2.5, provides an illustration.

Here we assume that II believes so strongly in egalitarian norms of distribution that he is willing to accept (0, 0) rather than (1, 3). Knowing this, I can do no better than to bring about (2, 2). There is good experimental evidence that people behave in this way.<sup>91</sup> I argue in Chapter 6 that

<sup>91</sup> Güth, Schmittberger and Schwarze (1982); Kahneman, Knetsch and Thaler (1986b).

labour–labour wage bargaining displays similar features. Note, however, that II may be thwarted if I strongly believes in some other norm, for example, a norm of equity, that would justify the distribution (3, 1). In that case, the bargaining impasse (0, 0) might be the outcome.

### The reality and autonomy of norms

I shall argue for the reality of norms and for their autonomy. By the reality of norms I mean their independent motivating power. Norms are not merely ex post rationalizations of self-interest, although they can certainly be that sometimes. They are capable of being ex ante sources of action. By the autonomy of norms I mean their irreducibility to optimization. There is no single end – genetic, individual or collective – that all norms serve and that explains why there are norms. Nor, for any given norm, is there always any end that it serves and that explains why it exists. Although these claims do not amount to the absurd view that norms are uncaused, I cannot offer a positive explanation of norms. I do not know why human beings have a propensity to construct and follow norms, nor how specific norms come into being and change.<sup>92</sup> The problem is closely linked with that of explaining emotions, another poorly understood area of human life.

A fundamental problem that arises in the analysis of social norms is the extent to which they have real, independent efficacy and the extent to which they are merely rationalizations of self-interest.<sup>93</sup> Is it true, as argued by early generations of anthropologists and sociologists, that norms are in the saddle and people merely their supports? Or is it true, as argued by more recent generations, that rules and norms are just the raw material for strategic manipulation or, perhaps, for unconscious rationalization and dissonance reduction?<sup>94</sup>

Sometimes people invoke a social norm to rationalize self-interest. Sup-

<sup>92</sup> See, however, the concluding chapter for some speculative remarks about norm change.

<sup>93</sup> There is a third position, advocated by Cancian (1975). She argues that norms as defined by Parsons and others have no relation whatsoever to behaviour, neither as ex ante generators of action nor as ex post justifications of action. Among her subjects in a Mayan community, she found no correlation between norm clusters elicited by comparison questions and choices in three sets of alternative actions: (a) whether an individual farmed nearby or took advantage of the new road and farmed far away; (b) whether he sent his children to school; and (c) whether he used Western doctors in addition to native curers. She also provides a subtle and thoughtful discussion of an alternative conception of norms, with emphasis on norms as rules for validation of one's social identity by others.

<sup>94</sup> For a brief history and clear statement of this distinction, see Edgerton (1985), ch. 1.

pose my wife and I are having a dinner party for eight, and that four persons have already been invited. We discuss whether to invite a particular couple for the last two places and find ourselves in disagreement, for somewhat murky reasons. I like the woman of the couple, and my wife does not like the fact that I like her. But we do not want to state these reasons. (Perhaps there is a social norm against doing so.) Instead we appeal to social norms. I invoke the norm of reciprocity, saying that 'since they had us over for dinner, it is our turn to invite them now'. My wife invokes another norm: 'since we have already invited two single men, we must invite two women, to create a balance'.

In wage negotiations, sheer bargaining power counts for much. Appeal to accepted social norms can also have some efficacy, however. To justify wage increases, workers can refer to the earning power of the firm, the wage level in other firms or occupations, the per cent wage increase in other firms or occupations, and the absolute wage increases in other firms or occupations. When changes are being compared, they can choose the reference year so as to make their own case as strong as possible. Employers use similar arguments to resist claims for wage increases. Each argument can be supported by a norm of fair wages. There is a norm of fair division of the surplus between capital and labour. Employers will appeal to this norm when the firm does badly, workers when it does well. There is a norm of equal pay for equal work. Workers will appeal to this norm when they earn less than workers in similar firms, but not when they earn more. The norm of preservation of status, or wage differences, can also be exploited for bargaining purposes. I discuss these matters at greater length in Chapter 6.

Social psychologists have studied norms of distribution to see whether there is any correlation between who subscribes to a norm and who benefits from it. Some findings point to the existence of a 'norm of modesty': high achievers prefer the norm of equity (i.e., reward proportional to achievement).<sup>95</sup> More widespread, however, are findings which suggest that people prefer the distributive norms which favour them.<sup>96</sup> This corresponds to a pattern frequently observed in wage discussions. Low-income groups invoke a norm of equality, whereas high-income groups advocate pay according to productivity. I return to these issues, too, in Chapter 6.

<sup>95</sup> Mikula (1972); Mikula and Uray (1973); Kahn, Lamm and Nelson (1977). The findings in Yaari and Bar-Hillel (1987) on the whole also support this view.

<sup>96</sup> Deutsch (1985), ch. 11; Messick and Sentis (1983).

Conditional norms lend themselves easily to manipulation. I have cited the example of gift giving, but there are many other cases. There is, for instance, a general norm that whoever first proposes that something be done has a special responsibility for making sure that it is carried out. This can prevent the proposal from ever being made, even if all would benefit from it. A couple may share the desire to have a child and yet neither may want to be the first to suggest the idea, fearing that he or she will then get special childcaring responsibility.<sup>97</sup> The member of a seminar who suggests a possible topic for discussion is often saddled with the task of introducing it. The person in a courtship who first proposes a date is at a disadvantage.<sup>98</sup> The fine art of inducing others to make the first move, and of resisting such inducements, provides instances of instrumentally rational exploitation of a social norm.

Even the codes of honour underlying the vendetta lend themselves to manipulation and exploitation. In eighteenth-century Corsica, for instance, a young woman lost her honour if a man came up to her in a public place and touched her or removed the scarf covering her hair.<sup>99</sup> Nobody would then want to marry her, except the offender – who might well commit the dishonouring act for that very reason. He might even be in connivance with the girl if her parents were against their marriage. The strategy, however, was risky. Sometimes the parents would feel that only the death of the offender could remove the offence.

Even when there is only one relevant norm, it can be interpreted so as to coincide with self-interest. If the action targeted by the norm is appropriately redescribed, it may no longer fall under it. Hence the norm holder has an incentive to frame the situation so that the norm tells him to do what he would like to do anyway.<sup>100</sup> Norms of cooperation, for example, easily lend themselves to reinterpretation. Abstaining from voting or from paying union dues seems like a paradigm case of noncooperative behaviour. Yet the lazy voter or the miserly worker may tell himself that in a larger perspective his abstention is a form of cooperation. By not voting he signals that the spectrum of candidates is too narrow and that reform of the nominating procedure is required. Staying outside the union is a noncooperative act if the reference group comprises the other workers in the firm. By focusing on the costs of bargaining and by extending the reference group

<sup>97</sup> I am indebted to Ottar Brox for this example. <sup>98</sup> Waller (1937).

<sup>99</sup> Busquet (1920), p. 112.

<sup>100</sup> See Fischhof (1983) for a discussion of 'hedonic framing' of preferences.

to society as a whole, refusal to join the union can be seen as an act of cooperation.<sup>101</sup>

Some have said that this is all there is to norms: they are tools of manipulation, used to dress up self-interest in more acceptable garb. But this cannot be true. Some norms, like the norm of vengeance, obviously override self-interest. A more general argument against the cynical view of norms is that it is self-defeating. 'Unless rules were considered important and were taken seriously and followed, it would make no sense to manipulate them for personal benefit. If many people did not believe that rules were legitimate and compelling, how could anyone use these rules for personal advantage?'<sup>102</sup> Or again, 'if the justice arguments are such transparent frauds, why are they advanced in the first place and why are they given serious attention?'<sup>103</sup> The ambiguous altruism of the Ik illustrates both the reality of norms and their manipulability. If some people successfully exploit norms for self-interested purposes, it can only be because others are willing to let norms take precedence over self-interest. Moreover, even those who appeal to the norm usually believe in it, or else the appeal might not have much power.<sup>104</sup> The power of norms derives from the emotional tonality that gives them a grip on the mind.

The would-be manipulator of norms is also constrained by the need to be consistent. Even if the norm has no grip on his mind, he must act as if it had. Having invoked the norm of reciprocity on one occasion, I cannot just dismiss it when my wife appeals to it another time. An employer may successfully appeal to the workers and get them to share the burdens in a bad year. The cost he pays is that in a good year he may also have to share the benefits. By making the earlier appeal, he committed himself to the norm of a fair division of the surplus. Finally, the manipulator is constrained by the fact that the repertoire of norms on which he can draw is, after all, limited. Even if unconstrained by earlier appeals to norms, there may not be any norm available that coincides neatly with his self-interest.

<sup>101</sup> A telling example of how a norm may be turned around by changing the reference group is found in Astrid Lindgren's (1985) novel *Brothers Lionheart*. It takes place in a mythical country governed by a cruel tyrant, to whom an underground opposition emerges. The leader of the opposition – one of the brothers of the title – refuses to use violent means to overthrow the tyrant. His frustrated followers ask him, 'What if everyone acted like you?' To which he replies, 'If everyone acted like me, there would be no problem, would there?' implicitly extending the reference group to supporters of the regime.

<sup>102</sup> Edgerton (1985), p. 3. <sup>103</sup> Zajac (1985), p. 120.

<sup>104</sup> This is the central argument in Veyne (1976).

When I say that manipulation of social norms presupposes that they have some kind of grip on the mind since otherwise there would be nothing to manipulate, I am not suggesting that society is made up of two sorts of people: those who believe in norms and those who manipulate the believers. Rather I believe that most norms are shared by most people – manipulators as well as manipulated. Rather than manipulation in a direct sense, we are dealing here with an amalgam of belief, deception and self-deception. At any given time we believe in many different norms, which may have contradictory implications for the situation at hand. A norm that happens to coincide with narrowly defined self-interest easily acquires special salience.<sup>105</sup> If there is no norm handy to rationalize self-interest, or if I have invoked a different norm in the recent past, or if there is another norm which overrides it, I may have to act against my self-interest. My self-image as someone who is bound by the norms of society does not allow me to pick and choose indiscriminately from the large menu of norms to justify my actions, since I have to justify them to myself no less than to others. At the very least, norms are soft constraints on action.<sup>106</sup>

Often, norms have a much more direct impact on action. Norms of revenge, for instance, create obligations, not options. In all but the upper reaches of the Guermantes circle or in the world of the middle class described by Bourdieu, norms of etiquette have the force of commands. Their inhabitants are constantly worried about doing too much or too little, too early or too late, on the wrong occasions or to the wrong people. The fact that some norms are somewhat mysterious and inscrutable does not imply that people can interpret them at will, in conformity with their self-interest. Rather a correct interpretation is supposed to exist, one that is known to (indeed, usually laid down by) the high priests and priestesses of fashion. Similarly, a study of Montenegrin blood feuds refers to 'the compulsive or obligatory nature of taking vengeance' and to vengeance as a 'culturally patterned psychological compulsion'.<sup>107</sup> Milhovan Djilas's description of

<sup>105</sup> Similarly, when there exists several theories of the economy, the one that makes my self-interest coincide with the general interest naturally acquires special salience. Through wishful thinking I am caused to believe, quite sincerely, that I advocate the policy because it corresponds to the good for all.

<sup>106</sup> For a similar argument see Føllesdal (1981).

<sup>107</sup> Boehm (1984), pp. 57, 143. More than most other writers on the vendetta, however, he emphasizes the latitude of interpretation of the norm of revenge and the frequency with which it is overridden by the desire for self-preservation.

vengeance as 'the wildest and sweetest kind of drunkenness' is similarly hard to square with the view that norms are merely the carriers of self-interest.

A final comment on this topic is in order. Sometimes it is assumed that adherence to social norms is a matter of psychic costs that have to be traded off against other interests. In this perspective, the strength of a norm can be measured by how much you must bribe people to violate it.<sup>108</sup> More generally, the costs of adhering to the social norm might simply be prohibitively high, even in the face of external pressures and internal anguish. I return to this point in Chapter 5, when discussing norms of cooperation and the costs of adhering to them. While valid, this approach is incomplete. The grip of a norm on the mind also depends on its resistance to rival norms. Sometimes all one has to offer people is an alternative norm or an alternative description of the targeted action. Political entrepreneurs trade on this possibility. It may be easier to seduce a Communist or a Christian than to bribe him. Strength of conviction, as measured by the resistance to bribery or the willingness for sacrifice, should not be confused with depth of conviction, as measured by resistance to change.<sup>109</sup>

Turning now to the autonomy of norms, I shall discuss and reject four arguments to the effect that norms are really optimizing mechanisms in disguise. The first argument is that norms can be directly reduced to individual rationality: people have an incentive to avoid the sanctions reserved for violators. The second is that norms can be indirectly reduced to individual rationality: they help us economize on costs of decision, overcome weakness of will, enhance the credibility of threats and promises and the like. The third is that norms are collectively rational: they emerge to prevent market failures. The final argument is that norms promote genetic fitness. I shall concentrate on the first and third arguments, which probably command more agreement than the others.

When people obey norms, they often have a particular outcome in mind: they want to avoid the disapproval – ranging from raised eyebrows to social ostracism – of other people. Suppose I face the choice between taking revenge for the murder of my cousin and not doing anything. The cost of revenge is that I may be the target of countervengeance. This event

<sup>108</sup> North (1981), ch. 5, especially p. 47.

<sup>109</sup> According to Tocqueville (1969, p. 187) strong but not deeply held convictions characterize times of revolution, whereas postrevolutionary eras are times of 'universal doubt and distrust'. In the latter, 'people are not so ready to die for their opinions, but they do not change them; and there are to be found both fewer martyrs and fewer apostats'.

is not a certainty, since the opposing family, clan or tribe may pick on another member of mine, but there is a distinct possibility that at some point I will be targeted for retaliation. At worst, the cost of not doing anything is that my family and friends will desert me, leaving me on my own, defencelessly exposed to predators. At best, I will lose their esteem and my ability to act as an autonomous agent among them. A cost-benefit analysis is likely to tell me that revenge (or exile) is the rational choice. More generally, norm-guided behavior is supported by the threat of social sanctions that make it rational to obey the norms.<sup>110</sup>

In response to this argument, we can first observe that norms do not need external sanctions to be effective. When norms are internalized, they are followed even when violation would be unobserved and not exposed to sanctions. Shame, or anticipation of it, is a sufficient internal sanction. I do not pick my nose when I can be observed by people on a train passing by, even if I am confident that they are all perfect strangers whom I shall never see again and who have no power to impose sanctions on me. I do not throw litter in the park, even when there is nobody around to observe me. If punishment were merely the price of crime, nobody would feel shame when caught. People have an internal gyroscope that keeps them adhering steadily to norms, independently of the current reactions of others.

It is useful to separate internalization of (noninstrumental) norms from internalization of (instrumental) values. Consider, for instance, Elliott Aronson's distinction between three kinds of response to social influence:

[Any] specific action may be due to either compliance, identification, or internalization. For example, let us look at a simple piece of behavior: obedience of the laws pertaining to fast driving. Society employs highway patrol officers to enforce these laws, and, as we all know, people tend to drive within the speed limits if they are forewarned that a certain stretch of highway is being carefully scrutinized by these officers. This is compliance. It is a clear case of people obeying the law in order to avoid paying a penalty. Suppose you were to remove the highway patrol. As soon as people found out about it, many would increase their speed. But some people might continue to obey the speed limit; a person

<sup>110</sup> Akerlof (1976) argues, along these lines, that in India it is rational to adhere to the caste system, even assuming that 'tastes' are neutral, i.e., that nobody has a positive preference for discrimination.

might continue to obey because Dad (or Uncle Charlie) always obeyed speed limits or always stressed the importance of obeying traffic laws. This, of course, is identification. Finally, people might conform to the speed limit because they are convinced that speed laws are good, that obeying such laws helps to prevent accidents, and that driving at moderate speed is a sane and reasonable form of behavior. This is internalization. And with internalization you would observe more flexibility in the behavior. For example, under certain conditions – at 6:00 A.M., say, on a clear day with perfect visibility and with no traffic for miles around – the individual might exceed the speed limit. The compliant individual, however, might fear a radar trap, and the identifying individual might be identifying with a very rigid model – thus, both would be less responsive to important changes in the environment.<sup>111</sup>

Compliance corresponds to the public aspect of norms. Identification is one major mechanism whereby norms are internalized. What Aronson calls internalization I would refer to as internalization of a moral norm. The *social norm* of driving below the speed limit is not outcome-oriented. The *moral norm* of driving in a way that creates no risk to other drivers is, by contrast, defined in instrumental terms. It allows me to exceed the speed limit when doing so has no bad effects. The example illustrates the distinction between two kinds of consequences of norm violations. On the one hand, there are the consequences to the agent if he is caught violating the norm. On the other hand, there are the consequences to others if the violation of the norm harms them. Compliance rests exclusively on consideration of the first kind of consequence. Internalization of values rests on both. Identification does not rest on any kind of outcome-oriented calculations. It would allow me to drive fast neither when it was safe to do so nor when lives might be saved by doing so.<sup>112</sup>

The internalization of social norms provides one answer to the claim that people obey norms because of the sanctions attached to norm violations. Another answer emerges if we ask why people would sanction others for violating norms. What is in it for them?<sup>113</sup> One reply could be that if

<sup>111</sup> Aronson (1984), p. 35.

<sup>112</sup> Imagine an everyday Kantian who arrives at the scene of a traffic accident caused by fast driving and then drives away to get an ambulance. Although the lives of the surviving passengers are at stake, he refuses to exceed the speed limit, justifying his behaviour by saying, 'If everybody behaved like me, there would be no traffic accidents'. See also Astrid Lindgren's story cited earlier.

<sup>113</sup> This question is related to the second-order free-rider problem discussed in Chapter 1.

they do not express their disapproval of the violation, they will themselves be the target of disapproval by third parties. When there is a norm to do X, there is usually a higher-order norm to sanction people who fail to do X, perhaps even a norm to sanction people who fail to sanction people who fail to do X.<sup>114</sup> As long as the cost of expressing disapproval is less than the cost of receiving disapproval for not expressing it, it is in one's rational self-interest to express it. Now, expressing disapproval is always costly, whatever the target behaviour. At the very least it requires energy and attention that might be used for other purposes. One may alienate or provoke the target individual, at some cost or risk to oneself. However, when one moves upwards in the chain of actions, beginning with the original violation, the cost of receiving disapproval falls rapidly to zero. People do not frown upon others when they fail to sanction people who fail to sanction people who fail to sanction people who fail to sanction a norm violation. Consequently, some sanctions must be performed for motives other than the fear of being sanctioned. I argued in the preceding paragraphs that sometimes there is an unmoved mover at the very beginning of the chain. Here I have argued that every chain must have one.

I now turn to the relation between social norms and individual, collective or genetic optimization. If it could be demonstrated that norms exist because they maximize individual utility, collective welfare or genetic fitness, their autonomy would be threatened. Nonconsequentialist norms could still, if the preceding arguments are accepted, be the proximate motivation of behaviour, but the ultimate explanation would be consequentialist. Norms would exist because they have good consequences for individuals, societies or genes. I shall argue against each of these optimality explanations. I have no robust alternative account to offer of people's propensity to follow norms and the emergence of particular norms in particular societies. At various places in this chapter and in Chapter 5 I suggest, in a somewhat speculative vein, some psychological mechanisms that might contribute to an explanation.

I do not know of anyone who has explicitly and systematically argued that compliance with social norms has individually valuable consequences, over and above the avoidance of sanctions, and that, moreover, norms owe their existence to these consequences. I believe, however, that for many economists the instinctive reaction to the claim that people are motivated by irrational norms would be that on closer inspection the norms turn out

<sup>114</sup> See Axelrod (1986) for this conception of 'metanorms'.

to be disguised, ultrasubtle expressions of self-interest.<sup>115</sup> But even if it turns out that I am arguing against a strawman, I hope that the following discussion may be independently useful in further clarifying the nature of normative behaviour.

I have already said that some social norms can be individually useful, such as the norm against drinking or overeating. If people are reduced to choosing between corner solutions, because they are unable to live moderate and temperate lives, it makes sense for them to follow a simple unbreakable rule of total abstention. Moreover, these private norms can take on a social aspect, if people with similar problems join one another for mutual sanctioning, each in effect asking the others to punish him if he deviates. Alcoholics Anonymous provides the best-known example. 'Each recovering alcoholic member of Alcoholics Anonymous is kept constantly aware, at every meeting, that he has *both* something to give *and* something to receive from his fellow alcoholics'.<sup>116</sup> Another writer, emphasizing the second aspect, says that 'primacy is always given to maintaining one's own sobriety, even as a prior condition to helping others. This kind of enlightened selfishness naturally benefits everyone in the long run'.<sup>117</sup>

It might also be argued that social norms are individually useful in that they help people to economize on decision costs. A simple mechanical decision rule may, on the whole and in the long run, have better consequences for the individual than a fine-tuned search for the optimal decision. This argument, however, confuses social norms and habits. Habits certainly are useful in the respect just mentioned, but they are not enforced by other people, nor does their violation give rise to feelings of guilt or anxiety.

A further argument for the view that it is individually rational to follow norms is that they lend credibility to threats or promises that otherwise would not be believable. Vendettas are not guided by the prospect of future gain but triggered by an earlier offence. Although the propensity to take revenge is not guided by consequences, it can have good consequences. If other people believe that I invariably take revenge for an offence, even at

<sup>115</sup> Becker (1976), pp. 5, 14, argues, for example, that the 'combined assumptions of maximizing behavior, market equilibrium and stable preferences, used relentlessly and unflinchingly . . . provides a valuable unified framework for understanding *all* human behavior'. In the course of a discussion of norms of equity, Zajac (1985) conjectures that 'many, perhaps all of the Propositions can be formulated as models of rational economic agents acting to achieve self-interest'.

<sup>116</sup> Kurtz (1979), p. 215. <sup>117</sup> Royce (1981), p. 248.

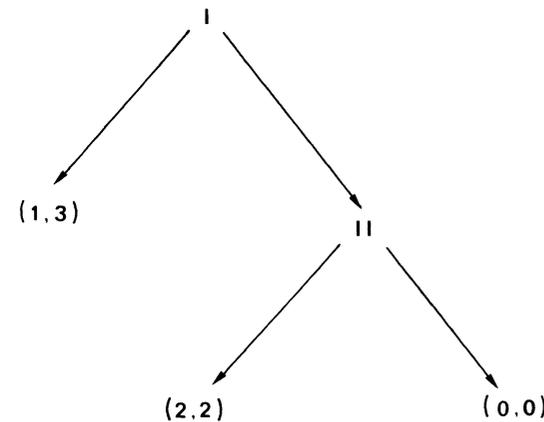


Fig. 3.3

great risk to myself, they will take care not to offend me. If they believe that I will react to offence only when it is in my interest to react, they need not be as careful. From the rational point of view, a threat is not credible unless it will be in the interest of the threatener to carry it out when the time comes. The threat to kill oneself, for instance, is not rationally credible. Threats backed by a code of honour are very effective, since they will be executed even if it is in the interest of the threatener not to do so.

Consider Fig. 3.3, reproducing part of Fig. 2.5. Here II's threat to move right if I moves right might be credible if II is known to be of Sicilian origin. Knowing that II is willing to act against his own interest to carry out his threat, I will rationally move left. So it might appear as if adhering to the code is individually rational, although the person abiding by it is not motivated by rational considerations.<sup>118</sup>

This observation, while true, does not amount to an explanation of the norm of vengeance. When a person guided by a code of honour has a quarrel with one who is exclusively motivated by rational considerations, the first will often have his way.<sup>119</sup> But in a quarrel between two persons guided by the code, both may do worse than if they had agreed to let the legal system or the council of elders resolve their conflict. If I is moved by a code of honour that forbids him to be taken advantage of, he will move right and take a loss rather than yield to II's threat. For this reason, mafiosi

<sup>118</sup> Schelling (1963) remains the *locus classicus* for this line of argument.

<sup>119</sup> *Ibid.*, p. 27.

seem to do better for themselves in the United States, where they can exploit the rationality of ordinary people (or of other criminals), than in Sicily, where they meet people who share their values. Since we are talking about codes of honour that are shared social norms, the latter case is the typical one. The rationality of following the code then reduces to the desire to avoid sanctions, discussed earlier. Moreover, one cannot rationally decide to behave irrationally, even when one knows that it would be in one's interest to do so. One can try to appear to be irrational without really being irrational, but in practice the real thing is usually more convincing.<sup>120</sup>

Let us consider, against this background, Napoleon Chagnon's analysis of blood revenge among the Yanomanö. 'At first glance, raids motivated by revenge seem counterproductive. Raiders may inflict deaths on their enemies, but by so doing make themselves and kin prime targets for retaliation. But ethnographic evidence suggests that revenge has an underlying rationality: swift retaliation serves as a deterrence in the long run'.<sup>121</sup> As he describes them, most fights begin over sexual issues, but once begun take on a momentum of their own. Hence the effect of vengeance must be to reduce the levels of infidelity, rape, seduction and breach of promise to below what they would otherwise have been.<sup>122</sup> It is clear from his account, however, that many of the sexual affronts are directed towards those who have shown themselves to be cowardly in retaliation. The system may create as much sexual aggression as it prevents. Moreover, the extraordinarily high rate of death by violence (30 per cent of the deaths among adult males) suggests that the deterrence is not very effective. Although an individual in this society who does not comply with the norms of vengeance is likely to have a miserable life, I have argued that this fact does not prove that the practice of revenge is based entirely on rational considerations, for

<sup>120</sup> 'It has been said that Richard Nixon deliberately cultivated the image of someone who was capable and liable to act irrationally in a crisis, so as to dissuade the Russians from creating one. More plausibly, perhaps, his advisors did not mind him exhibiting his erratic and unpredictable ways, and may well have encouraged them. In any case faking unpredictability is too demanding, since it involves acting arbitrarily in innumerable small ways, not just grand-standing on occasion' (Elster 1983a, p. 74). On the superiority of the real thing, see also Schelling (1963), pp. 36, 38. The reputation-effect argument developed by Kreps and Wilson (1982) rests, as they recognize, on ad hoc assumptions that may limit its predictive and explanatory power.

<sup>121</sup> Chagnon (1988), p. 986.

<sup>122</sup> Ultimately, Chagnon argues in terms of inclusive genetic fitness rather than in terms of individual rationality. For the present purposes, however, it does not matter whether the concern for close relatives has a genetic basis.

why should others rationally make it their business to make him miserable?

James Coleman similarly argues that commercial honour 'is not a matter of abstract morals but pure self-interest: a merchant banker would be never trusted, i.e. nevermore be allowed to participate in the flow of credit, if his integrity in keeping agreements was not trusted, and his business would rapidly decline if his investment judgement was not trusted'.<sup>123</sup> To evaluate this argument, we may first note that trustworthiness in promising differs from credibility in threatening. The ability to make credible threats is useful if and only if others do not have it. The ability to make credible promises is useful if and only if others have it too.<sup>124</sup> Hence the norm of keeping promises, unlike the norm of carrying out threats, can be both individually rational and a social norm. Usually, however, these two aspects of codes of honour go together. If British merchant bankers have no tendency to engage in irrational revenge behaviour, Coleman may well be right. If, as I suspect, they would be willing to suffer a loss rather than continue to deal with someone who had once betrayed their trust, he might be wrong.<sup>125</sup> In the latter case, we must evaluate the individual rationality of the whole package rather than that of the positive side only. I return to this issue in the concluding chapter.

The distinction between the usefulness of norms and their rationality can also be brought out by considering Akerlof's explanation of workers' refusal to train new workers who are hired at lower wages. In an analysis of wage rigidity, Assar Lindbeck and Dennis Snower argue that the explanation is to be sought in the self-interest of the employed workers. By keeping potential entrants out, they can capture a greater portion of the benefits of monopoly power. The weapons at their disposal for keeping the unemployed at bay include the following:

First, by being unfriendly and uncooperative to the entrants, the insiders are able to make the entrants' work more unpleasant than it otherwise

<sup>123</sup> Coleman (1982), p. 287.

<sup>124</sup> An exception to this statement occurs in two-step sequential interaction, where it is sufficient that the last party to move can be trusted by the first. An example is given in the concluding chapter.

<sup>125</sup> It is important to see that the bankers have three options, not just two. (a) They can continue to deal with the traitor on a basis of trust. (b) They can refuse to deal with him. (c) They can deal with him but insist on bringing their lawyer along. If they refuse to exercise the third option even when it would be in their interest to do so, they are cutting off their nose to spite their face. If they refuse to exercise the first option, they may simply be playing Tit for Tat.

would have been and thereby raise the wage at which the latter are willing to work. In practice, outsiders are commonly wary of underbidding the insiders. This behaviour pattern is often given an *ad hoc* sociological explanation: 'social mores' keep outsiders from 'stealing' the jobs from their employed comrades. Our line of argument, however, suggests that these mores may be traced to the entrants' anticipation of hostile insider reaction and that this reaction may follow from optimisation behaviour of insiders. Second, insiders are usually responsible for training the entrants and thereby influence their productivity. Thus insiders may be able to raise their wage demands by threatening to conduct the firm's training programs inefficiently or even to disrupt them. . . . In sum, to raise his wage, an insider may find it worthwhile to threaten to become a thoroughly disagreeable creature.<sup>126</sup>

The insider may, to be sure, make this threat, *but is it credible?* If an outsider *is* hired, would it then still be in the insider's interest to be unfriendly and uncooperative? Since Lindbeck and Snower believe that 'harassment activities are disagreeable to the harassers',<sup>127</sup> they ought also to assume that outsiders will recognize this fact and, in consequence, will not be deterred by fear of harassment. I believe Akerlof is right in arguing that it takes something like a social norm to sustain this behaviour.

Among economists, those who do not subscribe to the individual rationality of norms will mostly argue for their collective rationality, claiming that social norms have collectively good consequences for those who live by them<sup>128</sup> and that, moreover, these consequences explain why the norms exist. For the view to have predictive and explanatory power, the term 'socially useful' must be clarified. It could mean that a society with the norm is at least as good for almost everybody and substantially better for many than a society in which the norm is lacking. (Compare the discussion of various definitions of collective action problems in Chapter 1.) Or it could mean that the norm is one that would be chosen by a rule-utilitarian to maximize the total utility of society. Most writers on the topic probably use it in the first sense, perhaps with an implied clause that no other norm could bring further Pareto improvements.

<sup>126</sup> Lindbeck and Snower (1986), p. 108. <sup>127</sup> Lindbeck and Snower (1988), p. 171.

<sup>128</sup> As will be clear from examples given below, there is no reason to expect that a norm will always have good consequences for those to whom it does not apply.

Among those who have argued for the collective optimality of norms, Kenneth Arrow is perhaps the most articulate and explicit:

It is a mistake to limit collective action to state action. . . . I want to [call] attention to a less visible form of social action: norms of social behavior, including ethical and moral codes. I suggest as one possible interpretation that they are reactions of society to compensate for market failure. It is useful for individuals to have some trust in each other's word. In the absence of trust, it would become very costly to arrange for alternative sanctions and guarantees, and many opportunities for mutually beneficial cooperation would have to be forgone. Banfield has argued that the lack of trust is indeed one of the causes of economic underdevelopment.

It is difficult to conceive of buying trust in any direct way (though it can happen indirectly, e.g. a trusted employee will be paid more as being more valuable); indeed, there seems to be some inconsistency in the very concept. Non-market action might take the form of a mutual agreement. But the arrangement of these agreements and especially their continued extension to new individuals entering the social fabric can be costly. As an alternative, society may proceed by internalization of these norms to the achievement of the desired agreement on an unconscious level.

There is a whole set of customs and norms which might be similarly interpreted as agreements to improve the efficiency of the economic system (in the broad sense of satisfaction of individual values) by providing commodities to which the price system is inapplicable.<sup>129</sup>

I shall adduce three arguments against this view. First, not all norms are Pareto improvements. Some norms make everybody *worse* off,<sup>130</sup> or, at the very least, they do not make almost everybody better off.<sup>131</sup> Second,

<sup>129</sup> Arrow (1971), p. 22. See also Ullmann-Margalit (1977), p. 60.

<sup>130</sup> In the sense that almost nobody does better and many do substantially worse than if the norm had not existed.

<sup>131</sup> As observed by James Coleman (forthcoming), many norms have the effect of shifting the distribution of benefits along the Pareto frontier rather than of moving to or towards the frontier. The functionalist argument considered here might be extended to this case, by arguing that the norm is explained by the benefits it brings to those whom it makes better off. The question of a mechanism then becomes decisive. For reasons set out elsewhere (Elster 1983a, ch. 2), I do not believe that intentional, manipulative imposition of the norm by those whom it makes better off is a plausible mechanism.

some norms that would make everybody better off are not in fact observed. Third, even if a norm does make everybody better off, this does not explain why it exists, unless we are also shown the feedback mechanism that specifies how the good consequences of the norm contribute to its maintenance. Of these arguments, the second by itself is not very strong. It serves, however, to refute a possible objection to the third argument.

To support my first argument it is useful to go through, once again, the norms enumerated above.

### *Consumption norms*

These norms do not appear to have any useful consequences. If anything, norms of etiquette seem to make everybody worse off, by requiring wasteful investments in pointless behaviours. Let me, nevertheless, mention three possible arguments for the social usefulness of these norms, together with corresponding objections.

First, there is the argument that norms of etiquette serve the useful function of confirming one's identity or membership in a social group. Since the notion of social identity is rather elusive, the argument is hard to evaluate. A weakness is that it does not explain why these rules are as complicated as they often are. To signal or confirm one's membership in a group one sign should be sufficient, like wearing a badge or a tie. Instead, there is often vast redundancy. An Oxford-educated person's manner of speaking differs from standard spoken English in many more ways than what is required to single him out as an Oxford graduate.

Second, there is the argument that the complexity of the rules serves an additional function, that of keeping outsiders out and upstarts down.<sup>132</sup> It is easy to imitate one particular behaviour, but hard to learn a thousand subtly different rules. But that argument flounders on the fact that working-class life is no less norm-regulated than that of the upper classes. Whereas many middle-class persons would like to pass themselves off as members of the upper class, few try to pass themselves off as workers.

Third, one might combine the first and second positions and argue that norms simultaneously serve functions of inclusion and exclusion. Evans-Pritchard's classical argument about the Nuer can help us here. 'A man of

<sup>132</sup> Bourdieu (1979) carries this argument to absurd lengths. It is critically examined in Elster (1981).

one tribe sees the people of another tribe as an undifferentiated group to whom he has an undifferentiated pattern of behaviour, while he sees himself as a member of a segment of his own group'.<sup>133</sup> Fine-tuned distinction and gamesmanship within a group is consistent with 'negative solidarity' towards outsiders. This view is more plausible, but it does not really point to any social benefits of norm following. It is not clear why the working class as a whole would benefit from the fact that it contains an infinite variety of local subcultures, all of them recognizably working class and yet subtly different from one another in ways that only insiders can understand. Nor is it clear that the local varieties provide collective benefits to members of the subculture. To say (as many do) that norms 'confirm one's identity' as a member of the group is, I believe, misleading, since by and large people do not adopt the self-conscious attitude implicit in this phrase. Statements about identity tend to conflate the observer's and the actor's point of view. Norms *constitute* the identity of the group whose members obey the norm, but this does not imply that they derive the benefit of their identity being confirmed when they follow the norm.<sup>134</sup>

### *Norms against behaviour 'contrary to nature'*

Norms against cannibalism and incest are good candidates for collectively beneficial norms. Everybody benefits from a norm that forces people to look elsewhere than to other people for food. Norms against incest may well be optimal from any perspective: individual, collective or genetic. (In some societies the norm may overshoot a little, by banning sexual relations with not-so-close kin, so that the norm is not, strictly speaking, Pareto-optimal.) Norms against sodomy, by contrast, involve harmful restrictions of freedom and no benefits. They make everybody worse off. Norms against homosexuality might also, under conditions of overpopulation, make everybody worse off.

<sup>133</sup> Evans-Pritchard (1940), p. 120.

<sup>134</sup> One might say, perhaps, that norms are useful in limiting the number of potential interaction partners to a small and manageable subset, thus making for greater focus and consistency in social life. As in many other cases, too much freedom of choice reduces the value of freedom (Elster 1983a, pp. 78–80). A community of norms would then be a bit like a convention equilibrium, since it is important that one's partners limit *their* partners by the same device. This explanation, however, fails to account for the emotional tonality of norms and for their capacity to induce self-destructive behaviour.

*Norms regulating the use of money*

It is far from obvious that the norm against buying places in a cinema queue has useful consequences. It may well be a pointless prohibition of potential Pareto improvements. If the forbidden practice were allowed, it is not clear that anybody would lose, and some would certainly gain, namely those who could earn an income standing in line for others. Although competition might drive the gains down to zero for the marginal place seller, the inframarginal sellers would benefit. This in itself shows that the norm does not create a Pareto improvement. A general-equilibrium proof, well beyond my competence, would be needed to show that it does in fact create a Pareto-inferior state.<sup>135</sup>

When discussing this problem, I have met the argument that the norm is a special case of a more general norm against flaunting one's wealth – a norm that on the whole has beneficial consequences. I have two counter-arguments. First, the norm against flaunting one's wealth operates within a community of people who know one another, not among strangers waiting in line. There is no norm against standing in line with expensive furs or jewelry, although this, too, is a way of flaunting one's wealth. Second, the norm against flaunting one's wealth is beneficial only against a background of envy. Would it not be even better if there were a norm against expressing envy? I return to this point in the next paragraph and then again in the concluding chapter.

The norm that prevents us from accepting or making offers to mow other people's lawns for money seems more promising. If I am hard up I may be tempted to accept or solicit an offer, thinking, correctly, that one transaction cannot matter. But an unintended consequence of many monetary deals among neighbours could be the loss of the spontaneous mutual-help behaviour that is a main benefit of living in a community. By preventing deals, the norm preserves the community. The norm could also have a more disreputable aspect, however. It is true that if I offer my neighbour money to mow my lawn, I flaunt my wealth in a way that is disruptive of community. But the norm against flaunting one's wealth may just be a special case of a higher-order norm: *Don't stick your neck out*. 'Don't think you are better than we are, and above all don't behave in ways that make us

<sup>135</sup> Perhaps the proof would be easier if one considered the problem of buying a place in a bus queue, since it is even less likely that the absence of a norm against this practice would create a group of people who tried to earn an income by selling their places.

think that you think you are better than we are'. This norm, which prevails in many small communities, can have very bad consequences. It can discourage the gifted from using their talents and may lead to their being branded as witches if they nevertheless go ahead and use them.

*Norms of reciprocity*

It is plausible – although hard to prove rigorously – that these norms do, on the whole, have good consequences. To the extent that the norms are the object of strategic manipulation, they can lead to a waste of resources, as in the potlatch or Turnbull's roof-thatching example. Also, norms of reciprocation are part and parcel of vendetta norms, thus ensuring that killings go on indefinitely rather than slowly petering out. More frequently, however, they are invoked to ask for help when one needs it strongly and others can provide it at low cost to themselves.

*Medical ethics*

The norms that treatment should be as thorough as possible and that more serious cases should be treated before less serious ones seem, on their face, to be collectively undesirable. More people would get well if each patient were treated less thoroughly and if intermediate cases had priority over extreme ones. One might argue, perhaps, that these perfectionist norms have desirable side effects that offset whatever inefficiency they might appear to have when seen in isolation. It might be impossible to sustain the dedication and compassion of doctors were they constantly called upon to make comparisons and cost-benefit calculations. A remote analogy might be the desirable side effects of the somewhat pointless perfectionism of the postal services in some countries, especially in the past. By imposing the principle of next-day delivery for all letters, no matter how remote the destination, costs were incurred that would also appear excessive if taken in isolation. Yet the unbreakable principle, together with the heroic tales spun around its strict implementation, may have contributed to an occupational pride and motivation that led to better service than any commercial system could ever realize at the same cost.<sup>136</sup> I do not know how to evaluate this argument. It should not be dismissed out of hand, but neither does it provide hard evidence for the optimality of norms.

<sup>136</sup> For a related argument, see Sjölund (1987), p. 63.

*Codes of honour*

One set of effects of codes of honour is to enhance the credibility of threats and promises. I postpone this issue until the concluding chapter. Another set of effects is to reinforce norms of reciprocity and norms of retribution. In both cases, the net effects are indeterminate.

*Norms of retribution*

The Jalé norm of strict liability is, as I said, likely to produce socially harmful passivity and excessive caution. Norms of vengeance lead to violence in quarrels that otherwise would have been resolved peacefully. One could argue, however, that there will be fewer quarrels in societies with strong norms of vengeance, since everybody knows that they can have disastrous consequences. But it is not clear that this would be a good thing. One could probably get rid of almost all criminal behaviour if all crimes carried the death penalty, but the costs of creating this terror regime would be prohibitive. It could be argued, however, that life in a vendetta-ridden society would be better than the state of nature, in which there is no regulation of conflicts. But this difference cuts both ways. In the state of nature, people are supposed to be rational. They do not engage in pointless acts of revenge. People would initiate more aggression, but react less aggressively to it. 'The question remains . . . whether feuds created more disruption than they controlled'.<sup>137</sup> I return to this issue in the concluding chapter.

Other alleged collective benefits of vendettas include the catch-all benefit of social cohesion,<sup>138</sup> an argument which is too speculative to merit further consideration, and the benefit of maintaining population at a constant level.<sup>139</sup> The latter argument, in Christopher Boehm's exposition, goes like this. Excess population creates land hunger. Land hunger leads to quarrels over pastures. Such quarrels lead to feuding. Intertribal feuding easily escalates into warfare. Warfare reduces population 'through the killing of male warriors, through losses of noncombatants who were captured and sold into slavery, and also through the famines and epidemics that followed serious defeats'.<sup>140</sup>

All of this may well be true. Boehm goes on to argue, however, that feuding also had another collectively beneficial effect: it 'helped to keep

the Montenegrin tribes divided among themselves so that they never posed enough of a threat to be more than a nuisance to [the Turkish] empire. . . . Feuding . . . kept the segmentary system from unifying to a degree that might invite extinction at the hands of the Turks'.<sup>141</sup> At the same time, he argues, feuding never escalated to the point of undermining the ability of the tribes to put up a fight against Turkish invaders. Feuding took place at exactly the right level: there was enough of it to reduce the strength of the tribes to the point where they did not pose a threat to the Turks, but not so much that they would lose strength and provide an easy prey to the Turks. All of this may well be true. We should be suspicious, however, of an explanation that imputes so many ecological benefits to feuding, especially since Boehm himself admits that he has little or no empirical evidence for these assertions. In any case, of course, it remains to be shown that these benefits, taken individually or in conjunction, provide an *explanation* of feuding.

*Norms of work*

The obligation to work is clearly socially useful. The norm against two-tiered wage systems does not seem to benefit employed workers, while harming both employers and the unemployed, who have a common interest in such systems. At least this is true if we accept Akerlof's (somewhat implausible) tale. If employed workers have good reasons to think that new workers will drive their wages down, the code of honour makes good collective sense, at least with respect to the short-run interests of the local group of workers. Society as a whole might, however, suffer. In that case, codes of honour would embody solutions to local collective action problems while also creating a higher-order problem.

Somewhat similar arguments apply to the norm against rate busting. In a well-known case, it has been argued that the norm is pointless and wasteful, since 'changes in piece rates at the Western Electric Company . . . are not based upon the earnings of the worker. The company's policy is that piece rates will not be changed unless there is a change in the manufacturing process'.<sup>142</sup> The last clause of this policy statement appears in a different light, however, when we read the report of a knowledgeable engineer: 'I was visiting the Western Electric Company, which had a reputation of never cutting a piece rate. It never did; if some manufacturing

<sup>137</sup> Boehm (1984), p. 183. <sup>138</sup> Black-Michaud (1975). <sup>139</sup> Boehm (1984), ch. 10.

<sup>140</sup> *Ibid.*, p. 176.

<sup>141</sup> *Ibid.*, p. 185. <sup>142</sup> Roethlisberger and Dickson (1939), p. 534.

process was found to pay more than seemed right for the class of labor employed on it – if, in other words, the rate-setters had misjudged – that particular part was referred to the engineers for redesign, and then a new rate was set for the new part'.<sup>143</sup>

There is no doubt that workers often express the view that any increase in effort will induce management to reduce rates.<sup>144</sup> It remains to be shown, however, that this argument against rate busting is more than rationalization of envy.<sup>145</sup> In the words of one notorious rate buster: 'There are three classes of men: (1) Those who can and will; (2) those who can't and are envious; (3) those who can and won't – they're nuts!'<sup>146</sup> (Those in the third category, presumably, are moved by solidarity and feelings of justice.) The question cannot be treated separately from the behaviour of management. On the one hand, management has a clear incentive to make it clear that they will never cut rates as a result of increased efforts, nor engage in the subterfuges described by the engineer who visited Western Electric. On the other hand, *how can management make this promise credible?* They cannot commit themselves to never introducing new methods of production, nor easily prove that a new method is not just a subterfuge for changing rates. Knowing this, workers have good reasons to be sceptical.

Three conclusions emerge. First, both management and workers would benefit if a way were found to distinguish justified from opportunistic changes in piece rates. Second, the worker collective as a whole may well benefit from the norm against rate busting, since management cannot credibly commit itself to maintaining rates. Third, however, the norm may work against the interest of society as a whole, including the working class as a whole, if the loss of productivity caused by the norm is sufficiently serious.<sup>147</sup> Even granting that the norm represents the successful solution of a collective action problem within the enterprise, it might create a new problem among enterprises.

### *Norms of cooperation and distribution*

The norms of cooperation are, on the whole, socially useful, although in exceptional cases they, too, can make everybody worse off, as will be

shown in Chapter 5. The effect of norms of distribution was briefly mentioned earlier and is further discussed in Chapter 6.

At the very least, I believe that I have demonstrated that the social usefulness of social norms cannot be taken for granted. In fact, I think I have shown more than that. I am sure that each of my claims about nonoptimality could be contested. The social sciences being what they are, the facts can be represented and explained in different ways. I think, however, that the cumulative impact of the claims is harder to refute. Some norms do not make everybody better off: they make everybody worse off, or they shift the balance of benefits to favour some people at the expense of others.

Many norms that would be socially useful are in fact not found to exist. If public transportation were widely chosen over private driving, the roads would be less congested and everyone would spend so much less time commuting that the loss of comfort would be offset. Yet there is no social norm to use public transportation in crowded cities. In many developing countries private insurance motives create an incentive to have large families, although the aggregate effect is overpopulation and pressure on resources. Yet there is no social norm against having many children. If American citizens had followed the norm 'Buy American', they would all have been better off. But there is no such norm. (Note that if all countries inculcated similar norms in their citizens, all would be worse off.) The small Italian village described by Edward Banfield would certainly have benefited from a social norm against corruption. Instead, it had what appears to have been a norm against public-spirited behaviour. Nobody would associate with a person stupid enough not to violate the law when he could get away with it.<sup>148</sup> Criminals could benefit from a minimum of solidarity among themselves; yet, as I said, there is no honesty among thieves. The reader can certainly think of other examples. Such examples do not in themselves refute the view that norms exist because they are collectively beneficial. But they refute a possible defence of that view against the objection I now proceed to state.

Even assuming that a given norm appears to yield a Pareto improvement, we are still left with the question of explaining why it exists. To assume that the collective benefits of the norm automatically provide an explanation is to fall victim to a widespread functionalist fallacy.<sup>149</sup> In the absence of a mechanism linking the benefits to the emergence or perpetuation of the norm we cannot know if they obtain by accident. We should be

<sup>143</sup> Mills (1946, p. 9), cited after Roy (1952), p. 43. See also Burawoy (1979), p. 165.

<sup>144</sup> The readings in Lupton, ed. (1972) provide ample evidence on this point.

<sup>145</sup> Roy (1952), p. 43. <sup>146</sup> Reported in Dalton (1948), p. 74.

<sup>147</sup> As participant-observer in a machine shop Roy (1952) found substantial losses due to deliberately suboptimal efforts.

<sup>148</sup> Banfield (1958), p. 95. <sup>149</sup> Elster (1982; 1983b, ch. 3; 1985d, ch. 1).

suspicious of theories of society that deny the possibility of accidental benefits.<sup>150</sup> Moreover, and perhaps more important, the beneficial or optimal nature of the norm is often controversial. It is only a slight exaggeration to say that any economist worth his salt could tell a story – produce a model, that is, resting on various simplifying assumptions – which proves the individual or collective benefits derived from the norm. The very ease with which such ‘just-so stories’ can be told suggests that we should be sceptical about them. We would be much more confident about the benefits if a mechanism could be demonstrated.

There are not many plausible candidates for a feedback mechanism. Reinforcement could not work here, since the benefits are collective rather than individual. Chance variation and social selection might seem a better alternative.<sup>151</sup> On this account, social norms arise by accident. Societies which happen to have useful norms thrive, flourish and expand; those which do not disappear or imitate the norms of their more successful competitors. Whether the successful societies proceed by military conquest or economic competition, the end result is the same. The argument is popular, but feeble. The norms of the strong are not as a rule taken over by the weak, nor do the weak always disappear in competition with the strong. Greece was conquered by Rome, but Rome assimilated more Greek norms than the other way around.<sup>152</sup> When China was conquered by the barbarians, the latter ended up assimilating and defending the culture they had conquered. Today, few developing countries are taking over the norms and work habits that were a precondition for Western economic growth, nor is there any sign of these countries going out of existence.

One might, however, deny the need to demonstrate a mechanism. If it could be shown that all potentially useful norms are in fact realized, we would surely be entitled to infer that the norms are due to their usefulness even if we have no idea about a mechanism.<sup>153</sup> Similarly, Newton had no idea of the mechanism of gravitation and yet the observed correlations were so strong that he did not hesitate to infer a causal relationship.<sup>154</sup> More controversially, the universal fact of biological adaptation entitled

<sup>150</sup> Elster (1983a), sec. 3.10.

<sup>151</sup> Faia (1986) presents a good discussion of the (severely limited) range of cases in which social selection arguments make good sense.

<sup>152</sup> Veyne (1979).

<sup>153</sup> This view is brilliantly defended by G. A. Cohen (1978). For comments, see Elster (1980, 1985d).

<sup>154</sup> This analogy was suggested to me by Kenneth Arrow.

Lamarck to infer that the structure and behaviour of organisms can be explained by the adaptive benefits they bring.<sup>155</sup> By comparison, the fact that his guess about a mechanism was wrong is of secondary importance.<sup>156</sup> I have been concerned to show, however, that the case of social norms is different and that there are many counterexamples to the claim that all potentially useful norms are realized.

This does not add up to a strong claim that the social usefulness of norms is irrelevant to their explanation. I find it as hard as the next person to believe that the existence of norms of reciprocity and cooperation has *nothing* to do with the fact that without them civilization as we know it would not exist. Yet it is at least a useful intellectual exercise to take the more austere view and to entertain the idea that civilization owes its existence to a fortunate coincidence. On this view, social norms spring from psychological propensities and dispositions that, taken separately, cannot be presumed to be useful, yet happen to interact in such a way that useful effects are produced. I return to this perspective in Chapter 5.

The final argument against the autonomy of norms is that they owe their existence to their contribution to genetic fitness. Once again I do not know of explicit statements of this view. Several writers, however, have taken this position on the closely related issue of the emotions of guilt and shame that sustain norm-guided behaviour.<sup>157</sup> I know too little about evolutionary biology to evaluate these claims. I would like, nevertheless, to record my scepticism and make a few general remarks.<sup>158</sup>

Evolutionary explanations do not take the narrow form ‘Feature *X* exists because it maximizes the genetic fitness of the organism’. Rather their general form is ‘*X* exists because it is part of a package solution that at some time maximized the genetic fitness of the organism’. The latter form allows for two facts that the former excludes. First, there is the omnipresent phenomenon of *pleiotropy*. A tendency to conform to a social norm might detract from genetic fitness and yet be retained by natural selection

<sup>155</sup> Actually, of course, Lamarck at most showed that all features of organisms are adaptive, not that all potentially adaptive features are realized.

<sup>156</sup> This analogy is used by G. A. Cohen (1978), ch. 8. I think it is of dubious value, since Lamarck also got the facts wrong about adaptation. He thought that adaptation meant ecological fitness, as measured by expected life span, whereas Darwin showed that it meant reproductive fitness, measured by the number of offspring. The example supports the claim made in the text, that without knowledge of a mechanism we should be wary of imputing optimality.

<sup>157</sup> Trivers (1971); Hirschleifer (1987); Frank (1988).

<sup>158</sup> Inspired largely by Kitcher (1985).

if it is the by-product of a gene whose main product is highly beneficial. Second, the general form allows for *time lags*.<sup>159</sup> A social norm may be maladaptive today and yet have been adaptive at the stage in history when the human genome evolved and, for practical purposes, was fixed. When I said that norms might owe their existence to 'psychological propensities and dispositions', a natural reply would have been that these in turn must be explicable in terms of genetic fitness. Let me concede the point,<sup>160</sup> provided that the explanation is allowed to take this general form. Advocates of evolutionary explanations, however, usually have the narrower form in mind. I am not saying that in doing so they are always wrong, only that they cannot take it for granted that an explanation of the narrow form always exists. What is true is that a plausible story of the narrow form can almost always be told. Again, however, the very ease with which just-so stories are forthcoming should make us wary of them. Imputations of optimality require hard work, not just armchair speculation.<sup>161</sup>

The basic question I have been discussing in this chapter concerns the interaction between norms and consequentialist motivations, notably self-interested ones. An analogy may help us understand the nature and the difficulty of the problem. Rational-choice theory stipulates that action is determined by subjective preferences and objective opportunities. Psychological theory suggests that preferences are in part shaped by opportunities, because people often limit their aspirations to what they can achieve. But preferences are not fully reducible to opportunities, at least not by this particular mechanism. The unknown residual is a brute fact, at least for the time being. Similarly, people's motives are determined by self-interest and by the norms to which they subscribe. Norms, in turn, are partly shaped by self-interest, because people often adhere to the norms that favour them. But norms are not fully reducible to self-interest, at least not by this particular mechanism. The unknown residual is a brute fact, at least for the time being.

<sup>159</sup> Similarly Arrow (1971) writes that 'the social conventions may be adaptive in their origins, but they can become retrogressive. An agreement is costly to reach and costly to modify; and the costs of modification may be especially large for unconscious agreements'. North (1981), p. 49, makes a similar suggestion. This stratagem may be seen as strengthening the view that norms can be explained in terms of collective optimality (by suggesting a general answer to counterexamples) or as weakening it (by making it more difficult to falsify). In my view it does nothing to strengthen the case, since – unlike the biological analogue – there is no general theory that suggests a mechanism by which useful norms come to evolve.

<sup>160</sup> But see Kitcher (1985), pp. 214–18.

<sup>161</sup> This might seem like a nasty, unsubstantiated slur. I refer to Kitcher (1985) for massive documentation.

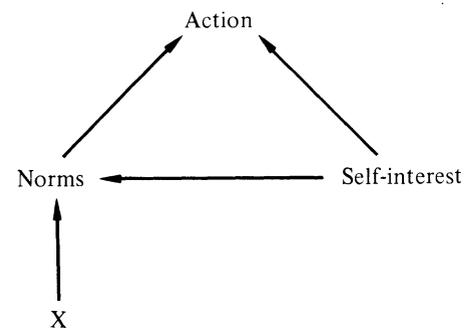


Fig. 3.4

Actions, on this view, are shaped jointly by norms and self-interest (or, more generally, consequentialist motivations). The fact that the agent is swayed by one norm rather than by another is, in turn, partly but not wholly explained by self-interest. I have been discussing various proposals for the residual explanation (*X* in Fig. 3.4) and found them wanting. Unfortunately, I have little to offer instead. Later chapters contain some speculations and conjectures, which, however, are far from adding up to a theory.