

## Book Review Column

### Are We All Convinced Methodological Individualists Now?: A Review of Philippe van Parijs' *Le Modèle Economique et ses Rivaux, Introduction à la pratique de l'épistémologie des sciences sociales*, Librairie DROZ, Genève-Paris, 1990.

Jack Vromen

University Rotterdam, the Netherlands

In 1980 Philippe van Parijs published "Evolutionary Explanations in the Social Sciences". In that book van Parijs set out to give a systematic exploration and evaluation of evolutionary explanations that are advanced by social scientists. According to van Parijs, evolutionary explanations typically presuppose a mechanism of "filtering through actual consequences" of behavior. Evolutionary explanations purport to show how behavior can lead to definite results even though the results are not consciously intended by the entities that exhibit the behavior. In this, they differ markedly from rational choice explanations in which it is typically assumed that rational agents deliberately choose the actions that have the best expected results. Some philosophers of science, notably Jon Elster, tend to the view that evolutionary explanations are valid only in their proper domain: biology. In biology, evolutionary (or functional) explanations are warranted because they are ultimately grounded in the mechanism of natural selection. But in the social sciences, Elster argues, these explanations are unwarranted. Neither natural selection nor any other functional equivalent can be plausibly supposed to govern social reality. In his 1981 book, van Parijs agreed that, perhaps apart from a few exceptional cases, natural selection cannot be regarded as a credible mechanism underlying social explanation. For to think otherwise would commit one to the view that all human behavior is genetically controlled; a view that, for all we know, is false.

Van Parijs insisted, however, that this does not imply that evolutionary explanations in the social sciences are illegitimate *tout court*. He argued that most evolutionary explanations in the social sciences presuppose another mechanism: the mechanism of *reinforcement*. Reinforcement is an evolutionary mechanism just like natural selection, because it does not work via the individuals' conscious anticipations of expected consequences. It works through the actual consequences of

individual behavior that have some kind of "feedback" on subsequent behavior. Reinforcement differs from natural selection, however, in that reinforcement accounts for the changes in the features of one and the same individual, whereas natural selection accounts for the changes in the features of successive generations of individuals. Van Parijs held that evolutionary explanations based on the mechanism of reinforcement are often legitimate, because reinforcement can plausibly be supposed to operate in many social situations.

"Le modèle économique et ses rivaux" is in a way the next, supplementary step in the same project. Here, van Parijs mainly deals with the counterpart of his endeavor in his 1980 book. He tries to assess the strengths and limits of the most important "rival" of evolutionary explanations in the social sciences, rational choice explanation, or the economic model (approach) as he prefers to call it now. Again van Parijs is interested in the mechanism that is postulated in explanations of social phenomena: how is the explanans, the social phenomena that are to be explained, supposed to be produced by the explanandum, the facts referred to in the explanation. And again he examines when, under which circumstances, some particular explanatory mechanism can be plausibly postulated.

#### I.

The new book is in two parts. In part II, the results of his previous book are argued for once again. In fact, some of the chapters in this part have been published as articles, in English, at about the same time as his previous book appeared (almost all chapters in part I have appeared in English as well; the references are given in the book). Van Parijs still maintains that evolutionary explanations are legitimate in several social settings.<sup>1</sup> In the new book, however, he stresses that to say that evolutionary explanation are legitimate in certain cases is not to say that they provide the best explanations available. Van Parijs suggests that



game theoretic explanations may be superior to evolutionary explanations in several cases. He treats game theory as a special case of the economic model, to which part I is devoted. The economic model is said to explain social phenomena as the aggregate outcome of conscious and rational deliberation on the part of individual agents. Van Parijs argues that many seemingly irrational or nonrational forms of human behavior can be, and in fact often are adequately explained in terms of the economic model. Indeed, evolutionary explanations are relegated now to “*residue*” cases; cases in which the economic mechanism of rational deliberation is not supposed to work. When speaking a language, for example, one usually follows implicit rules of grammar and pronunciation quasi-automatically, that is, one expresses oneself without a trace of deliberation. It is only in such cases, van Parijs argues, that evolutionary explanations are appropriate.

According to van Parijs, neoclassical microeconomics provides the core, or at least the point of reference, of the economic model. Neoclassical microeconomics typically meets six conditions. First, the rationality that is presupposed is of an egoist kind. Neoclassical economics abstracts from unselfish preferences. Second, materialistic interests are supposed to be the only interests that guide human behavior. Third, the agents are supposed to be perfectly rational; they are constrained maximizers. Fourth, rationality is supposed to be Archimedian in the sense that agents are assumed to rank their preferences in one single dimension. Fifth, economic rationality is objective. Agents are supposed to be correctly informed. And, sixth, parametric rationality is assumed. Agents are supposed to operate in a given environment.

As a characterization of “the economic approach”, these conditions may appear somewhat outdated. Contemporary economic theories seem to violate at least some (if not all) of these conditions. In particular, the third and fifth condition are considered to be too restrictive by many present-day economists. Economic research in this century seems to deal predominantly with analyses of situations of imperfect or asymmetrical information. It is only fair to say on behalf of van Parijs, however, that he acknowledges that the economic theories discussed in the book seldom if ever fit the neoclassical framework completely. For example, he refers to Herbert Simon’s concept of “satisficing” that is meant to supplant “constrained maximization”.

What is more important, van Parijs is not so

much interested in economic theories that deal with “standard” economic phenomena. He discusses the economic model as a matrix of explanatory suggestions that has inspired many social scientists to develop “economic” theories about “non-economic” phenomena. The book can be read as an attempt to assess economic imperialism. The work of the Chicago-economist Gary Becker of course provides an outstanding example. Becker’s pioneering work, that is well-known among economists, does get some attention in the book. But most of part I of the book deals with the work of social scientists that many economists probably do not know of. Van Parijs’ book is worth reading if only because of its impressive scope. It brings together the work of prominent theorists in various fields of social inquiry, ranging from sociolinguistics over cultural anthropology and sociology to economics. What’s more, van Parijs succeeds in giving a lucid analysis of the theoretical approaches of several French social theorists that are not easily accessible to “outsiders”.

As I see it, the gist of van Parijs’ argument in part I of the book is that several social scientists have produced novel insights by relaxing one or more conditions that characterize neoclassical economics. Game theorists have replaced parametric by strategic rationality. This has enabled them to derive some results for situations in which the environment of agents cannot sensibly be assumed to be “given”; situations in which the environment depends crucially on the actions taken by other agents. Van Parijs seems to argue primarily, however, that the main contribution of several non-economists who have developed economic models consists in dropping the first two conditions. One chapter is devoted to a critical analysis of the work of Elster and the French sociologist Boudon, who both hold that the preference-orderings of individuals often comprise social values besides selfish goals. They both argue independently of each other that the inclusion of social values in preference-orderings by social theorists considerably enhances the explanatory power of the economic model. In another chapter, van Parijs presents his own “pure theory of symbolic behavior”. In this theory, the overriding goal that is ascribed to individuals is non-materialistic: to make the best possible performance in the eyes of others. In the sections to follow I will concentrate on some aspects of these generalized approaches.

## II.

Van Parijs states that Elster and Boudon both advocate methodological rationalism.



Methodological rationalism (MR) is the doctrine that all social phenomena can be ultimately explained as the aggregate result of rational actions taken by individuals. It is weaker than methodological economism (ME), that is characterized by the six conditions mentioned earlier, because it does not demand that the preferences of individuals are selfish and materialistic. MR is stronger than methodological actionalism (MA), that also claims that all social phenomena are ultimately explainable as the aggregate result of individual actions, but that does not demand that individual actions are rational. In turn, finally, MA is stronger than methodological individualism (MI) that claims that, ultimately, all social phenomena can be explained in terms of individuals. MI does not demand that in order to explain social phenomena we must assume individuals to act intentionally or purposely. Individuals may behave mindlessly, they may follow implicit rules thoughtlessly, etc.

MR, as it is defended by Elster and Boudon, amounts to the claim that economic models can explain social reality exhaustively. Van Parijs rejects this claim. For, as already remarked, he argues that economic models cannot cope satisfactory with cases in which individual human behavior is not induced by forward-looking probabilistic reasoning but by past failures. The evolutionary mechanisms of natural selection and reinforcement, that enter the scene here, are incompatible with MR. Van Parijs appears to argue that they are compatible only with MI. Both natural selection and reinforcement work on the actual consequences of individual behavior. Individuals are not supposed to anticipate expected future consequences of their actions. But the realized results of their past behavior are supposed to have some filtering effect on their subsequent behavior. This makes it perfectly clear that van Parijs is ready to accept MI, but refuses to endorse the stronger methodological positions MA, MR and ME (p.41). No doubt he is willing to grant that people often act intentionally and more or less rationally. But MA and, *a fortiori*, MR are wrong in claiming that *all* social phenomena can be explained as the aggregate result of actions taken by individual agents. Van Parijs' position here clearly differs from that of economic imperialists who are inspired by neoclassical economics and who embrace MR, if not ME.<sup>2</sup>

Apparently, van Parijs takes MI as a bottom-line position beyond which no sensible social theorist would, or at any rate should go. His main reason for believing this, I think, is that he takes

MI *not* to imply that the influence of the social context, the social structures and the like on individual behavior is ignored categorically (p.41). MI need not deny that social positions, customs, institutions, norms, rules etc. determine individual behavior to a considerable degree. It only denies that social positions, institutions and the like are macrosubjects that shape social reality directly, instead of indirectly, via individual behavior. This seems to be quite reasonable. It would be rather bizarre to argue to the contrary that institutions behave like human beings. No social theorist discussed in the book seems to hold this bizarre position. So, are we all convinced methodological individualists now?

Not quite so, I think. It seems to have escaped van Parijs' attention that acceptance of MI commits one to a view on institutions that is still controversial among social scientists. A protagonist of MI in the sense of van Parijs, who is willing to grant the influence of institutions on individual behavior, is obliged to hold that the very existence of these institutions can be explained in terms of individuals. For, after all, institutions are social phenomena that social scientists try to explain. If this is correct, then the work of several social theorists who Van Parijs seems to treat as protagonists of MR is not even compatible with MI. Here I want to focus on the work of Pierre Bourdieu and Thorstein Veblen, two theorists who figure prominently in van Parijs' pure theory of symbolic behavior.

### III.

Van Parijs considers his theory of symbolic behavior to be a slightly modified version of the economic model that is compatible with MR. It draws heavily on the work of the French sociologist Pierre Bourdieu. Both Elster and Boudon have frequently accused Bourdieu of promoting determinism, structuralism and other "sins" (p. 58) that would make his position incompatible with MR. According to van Parijs, however, Bourdieu's so-called "habitus theory" is: "...a natural, though unusual generalization of standard economic theory" (ibid.). Indeed, van Parijs does not hesitate to call Bourdieu a methodological rationalist.

Yet I think there is more to Elster's and Boudon's accusation than van Parijs is willing to grant. In his "habitus theory", Bourdieu does not seem to argue that "social practices" are produced by rationally acting agents. Bourdieu argues to the contrary that social practices are generated by "habitus forms". According to Bourdieu, a "habitus" is a set of durable dispositions that pervades individual behavior. It is said to determine how



individuals perceive, think, value things and behave themselves. Often it appears *as if* individuals act instrumentally or strategically in order to satisfy their own self-determined desires, Bourdieu argues, but in fact their behavior is governed by habitus forms. What's more, he holds that habitus forms are group- or class-specific and he explains why. He believes that, ultimately, differences in habitus forms can be traced back to differences in objective, material conditions of existence.

This is clearly an account of individual behavior in terms of the social structures in society, I think, and surely not in terms of preferences and beliefs of individuals.<sup>3</sup> Presumably van Parijs' "pure theory" can be regarded as an adequate account of why, according to Bourdieu, members of one class would be willing to mimic habits that are associated with higher classes. But it ignores Bourdieu's structuralist account as to why there are differences in habits between classes in the first place.

Bourdieu's habitus theory raises some interesting questions. It appears that two different mechanisms can lead to the same behavior. Could we say that the economic model is applicable whenever it appears to be *as if* social practices are produced by rational individual agents, even when we are convinced, as Bourdieu is, that they are in fact generated by "habitus forms"? An affirmative answer would be reminiscent of Friedman's well-known "as if" methodology. Friedman argued for example that even if it would turn out to be true that businessmen follow "irrational" rules of thumb, unless their behavior is consistent with the "maximization of profits" hypothesis, firms could not survive in a market economy. When we take his argument seriously, it says that the neoclassical theory of the firm does not model the real decisive force that is supposed to work in market economies: something like natural selection. If this is a sound methodological procedure, it would undermine Van Parijs' whole project. For his project rests on the presumption that the correct model of certain social phenomena is the one in which the mechanisms are modeled explicitly that are operative in the case at hand.<sup>4</sup>

I do not think, however, that van Parijs' project is seriously challenged by "as if" modeling. Van Parijs could respond by arguing that "as if" models as such really cannot explain anything. Maybe these models have predictive power. But models yield genuine insight and understanding only when they reveal underlying causal mechanisms. He could also argue, and correctly I think, that the only way to evaluate "stark" claims

like the one Friedman advanced is to model the *real* mechanism explicitly. The thing to note, however, is that this encounter of "as if" modeling only strengthens the belief that Van Parijs' interpretation of Bourdieu's habitus theory is at least partly misleading.

#### IV.

One of the examples that van Parijs gives to illustrate his pure theory of symbolic behavior comes from Veblen (1899). Veblen noticed that at the end of the nineteenth century wearing corsets ceased to be a "status symbol" for the women of the upper class, whereas wearing corsets became "*en vogue*" among women of the middle class. Van Parijs argues that this change in patterns of behavior can be traced back to the women's desire to impress others. Up to the middle of the nineteenth century, corsets both were expensive and an excellent means to the women of the upper class to demonstrate their contempt of manual labor. Buying and wearing corsets was perfectly suited to "show off". But as corsets became cheaper at the end of the nineteenth century, women of the middle class could afford to mimic the behavior of the women of the upper class. For this very reason, wearing corsets was no longer attractive to the latter. As they had ample other opportunities to demonstrate their wealth, women of the upper class adopted a "contrepied strategy", that is, they intentionally chose a course of action that was opposite to the emerging new pattern of behavior of the middle class women.

I believe that van Parijs' "pure theory" again provides an adequate explanation of why, according to Veblen, members of lower classes imitate typical behavior of the leisure class, and that, as a consequence, the behavior of the latter tends to change. And I also think that this explanation is compatible with MR. But this is only part of Veblen's story. What is missing is that Veblen argued that the desire to exhibit prestigious behavior, that is the central behavioral assumption in van Parijs' "pure theory", is itself an institution, a habit of thought, that asks for an evolutionary explanation. According to Veblen, this desire is a relic of a previous stage in the development of society, a "ceremonial" habit of thought that was adapted to pre-industrial society. Veblen's evolutionary explanation of social institutions clearly is at odds with MI. The so-called "old" (neo)institutionalists in economics, who are strongly influenced by Veblen's thinking, are eager to stress (and rightly so, I think) that their evolutionary approach is *holistic*. In their view the "unit of selection" in the evolution of institutions is not the



individual, as it is in Darwinian natural selection, but society as a whole.

Of course, van Parijs may be dissatisfied with the holistic approach of the old institutionalists. Perhaps the theoretical approach of the "new" institutionalists is more to his liking. The new institutionalists also want to explain the emergence and persistence of institutions, habits of thought, conventions and the like. But in doing so they try to adhere strictly to the *dictum* of MI that explanations should refer only to individuals and their properties. As a matter of fact, I believe that the mechanisms that new institutionalists like Schotter and Sugden postulate in their explanations are very similar if not identical to what is called reinforcement by Van Parijs. This needs some explaining.

Several new institutionalists, especially those who are wedded to game theory, attempt to explain how socially shared patterns of behavior can evolve spontaneously as unintended consequences of the actions of individuals. For example, when agents are involved in coordination games, a *convention* in the sense of Lewis (1969) can emerge. A convention emerges in a coordination game when the mutual expectations of the players converge. Sugden (1986) points out that expectations can converge as a result of "learning by experience", which is a variant of learning by "trial and error". A convention, once established, can be understood as an "informational device", as Schotter (1981) aptly calls it, for it reduces the (strategic) uncertainty as to what the other players are up to. Thus we can say that according to the new institutionalists, conventions and institutions shape individual actions not by moulding their preferences, but by coordinating their beliefs, given their preferences.

I think that essentially the same equilibrating process is assumed to take place when reinforcement is supposed to result in rule-governed behavior.<sup>5</sup> That is to say, first, that the mechanism of reinforcement presupposes given preferences. For consider how, in reinforcement, the actual realized results of the behavior of some individual is supposed to "feed back" on her subsequent behavior. The individual will tend to repeat the same behavior only if its results are rewarding or gratifying to her. Now, what is to count as a reward seems to depend clearly on whatever individuals want, desire, find satisfying, in short: on their preferences. And, second, reinforcement also involves "trial and error" learning. What the individuals learn is to correct beliefs on which they have acted and that turned

out to be false. It is important to note here, I think, that engaging in such an elementary learning-process need not testify for a deficiency in cognitive skills. In situations of pervasive uncertainty, it may be the rational thing to do for individuals who are otherwise capable of learning in more sophisticated ways. We can therefore conclude, I think, that reinforcement need not be that different from rational choice.

## VI.

If the foregoing analysis is correct, we can say that explanations that postulate the mechanism of reinforcement are not only compatible with MI, but also with MA. One could wonder then, of course, whether we'd better call reinforcement a degenerate case of the economic mechanism (stressing *imperfect* information on the part of the agents), or, conversely, a general mechanism of which the rationalist and the economist mechanism are limiting cases (stressing "objective" natural and strategic uncertainty), rather than an evolutionary mechanism. Against this, one could insist that reinforcement works through *past* realized results, as natural selection does, and not through expectations and anticipations of *future* results, as the economic mechanism does. This terminological issue only shows, I think, that the distinction between "the economic model" and "the evolutionary models" is too crude to be illuminating here. I believe that the major contribution of van Parijs' book is that it allows us to replace this crude distinction by more fine-grained distinctions in terms of MI, MA, MR and ME. Thus we can say, for example, that whereas reinforcement is compatible with MI and MA, because it does involve preferences and learning (at least when it is supposed to work in human behavior), natural selection is compatible with MI only. This is far from saying, however, that MI, MA, MR and ME can cover *all* explanations that are advanced by social theorists.

## Notes

1. He no longer holds, however, that natural selection and reinforcement are the only two evolutionary mechanisms. He now argues that the mechanism of accommodation, the shaping of beliefs in such a way that they fit the wishes of those who hold them, can account for ideological and religious beliefs.
2. I think it could be questioned, however, whether even neo-classical equilibrium theory really succeeds in giving explanations that are fully compatible with MI (let alone with MA, MR and ME), that is, explanations that refer only to individuals and their properties.
3. Perhaps one could argue, though, that different "objective,

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material conditions of existence" can be analyzed in terms of different *opportunity sets*, and that opportunity sets ought to be treated as the third "basic constituent" besides

preferences and beliefs in the economic approach.

4. Applications of game theory in evolutionary biology can also be regarded as "as if" modeling. Individual organisms are portrayed here as if they are calculating optimizers, whereas, in fact, their behavior is supposed to be genetically determined. Evolutionary game theory presupposes natural selection, but it does not model this mechanism explicitly.
5. I think it is more appropriate to speak of reinforcement *resulting* in "thoughtless" rule-governed behavior, than of reinforcement *presupposing* rule-governed behavior (instead of rational action) as van Parijs sometimes does.

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