

Motivationally Balancing Policy

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1. Introduction

Amitai Etzioni argues for introducing the concept of affirmation to understanding human motivation. Rather than mere ‘satisfiers’ seeking their own pleasure, human beings, Etzioni claims, are ‘moral wrestlers’ who try to balance their own pleasure with the need for affirmation through moral, other-regarding, acts. Understanding human motivation this way, argues Etzioni, enables better analysis and better public policy. But Etzioni’s title, “Happiness Is the Wrong Metric” is misleading. It appears to be critical of the recent research into happiness measurement, research that is centered on questions of understanding, operationalizing and finding the causes of happiness, rather than questions of human motivation. Whatever the merits or failings of this research, Etzioni’s main claim is that humans are motivated by more than simply pleasure, something that happiness researchers need not take a stand on either way.

In this paper I argue several points. First, arguing against a view of humans as seeking only pleasure is a strawman, and ‘satisfiers’ should be more broadly understood as seeking to satisfy their preferences by maximizing utility. Second, the idea that humans have multiple motivations is not new, but is nevertheless important for understanding and guiding behavior.

Third, the standard economic practice of *methodological* utility-maximization is beneficial in the short-term, while it has some potential downside in the long-term.

2. Redefining 'satisfiers'

Etzioni does a useful service by highlighting the need to recognize that people are not only motivated by their own pleasure, but by other things as well. Nevertheless, the position that pleasure is the *sole* motivation for people a strawman. Perhaps some consider themselves pure hedonists, but this is a marginal group. There are simply too many cases where it is clear that pure pleasure-seeking is not what motivates behavior. A more serious position, is that utility maximization, the way economists understand it, is the sole motivation people have. Etzioni's criticism would still be appropriate when put against this much more mainstream and plausible view.

One reason utility maximization has attained such prominence is its ability to assimilate almost any motivation into it. Utility, in the economic sense, is merely the numerical representation of a person's preference ordering. In economics, preferences are understood as revealed by choice. When economists say that someone is motivated solely by their preferences to maximize their utility, they need not be making any assumptions about whether the individual is a self-interested egoist or an other-regarding altruist. Economists are merely asserting that an individual would make a series of choices that are consistent with each other, and can be predicted by a utility function or preference ordering. Thus utility, in economics, is not as highly normatively loaded as might seem. Since economists standardly take no position on what the content of preferences are, there is nothing to preclude choices that are aimed at one's own pleasure, one's own happiness, other's pleasure, society's good, or anything else.

Why did Amy choose to help Ben rather than go to the movie? Because she prefers it. Why did Craig choose to forgo eating the cake? Because he prefers it. Why did Dana go to the beach rather than do her homework? Because she prefers it. If preferences are merely a ranking of the choices people make such answers are strictly speaking correct, but uninformative.

The utility maximization framework does not require taking any meaningful stand on what is good for people, what brings them pleasure or what they ought to do. At the same time, it is useful for predicting a wide range of behaviors at some decent level of success. That is part of the appeal of this framework. Once we understand how plausible it is to conceive of there being only one type of motivation, namely utility maximization understood as discussed, does the task of conceiving of alternative motivations that cannot be assimilated into utility maximization become challenging. As a result, the view of people as 'satisfiers' is much more plausible as a respectable interlocutor when understood in terms of 'preference satisfier' rather than in terms of 'pleasure satisfiers'.

However one understands 'satisfiers', the discussion Etzioni engages with is predominately what motivates human behavior, not what makes people happy or what is good for them. But it is the second issue that is at the core of the recent happiness research, not the first. Whether people are satisfiers or they are motivated by commitments as well, is separate to the questions of what makes them happy or better off. The first is a question about human motivation and the second is a question about the human condition.

Of course both what motivates people and what makes them happy have implications for understand human behavior and deciding on policy, albeit in different ways. Nevertheless, it would be wrong to frame Etzioni's discussion as responding to the view that happiness is a good metric of welfare. What is good for people need not have any bearing on what motivates them.

People might either not be motivated by what is good for them, or might be mistaken about how to achieve what is good for them. Most people believe that a healthy diet and regular exercise is good for them (this does not necessarily make it so, but it seems likely that it is actually good for them). However, many people are not motivated enough to act on that belief (or fact). One need merely consider all the broken New Year resolutions and orphaned gym memberships to drive that point home. We need not talk about happiness at all to get to the bottom of Etzioni's point: the meta-conception that people seek their own pleasure and avoid their own pain misses something central with respect to human motivation, what he calls 'affirmation'.

With this distinction in mind we can better examine the merits of Etzioni's argument in favor of his meta-conception of individuals as 'moral wrestlers', faced with the conflicting motivations of their own happiness and doing the morally right thing. Etzioni's calls this additional motivation 'affirmation', and describes as the quest of living up to one's moral commitments.

3. Multiple motivations

Non-preference-based motivations need not be thought of as confined only to the moral realm. It is more appropriate to view the moral element of affirmation as a subset of commitments people have in general, both moral and amoral. *Any* commitment, moral or otherwise, can be viewed as external to an individual's pleasure, or her preference set more broadly. Even if we grant that every other regarding commitment is a moral issue (something I deem excessive), the class of commitments one makes with respect to oneself need not be. Consider a New Year resolution to work out more at the gym. I *want* to stay home and watch TV, but I *ought* to adhere to my commitment and go to the gym. Is this a moral issue? I would

argue that it is not.¹ Nonetheless, the pleasure (or lack thereof) one derives from abiding by such a commitment is similar in nature to the pleasure from knowing that one visited one's sick friend. It is what Etzioni calls a side-effect pleasure.

Commitments that are self-regarding and promote one's own well-being are of the same kind as other-regarding commitments. They can similarly be in conflict with preferences, and can have what society might deem either positive or negative effects. Whether society should promote commitments of any form depends on what those commitments are. Self-regarding commitments that can be reinforced through policy, such as saving for retirement, fighting obesity or encouraging good dental hygiene, seem beneficial from a societal perspective. On the other hand, not all commitments, either self-regarding or other-regarding, are beneficial from a societal perspective. A commitment to excessive weight loss through anorexia or to helping a friend that is trying to harm her neighbor are both to be discouraged by society.

Additionally, contrary to Etzioni's claim, there is no reason to think that commitments are inherently painful. Consider donating a sum of money that is insignificant from the donor's point of view, but can still do some good for the recipient. Spare change to a homeless person at the traffic light for an average person, change that might get lost in the laundry later anyway, does not consist in any pain. Donating millions of dollars to cure neglected tropical disease, when Bill and Melinda Gates have more money billions than they could spend in their lifetime, involves no pain for them. Yet both are instances of acting from an altruistic commitment to helping others.

¹ It is possible to construe commitments to oneself as having a moral dimension as well. If, for example, one is an ethical utilitarian, she would view her own pleasure as part of the general pleasure she is morally committed to maximize.

One could construe self-regarding commitments as merely longer term preferences, the satisfaction of which conflicts with the satisfaction of shorter term preferences. After all, we have many preferences and some of these conflict. I would like to both watch TV and take a bath right now, but I can only do one at a time (at least until I get a TV installed in my bathroom). This would be a standard economist's answer. But construing commitments to oneself as long-term preferences loses a psychological element of how we think of such commitments. While we might ultimately derive pleasure from being in good physical shape, it does not hinge on any single instance of going to the gym. Each decision point is of marginal importance to our ultimate end of being fit. It is only when we construe it as a commitment can we override competing desires for satisfaction and get ourselves to the gym.

Nevertheless, once we distinguish between preferences and commitments, we are moving into well-trodden ground. Amartya Sen, the Nobel Prize winning economist-turn-philosopher, in his 1977 paper "Rational fools: A critique of the behavioral foundations of economic theory" argues for the need to move away from the economists' sole focus on utility. While the standard economic view of utility maximization merely requires consistency between choices for utility to be maximized, some choices individuals make appear to not be consistent with one another. There are a variety of ways to explain these inconsistencies away, either as resulting from a preference for diversity or changing tastes over time. Sen, however, proposes another route--- commitment.

Sen defines commitment in terms of "a person choosing an act that he believes will yield a lower level of personal welfare [as economists use the term] to him than an alternative that is also available to him" (p. 327). In other words, a person's choice that is inconsistent with her preference rankings (and some of her other choices) is explained in terms of commitment. Sen

goes further to explain that there is a difference between commitment and sympathy. Behavior stemming from sympathy can be incorporated into a preference ordering because the concern for others has an effect on the person's welfare. But behavior stemming from commitment cannot be similarly reduced to preferences because it would incorporate an inconsistency into the preference ranking itself. Such inconsistencies, would destroy the value of preference rankings as an economic tool to begin with.

While Sen's discussion of commitment with respect to its role in economic theory is somewhat technical, the takeaway for the present discussion is that, first, preferences, in the economic sense, are much broader than the pleasure that Etzioni discusses. Second, even understood broadly, one cannot assimilate commitment into the preference framework. Third, introducing the concept of commitment severs a standard link in economics between choices and welfare.

4. Methodological utility-maximization (to a limit)

Once we make the satisfaction-commitment distinction there is a descriptive question of how individuals actually weight the different motivations, that is, how and when are individuals motivated one way rather than another. But regardless of whether we know the answers to these questions, and while it would clearly be mistaken to ignore the existence of motivations that cannot be subsumed under preferences, there are several methodological and policy reasons to focus on preferences.

Economics has developed as a science that focuses almost exclusively on explanations couched in terms of utility-maximization as the motivation for people's actions. While some might disagree, on the whole economics has done fairly well in explaining and predicating a

wide range of behavior in a wide range of contexts using the utility-maximization framework. As a methodological point, it might be worthwhile to follow the standard economic tendency of going to great lengths to explain behavior in terms of utility maximization. Of course, once they treat utility maximization as the *only possible* explanation for behavior and treat the assumption as irrefutable, no matter how unlikely the scenario (such as in the standard example of the individual throwing herself on a hand grenade that Etzioni), economists cease to treat the assumption as a useful methodological tool and become dogmatic zealots.

But because utility-maximization is a simple mechanism to explain behavior, requiring much less novel theoretical scaffolding than commitment-based explanations of behavior, it is worth seeking explanations in terms of utility-maximization first. The problem with commitment-based explanations is that what the commitment is, in what instances it trumps preferences, where it comes from, what it pertains to, are much more nuanced and difficult to pin down than utility maximization.

From a policy perspective the approach of treating individuals *as if* they were solely motivated by utility-maximization is reasonable as well (up to a point). I take this to be a prudent approach in the short-term. In designing public policy that aims at achieving some behavior change, it is better to err on the side of assuming people's motivation as stemming from utility maximization rather than commitment. If policy-makers act on the assumption that individuals are utility maximizers who will respond to a change in the choice architecture in such a way that maximizes their utility vis-à-vis preferences, while in such a case individuals are motivated by commitment, policies will at most be irrelevant. However, erring by assuming that in a policy area people are motivated by commitment when they are actually motivated by utility maximization can bring about dire consequences.

Assuming that people are motivated to pay their taxes because of their commitment to a well-functioning state can result in very low levels of tax collection that would severely damage the state's ability to function. Assuming that people are motivated by utility-maximization, by contrast, will at most encourage people (and more realistically, corporations) to find and use any tax loophole they can.² Nevertheless, there are cases in which enacting policies that assume utility-maximization backfire. One such case involved the introduction of a fine for parents that were late to collect their children from daycare in Haifa, Israel, forcing the teacher to stay after closing time. Instead of reducing the amount of parents who were late, the introduction of a monetary fine caused an increase in late coming parents. The lateness rates did not decrease when the fine was removed. Since parents were conditioned to see their own lateness as a self-interested monetary price, rather than a failure to uphold their commitment to the kindergarten teacher, they became more comfortable being late.

Etzioni argues that since people do not need any external motivation to act on their pleasure, society should invest its limited moral capital in reinforcing people's motivation to act in accordance to commitments. However, since the mechanism of choices stemming from commitment are not as well understood, the unintended consequences are much less clear with commitment than with utility-maximization. Thus, since the research is much advanced with respect to utility-maximization motivation than with respect to commitment, policies are much safer to enact assuming the former rather than the latter.

Moreover, as Etzioni himself notes, society has a huge role to play in shaping what pursuits bring about pleasure for its members, both by shaping their preferences, and by shaping their available choice set. If society has a part in shaping people's preferences, it seems

² The recent trend of corporate inversions to avoid paying taxes in the US are an example of the utility-maximizing mindset, rather than any commitment based mindset.

reasonable for it to invest moral capital in evaluating which preferences to encourage. If shaping preference formation appears too intrusive into the individuals' domain of autonomous self (I submit that there are legitimate reasons to be uncomfortable with purposeful preference shaping), shaping of the possible choice sets available to the individual are much less problematic. Society can, and does, shape what choices are available to the individual, which in turn affect her choices. The choice set of a poor inner-city kid is different from the choice set available to an affluent suburban kid, even if they both sometimes make similar choices.

5. Short-term usefulness and long-term worries

It is a given that if we are looking at it from a societal perspective, we would not want people to only be motivated by preference-satisfaction. We would end up with Sen's 'rational fools', who can be consistent in their choices, but not much else. But neither would we want people to only be motivated by commitments. First, since an individual's welfare is important as well from a societal perspective, it is good for someone to pursue it, whether it is the individual herself or someone else. If we additionally assume that individuals *usually* are best situated to know what is in their best-interest and act on it, allowing for individuals to be motivated sometimes by their own satisfaction is probably the most efficient way to promote individual's own self-interest. Second, if we accept Adam Smith's invisible hand, social good can come out to others precisely when each individual is motivated by her own satisfaction.

Consequently, this discussion raises a normative question as to what is the right balance between preference-satisfaction and commitments. What is the balance between motivations that society *ought* to aim at? And how best can society achieve this balance? The answer that 'more

research is needed' is unhelpful without more specific research recommendations, and unhelpful because policies are constantly enacted, and one cannot wait until the jury reconvenes.

I have argued that in the short-term context of affecting small behavior changes it might be prudent to use methodological utility-maximization. Nevertheless, there is the broader worry that such policies would habituate individuals to be motivated by preference-satisfaction at the expense of commitments in the long-term. Utility-maximization might become a self-fulfilling prophecy. There is a sizable literature about how studying economics makes people more selfish, and we can go as far back as Aristotle to encounter views about how habituation to behave *as if* one is virtuous works to make that person virtuous.

Rather, what I suggest is understanding policies as working on broadly two different levels. The first, or lower, level pertains to policies that aim to influence people's behavior in the short-term. For these kind of goals policies can focus on the utility-maximization motivations of individuals.

The second, or higher, level, pertains to policies that aim to influence people's behavior in the long-term. Such long term goals aim to influence people's behavior by influencing their motivations, making them prone to be motivated by commitments in a wider set of circumstances than if they were treated only as utility-maximizers.

The first policy level would continue much of the business as usual of current policies treating people as utility-maximizers. The second level would probably focus mainly on education and development policies, aimed to change people's motivations, not just their behavior. The two levels would be in constant conflict in that they work in opposite directions to affect what motivates people. Nevertheless, both are necessary to address and respond to the different ways people are motivated. Even without knowing what the correct balance is, it is

clear that it is somewhere between the two extremes, and the approach I propose seeks to aim at such a middle ground.

Further reading

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