Altruism Within Egoism (Book Review)
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By Alfie Kohn

Review of:
PASSIONS WITHIN REASON: The Strategic Role of the Emotions
Also discussed in this review:

In a Monty Python sketch that should be required viewing for all economics students, John Cleese plays a banker who literally cannot grasp the concept of charity. Asked to contribute to the orphans' fund -- and I am quoting from memory here -- the banker frowns in puzzlement and reviews the proposed procedure: "I give you a pound, and then you give it to the orphans. Is that right?" Assured that this is indeed the way it works, Cleese pauses and shakes his head. "I'm sorry," he says. "I don't want to seem stupid, but it looks to me as though I've paid a pound on the whole deal."

If this does not precisely capture the spirit of neoclassical economics, it is not because the latter is any less ludicrous. In fact, members of the so-called Chicago school are not confused by altruism; they confidently explain it away as just another instance of self-maximizing behavior. After all, the central assumption from which they spin their various predictions is that all individuals spend their lives weighing options in order to arrive at the one that yields the most advantageous outcome for themselves. On this basis, and this basis alone, do we decide when to hire, what to buy, how to vote, when to marry, and whether to keep our promises.

Thus the entire thesis turns on the existence of moral sentiments that are not grounded in self-interest. In particular, altruism -- defined as any action that one performs that is irrational with respect to maximizing one's own utility, or is not based on a calculation of self-interest -- is the key to unlocking the mystery of human behavior. If this response is taken at face value, the neoclassicists have constructed a model of humans as self-maximizers -- as contrasted with those who invoke his name. The Davidsones believe the whole discipline has been constrained by a neoclassical theory, so that "an economist with civilized intentions is left facing the same problem as a pacifist who works in a gun shop -- he cannot use his professional skills to pursue his ethical principles."

Lutz and Lux, meanwhile, unveil a history of economics that highlights the topic of self-interest. "To argue that the critique of self-interest theory still constitutes a minority position within the discipline, but the minority appears to have found its voice."

The call to identify what is variously called "commitment" (Sen), "the moral dimension" (Etzioni), or "civic values" (Davidson and Davidson) typically is dismissed by economists on the grounds that this is a one-off phenomenon: one that is due to the particular model chosen and such phenomena: one that is due to the specific preferences and values that are modeled. In the second edition of Egoism, Frank asserts, in keeping with the neoclassical tradition, that such behavior must somehow be motivated by "intrinsic" motives, and so it is that the right thing must not be premised on the fact that material gains may later follow; rather it must be intrinsic to the act itself...

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This argument assumes that we are in the dark about our real motives. "For the model to work," he writes, "satisfaction from doing the right thing must not be premised on the fact that material gains may later follow; rather it must be intrinsic to the act itself...[Moral] sentiments do not lead to material advantage unless they are heartfelt." Thus the entire thesis turns on the existence of self-interest. If we deliberately set out to fake generosity, we would not be convincing. "For the model to work," he writes, "satisfaction from doing the right thing must not be premised on the fact that material gains may later follow; rather it must be intrinsic to the act itself...[Moral] sentiments do not lead to material advantage unless they are heartfelt." Thus the entire thesis turns on the existence of self-interest.

This, however, is seen as a bold new theory in a discipline that remains largely wed -- the other five books notwithstanding -- to the premise of egoism.