

# Distributive Justice, Feasibility Gridlocks, and the Harmfulness of Economic Ideology

Lisa Herzog

Accepted: 21 January 2015 / Published online: 3 February 2015  
© Springer Science+Business Media Dordrecht 2015

**Abstract** Many political theorists think about how to make societies more just. In recent years, with interests shifting from principles to their institutional realization, there has been much debate about feasibility and the role it should play in theorizing. What has been underexplored, however, is how feasibility depends on the attitudes and perceptions of individuals, not only with regard to their own behaviour, but also with regard to the behaviour of others. This can create coordination problems, which can be described as “feasibility gridlocks”. These problems are interesting from a normative perspective, not only because they arguably play an important role for the feasibility of institutions, but also because they contain a normative element themselves: individual might be willing to cooperate in order change the “feasibility frontier” (Wiens D (forthcoming) Political ideals and the feasibility frontier. *Econ Philos*), but only if others are also willing to do their bit, which contains a judgment about the fair distribution of burdens. Beliefs about the selfish nature of human beings, however, can make feasibility gridlocks more likely. This is why what I call, for the sake of brevity, “economic ideology”, i.e. an account of human nature as fundamentally self-interested, can be harmful. Finding a way out of such equilibriums therefore is an important task for political theorists and social reformers.

**Keywords** Feasibility · Distributive justice · Economics · Motivation

## 1 Introduction

Many political theorists think about how to make societies more just. In recent years, with interests shifting from principles to their institutional realization, there has been much debate about feasibility and the role it should play in theorizing. What has been underexplored, however, is how feasibility depends on the attitudes and perceptions of individuals, not only with regard to their own behaviour, but also with regard to the behaviour of others. This can create coordination problems, which can be described as “feasibility gridlocks”. These

---

L. Herzog (✉)  
Center for Ethics in Society, Stanford University, Stanford, CA, USA  
e-mail: lmherzog@stanford.edu

Lisa Herzog  
e-mail: herzog@em.uni-frankfurt.de

problems are interesting from a normative perspective, not only because they arguably play an important role for the feasibility of institutions, but also because they contain a normative element themselves: individual might be willing to cooperate in order change the “feasibility frontier” (Wiens 2014), but only if others are also willing to do their bit, which contains a judgment about the fair distribution of burdens. Beliefs about the selfish nature of human beings, however, can make feasibility gridlocks more likely. This is why what I call, for the sake of brevity, “economic ideology”, i.e. an account of human nature as fundamentally self-interested, can be harmful. Finding a way out of such equilibriums therefore is an important task for political theorists and social reformers.

Thus, this paper focuses on one specific question of feasibility: feasibility that refers to economic laws. For example, it is a widespread assumption that higher taxes will “shrink the pie”, and that we do not have an alternative to a market economy in order to secure the welfare of all members of society (cf. e.g. Gheaus 2013, 450). Such constraints are understood as making the realization of more egalitarian ideals of justice less feasible or unfeasible. The way in which economists use the term “economic laws” suggests that some institutional solutions are unfeasible because they are not incentive-compatible and would lead to evasive behaviour. A *locus classicus* is Ricardo’s treatment of interventions for the sake of the poor, which he takes to be futile (1821, chap. 5). Feasibility constraints in the economic realm are thus often taken to be relatively stringent. But as I will argue, this issue can be more complex.

The paper proceeds as follows. I first briefly explain how feasibility relates to the debate about ideal and non-ideal theorizing. I then narrow down the question, delineating the epistemic case for markets and the distinction between market state from feasibility constraints based on motivation. The latter type of constraint is what I here focus on. Political theorists often quote Rousseau’s maxim that they should take human beings as they are, and laws as they could be (Rousseau 1997 [1762]). But there is a risk connected to Rousseau’s maxim: to take into account not only human nature as such, but also patterns of behaviour that are quite malleable, and depend on institutions, assumptions and world-views that can themselves be challenged. Moreover, as Estlund has argued, not all elements of “human nature” can count as feasibility constraints; rather, legitimate interests need to be distinguished from illegitimate ones (2011, 2014). This argument, I will suggest, holds not only at the level of principles, but also, in a qualified form, at the level of institutional proposals.

The third step of the argument concerns the ways in which human motivation can in turn be co-determined by normative elements, namely considerations of fairness. Many individuals would probably be willing to contribute to making their societies more just as long as others also do their bit. If they assume, however, that others are not willing to do so, they may also become unwilling, and thus appear more “self-interested” than they actually are. This means that societies can be caught in an equilibrium of mutual distrust that constitutes a “feasibility gridlock”. Economic ideology, with its emphasis on self-interest and “non-tuism” (Brennan and Pettit 2005, 5), can make it more likely to end up in such a gridlock. This is why it can be genuinely harmful, and political theorists and social reforms have good reasons to establish counter-narratives to its—empirically falsified—claims about human nature.

If it is true that human motivation functions along the lines I suggest—for which there is some empirical evidence—this has important implications for institutional design. The argument is relevant for questions of distributive justice on a national and on a global scale. I focus mainly on redistribution within countries, but similar considerations apply to global distributive justice, for example when countries make decisions about what part of their budget to dedicate to aid. Parallel arguments could maybe be made about the willingness to allow

immigration that has a positive effect on the global distribution, the willingness to receive refugees, and other policies.

## 2 Ideal and Non-ideal Theorizing and the Debate About Feasibility

In recent years, political theory has seen a large debate about “ideal” and “non-ideal” theorizing. The terms have been used in different ways (see Valentini 2012 for an overview), but one important question is what role feasibility constraints should play for theories of justice. Some authors argue that we need a conception of justice that is independent of feasibility considerations, to evaluate states of the world and to provide an “aspirational ideal” (Gheaus 2013, 448). Geuss calls this view an “ethics first” view in which “‘pure’ ethics as an ideal theory comes first” and questions about the realization of ethical principles, including questions about feasibility, come later (2008, 9). Others think that feasibility constraints should play a more fundamental role. Wiens, for example, holds that instead of moving from ideal principles to their institutional realization, we should focus on avoiding institutional failures (2012, 2013, 2014). A central tension seems to run through the debate: On the one hand, theories should be “action-guiding”, i.e. help us to design better institutions, for which we need realistic evaluations of feasibility. On the other hand, theories should not be too modest: they should not fail to show us where we might go in the future (cf. similarly Lawford-Smith 2013a, 254).<sup>1</sup>

In the scope of this paper, I cannot recapitulate all arguments that have been brought forward in this debate. What is striking, however, is that no theorist denies that there is *some* point at which feasibility considerations matter. The question rather is whether this point is where theorists should start, or whether it comes further down the line of theorizing, as it were. To take an example: Cohen (2003) famously argued that when considering normative principles, one does not have to be concerned with feasibility, because they do not depend on facts. But he acknowledged that there are also “principles of regulation”, and for these, feasibility can play a role (see esp. footnote 25 (2003, 231), where he mentions “agent incapacity”, which is an instance of feasibility considerations). Thus, in what follows the questions that occupies me is not whether our theorizing is ideal or non-ideal—my position is compatible with, but does not require, an understanding of basic principles of justice as independent of facts—but rather what we should do when we arrive at the point at which feasibility plays a role. For non-ideal theorists, this would be at the very start of their projects. For ideal theorists, it would come later, at the point when principles are applied to concrete cases. One can raise various objections to this model of ideal theorizing (see e.g. Herzog 2012), but for the questions of this paper, this debate can be side-stepped.

To make progress in the debate about feasibility, it suggests itself to distinguish different forms of feasibility. For example, Gilibert and Lawford-Smith distinguish “hard” from “soft” feasibility. While the former follows a binary logic—something is either feasible or not—the latter is a matter of degree (Gilibert and Lawford-Smith 2012, esp. 813–816, see also Lawford-Smith 2013a; Gilibert 2009). Many authors underline that certain feasibility constraints are “moving targets” which change, for example, when technological possibilities change. Feasibility “should be seen as a matter of degree and historical variation” (Gilibert

<sup>1</sup> Some authors, however, for example Sen 2008 and Wiens (esp. 2012) argue that we can address current injustices and institutional failures directly. This position seems correct with regard to *some* injustices—in fact, some current injustices might be such that we do not need any theorizing at all—but it does not seem correct with regard to *all* questions political theorists work on.

2012, 47), and we might have “dynamic duties” that relate to those shifting possibilities (Gilabert and Lawford-Smith 2012, 211; see also Gilabert 2009; Lawford-Smith 2013a). Thus, what matters is to get a grip on how feasible specific proposals are, at specific points in time, given the economic, political, social and technological circumstances.

When considering these feasibility boundaries, two kinds of mistakes can happen. The first is to consider feasible things that are in fact unfeasible. The movement against ideal theorizing seems to have been motivated in part by the worry that this is what many theorists ended up doing, thereby condemning their own work to practical irrelevance. But there is also a second kind of mistake: namely to consider unfeasible things that are feasible. This can be compared to a “false positive” result in a medical test: an illness is diagnosed despite the fact that the patient is healthy. It is one instance of this second kind of mistake that this paper deals with. As more theorists move towards non-ideal theorizing—a move that I welcome in many respects—this risk deserves to be taken seriously. Debates about economic institutions are particularly vulnerable to this problem, because in them, assumptions about feasibility constraints often do not enter the argument as openly declared premises—then it would be easy to address them directly –, but rather through the backdoor, via assumptions about what motivates people.

### 3 Narrowing Down the Question

In order to focus on questions of feasibility that relate to motivation, it is helpful to first distinguish them from two other considerations of feasibility with regard to economic institutions. The first relates to the argument that markets have advantages when it comes to “the use of knowledge in society” (von Hayek 1945). This has sometimes been called the “epistemic” argument for markets: markets can use decentralized knowledge and, through the price system, bring about efficient allocations. Their “spontaneous order” can ensure higher levels of material well-being than any other coordination process that we know of, at least at this point in history.

But the epistemic case for markets can be separated from questions about motivation, at least in principle. A society of perfect altruists, who aim at an egalitarian outcome, could use markets as allocation mechanisms to benefit from their epistemic features. If the motivation to make good use of one’s talents could be secured otherwise, they could do so without having to accept the distributive outcomes produced by markets. As Roemer, who distinguishes the “coordinating” function of markets from their role as “incentivizing” devices, puts it: “If the market were needed only for coordination, one could use markets to arrange economic activity, and redistribute income as desired through taxation and transfer without changing productive activity” (2012, 289). Carens (1981) has discussed how to build such an institutional framework, suggesting the use of “moral incentives” as signalling devices. If individuals had a desire to contribute to society, they would react to these moral incentives even if the after-tax income distribution were largely equalized. Thus, the fact that markets are valuable coordination devices does not create feasibility constraints on distributive outcomes, at least not at the level of principle. It simply means that markets should be one element in the set of institutions that realize distributive justice.

A second question, which can also be separated from questions about motivation, concerns “who does what” in an institutional framework. Often, we distinguish “the state” (as a shorthand for various government institutions) from “the market”. “The state” uses bureaucratic hierarchies, working in a “top down” way, while “the market” works in the way just described, based on decentralized decision-making and the price mechanism. There are good reasons to doubt the accuracy of this picture (see e.g. Ciepley 2013 on the role of corporations

in modern economies). But in any case, the question which decision-making mechanisms and which institutional solution are used to organize, say, health care or education, is orthogonal to the question of distributive justice as such. As Murphy and Nagel put it: “Reasons for and against putting resources under government rather than private control are not necessarily reasons for or against redistributing resources among groups or individuals, and vice versa” (2002, 76f.). One can imagine a situation in which there is no redistribution at all, but in which the state plays a major role, as well as a situation in which there is intense redistribution, e.g. through a voucher system, but most services are privately provided. Thus, if one wants to realize a certain distributive outcome, one can look for the set of institutions, whether state or market or others, that are most efficient at delivering it. But this question is somewhat independent from questions of feasibility that stem from motivation, and I therefore put it aside.<sup>2</sup>

#### 4 Attitudes, Motivations, and Feasibility

In order to now turn to the relation between attitudes, motivations and feasibility with regard to economic institutions, it is helpful to start with a simple example. Imagine being a political theorist in an extremely sexist society, where the government has invited to you suggest steps to make this society more just. You have worked out an institutional proposal for improving gender justice. However, when you suggest it to the government, they reply: “This is not feasible. It goes against human nature. Given how people are going to react, the policies are unlikely to succeed, and might even backfire” (for similar examples see Estlund (2011, 208), Rääkkä (1998, 29), or Cohen (2001, 369)).

It should be obvious that the “feasibility constraints” that the government invokes are problematic. It is obviously wrong to say that non-sexist gender relations are “against human nature”, because we know from other societies that they are possible (even if they may nowhere be fully realized). The government draws on contingent facts about attitudes and motivations in the current situation in order to block changes that would make the society more just. They may be making an honest mistake, or use this argument in order to protect the vested interests of those who profit from the current injustice.

To further clarify this case, let me draw on Gilabert and Lawford-Smith’s notion of feasibility as a “scalar” concept (2012, esp. 813–816). With regard to arguments about “human nature” and motivation, one can think about feasibility constraints as lined up on a scale from more to less fixed features. At the fixed end of the scale, there are certain physical and biological features about human beings: they cannot jump 10 meters high without technical equipment, and they need a certain intake of calories to survive. Next, there are certain stable and widespread patterns of motivation and behaviour, for example the desire for social recognition and the tendency to live in families. Here, things become more variable: there are obviously many forms of social recognition, and many kinds of families, and there are also non-negligible numbers of individuals who do not follow these patterns. Further down the scale, there are patterns of motivation and behaviour that flow from the institutions of a society, which shape the opportunities individuals have, and the obstacles they face.<sup>3</sup> Insofar as these

<sup>2</sup> There can be indirect connections to questions of motivation, for example via the motivation of public service employees, but I cannot go into these details here.

<sup>3</sup> See also Cohen 2001 for a discussion of G.A. Cohen’s critique of Rawls. One of J. Cohen’s replies is that for Rawls, egalitarian institutions would lead to an egalitarian ethos, which would make high incentives for talented workers less necessary.

motivations and forms of behaviour are derived from, and therefore logically subsequent to, institutions, they obviously cannot form very stringent feasibility constraints. Last but not least, there can also be patterns of motivation and behaviour that depend on shared beliefs and cultural norms, and on how individuals understand themselves and others (cf. similarly Gilibert 2009, 680). Such patterns can be persistent, but they are nonetheless not hard-wired in human nature.

The risk that the sexism-example illustrates is to think that things that are low on this scale are high on it, i.e. to see contingent facts about the motivations and behaviours of individuals in a certain society, at a certain point in time, as fixed features of human nature that impose stringent feasibility constraints. If malleable facts are mistaken for fixed facts, theorists, while trying to be realistic, might in fact be held hostage by current biases and prejudices. In the case of the sexism-example, this can easily be seen, because we have learned that alternatives are possible, both with regard to sets of beliefs and motivations and with regard to institutional proposals.

It might be objected, however, that cultural attitudes can be extremely stubborn. Given how stubborn they are, does it not make sense to treat them as feasibility constraints? But this argument is problematic for at least two reasons. First, if cultural attitudes are taken as given, one risks mistaking for firm, well-considered judgments what might in fact be nothing but socially constructed, habitual ways of thinking. Human beings are, after all, social creatures as well as creatures of habit, and for most of us it is hard to work our way through received opinions and to figure out what we “really” think. While theorists should not paternalistically assume that individuals have more noble attitudes than they de facto have, neither should they give up on the opportunity of questioning their attitudes if these stand in the way of what seems to be moral progress. Rather, the appropriate stance seems to be start a dialogue about such attitudes and to see whether individuals might be willing to change them in the light of arguments.

Second, it is often hard to distinguish cultural attitudes from “hard” institutional structures—do the former drive the latter, or the latter the former? For example, do cultural attitudes towards the role of women in society drive the incentive structures around motherhood and work force participation, or do the latter drive the former? Hence, it is often hard to know how stubborn cultural attitudes are, because they are intertwined, in subtle and less subtle ways, with other social structures. Maybe, if these other social structures were changed, changes in the cultural attitudes would quickly follow.

When it comes to the feasibility of economic institutions, the central motivational issue is self-interest, which is often treated as a simple and fixed feature of human nature. It is usually assumed that institutional proposals need to accommodate self-interest to some degree. Often, self-interest enters reflections about feasibility through the back door, through assumptions in the economic models that theorists have in mind when thinking about such questions.<sup>4</sup> But it is worth asking where self-interest lies on the scale from “hard wired” to “culturally contingent”. Economic models typically take the individuals’ preference structures as given, thereby turning attention away from the question of how these preference structures developed and how malleable they are.

There are, however, good reasons to think that “self-interest” has a strong cultural component, and at least partly depends on the societies in which individuals live. This claim has

<sup>4</sup> One problem in this context is that economic models often work at a level of abstraction that makes it hard to reject their assumptions. For example, they assume that individuals prefer more money to less money, working with an implicit “ceteris paribus” clause: if one can work in exactly the same job for more or less money, it seems plausible that most people would choose more money. But often “ceteris” is not “paribus”; for example, jobs usually differ along more dimensions than the wage level. Thus, the statement that individuals prefer more money to less money may not be very useful for making predictions about their behaviour in real-life situations, and it may be misleading if it implies that this is the only, or the most important, factor determining their decisions.

famously been made by Polanyi, who ascribed self-interest and the tendency to truck and barter to institutional and cultural factors, rather than seeing them as innate tendencies (1944, chap. IV). Following Polanyi, Cunningham (2005) has argued that “materialistic acquisitiveness” might depend on institutional contexts: it is quite understandable, he argues, that individuals aim at earning a high income if there is no welfare state that provides a safety net, and the only way of creating some security for themselves and their family is by amassing a private fortune.

In addition, there is evidence that cultural norms and different accounts of human nature have an impact on how self-interestedly individuals behave. Thus, experiments show that when students are exposed to microeconomic teaching that strongly emphasizes the self-interested nature of human beings and the fact that altruistic behaviour can be exploited, they become more self-interested (see notably Frank et al. 1993). Even the way in which decision situations are labelled can make a difference to how self-interestedly individuals behave. Thus, in a repeated prisoner’s dilemma game experiment, researchers compared the behaviour of individuals in two scenarios with identical payment matrixes, one labelled “Community Game” and the other “Wall Street Game”. In the “Community Game”, there were 43 instances of mutual cooperation and 16 instances of mutual defection, whereas the numbers were reversed for the “Wall Street Game” (11 cases of mutual cooperation and 42 cases of mutual defection), the labelling effect being much stronger than the participants had anticipated (Lieberman et al. 2004). Of course more would have to be said about what such experiments can tell us about real-life scenarios. But they point to the possibility that even the way in which we “frame” decisions can have an impact on how “self-interested” we are. Rather than taken “self-interest” for granted, one should therefore analyse in more detail what it means with regard to concrete institutional proposals.

## 5 Self-Interest and Feasible Distributions

At this point, it is worth recalling an argument that Estlund has brought forward with regard to the relation between principles of justice and claims about “human nature”. As he argues, the reference to human motivation cannot be “requirement-blocking” (2011, 211) at the level of principles, no matter how typical certain human tendencies may be (ibid. 220). The reason for this is that “agents’ abilities and inabilities to muster their will are subject to moral evaluation in their own right” (ibid. 207). For example, there may be a tendency to cruelty, but it is clear that it does not block requirements (ibid. 224). Similarly, rather than accepting self-interest as “requirement-blocking”, it needs to be subject to moral evaluation.

Estlund makes this argument with regard to basic principles of justice and “institutional principles”, and I here assume that this argument is correct. He acknowledges that for “institutional proposals”, “facts about how people will actually tend to behave” may play an important role (ibid.). Nonetheless, it is also worth distinguishing between more and less legitimate forms of self-interest when it comes to “institutional proposals”. This helps to further narrow down the role of feasibility constraints based on questions of motivation. After all, the term “self-interest” covers various things that individuals may strive for, some of which are legitimate, whereas others seem more problematic. For example, individuals are usually justified in pursuing an income that is sufficient to provide basic goods for themselves and their families, and they usually also have legitimate claims to certain non-necessary items if these are necessary for securing “the social bases of self-respect” (Rawls 1982). Beyond these things, however, self-interest can seem far less legitimate, at least if pursuing it comes at the cost of other individuals not being able to secure *their* legitimate interests.

I mention this issue of legitimacy because it points to the possibility that individuals might *themselves* agree that some of their interests are more legitimate than others. This might imply that under certain conditions they would be willing to deviate from purely self-interested behaviour. Thus, one could imagine that they would be exclusively, or mostly, motivated by self-interest up to the point at which their legitimate claims are fulfilled, and motivated by other, maybe more complex motives, beyond this point. The standard picture of individuals being motivated exclusively by self-interest, and therefore requiring incentives to work hard—which introduces stringent feasibility constraints with regard to certain redistributive institutions—might therefore be too simple. Even if one abstracts from questions of legitimacy, in the sense of what individuals *should* ideally do, this can make the issue feasibility more complex, because individuals may de facto be more willing to give up some interests than others.

The evidence on human motivation does, in fact, suggest a more complex picture. There is, firstly, some famous—and famously disputed—evidence that once a certain level of income has been reached, further GDP growth does not increase happiness. This has become known as the Easterlin paradox (Easterlin 1974), but the evidence is contested up to this day. Secondly, research on work motivation implies that monetary incentives are not the only motivating factor. In this literature, money is often described as a “baseline” factor: if one feels that one does not earn enough, this can easily destroy one’s motivation to work (Pink 2009, 60f). Once this baseline is in place, however, monetary incentives are a mixed blessing with regard to motivation. According to a recent account that summarizes a large number of empirical studies, for tasks that require a minimum of cognitive effort, monetary incentives are not the best motivator. Rather, individuals are motivated by autonomy (i.e. the ability to decide for themselves about aspects of the work process), mastery (i.e. the drive to get better at things), and purpose (i.e. to see the point of what they are doing, e.g. contributing to society) (Pink 2009, chap. 4–6).

There are also various pieces of evidence on the effects of changes in the incentive structures on individuals’ behaviour. One point at which such effects can be studied are changes in the marginal tax rate. It is worth noting that few jobs are such that people have a discrete choice of how many hours to work, as they do in the models of economic textbooks. Economists Slemrod and Bajika summarize the evidence as follows: it shows that “male participation and hours worked respond hardly at all to changes in after-tax wages and therefore to marginal tax rates” (2000, 107; quoted in Murphy and Nagel 2002, 137). Economic research also shows that there are other effects—“changes in levels of savings and the content of portfolios, the timing of income, nontaxable forms of compensation, levels of avoidance and evasion, and levels of deductions”—through which marginal tax rates make a difference, but the results are controversial among economists (Murphy and Nagel 2002, 137, referring to Feldstein 1995). For the effects that one can expect in a concrete situation, the details of policies and institutions can make a lot of difference; the same holds for the amount of labour offered by married women and mothers (*ibid.*). It is worth noting that there is also evidence at the level of corporate taxation: the claim that a higher corporate tax automatically leads to lower growth is empirically unfounded (see e.g. Hungerford 2013).

This evidence suggests that “self-interest” might not impose such stringent feasibility constraints on redistributive institutions as one would think if one only looked at economic textbook models. Individuals may be willing to continue to work hard even if a part of their income is “eaten up” by taxes. The reason for why individuals would continue to work hard—thus easing the feasibility constraints—could be that instead of being “self-interested” in the sense of focussing exclusively on their income, individuals have a bundle of motives, which might include some altruism, but also some intrinsic motivation to work hard, even if the marginal tax rate changes.

At this point, a critic might object that even if this may all be true, it does not imply that individuals are willing to work hard if the institutional structures punish them for doing so, and



make them end up in a worse situation than if they had worked less hard. This, it might be said, is not so much a question of self-interest with regard to monetary income, but of social recognition and status. What individuals desire is social recognition for their contribution, because they feel that this is something they deserve. Some philosophers have defended such claims about desert as legitimate (e.g. Miller 1999, chap. VII–IX), but as I am here interested in how such attitudes impact on feasibility, I will not go into this debate.

If a substantial number of individuals in a society were indeed motivated by the desire to gain social recognition, this might be seen as a feasibility constraint, either because one sees it as indeed justified, or because this attitude is hard to eradicate. But if social recognition is really what matters most to people, then this does not create very stringent feasibility constraints. For one thing, social recognition could be awarded in “currencies” other than money, for example various forms of honours or esteem (see also Brennan and Pettit 2005). Arguably, this is already the case in some professions, for example in some artistic professions. But even if we assume, for the sake of argument, that social recognition needs to be awarded in the form of pay, all that it requires is that the *relative* position of individuals should not be changed, which is a rather weak form of “incentive compatibility”. In that case, redistribution must not be such that someone who works harder and earns more<sup>5</sup> ends up at a lower position, post-tax, than someone who earned less. In fact, another reason for why one might impose this requirement on institutional proposals is that labour markets could continue to function as coordination devices, with wages indicating relative scarcity, even on the assumption that individuals looked at post-tax income rather than pre-tax income. But this requirement can be met by institutions that allow for a considerable degree of redistribution with regard to the *absolute* amounts of money individuals end up with. Individuals remain at the same relative position on the income distribution, but the skewedness of the distribution is reduced. Even if one assumes, therefore, that claims to relative positions should be honoured, for principled or pragmatic reasons, this does not reduce the set of feasible institutional proposals very much.

## 6 Attitudes, Fairness, and the Coordination of Beliefs

In the last section, I described the ways in which the feasibility of economic institutions—and in particular redistribution—depends on the self-interest of agents. Before, I have described how attitudes can have an impact on motivation. We can now put these two strands of argument together. Human beings are, after all, “self-interpreting animals” (Taylor 1985). The evidence quoted earlier shows that world-views can have an impact on their behaviour. It is plausible to assume that such world-views can also influence their willingness to work hard at different marginal tax rates, and more generally speaking the degree to which they are motivated by self-interest or other motives, which changes the feasibility frontier for institutional proposals.

For the sake of brevity, I use the term “economic ideology” to describe a world-view according to which human beings are mostly or exclusively motivated by self-interest, and do not gain utility from the well-being of others.<sup>6</sup> Often, economists reject the claim that this is a characterization of human nature, and argue that it is merely a helpful assumption for

<sup>5</sup> Whether working harder and earning more actually go hand in hand in our economies is an open question. I here assume it only for the sake of argument.

<sup>6</sup> Of course, there could also be different “economic ideologies”, for example in different historical eras. I use the term “ideology” because such views have wide-reaching implications for how one sees the world, which are based on—at least partly—wrong assumptions and which favour certain interests over others.

building models. But it seems hardly deniable that this model of “economic man” has developed a life of its own, influencing the wider culture, without a disclaimer that it is only a methodological device (see e.g. Verhaege 2014). Moreover, certain institutional changes—for example the reduction of welfare state institutions—might have reinforced these tendencies, not only by making it necessary for individuals to secure their own interests, but also because they were accompanied by a rhetoric that presented individuals as self-interested and thus ingrained this picture in people’s mind.

Economic ideology can directly influence the structure of individuals’ motivation. It can, for example, shift their perception of which interests it might be legitimate or illegitimate to pursue, along the lines ascribed above. It can also influence their self-perception with regard to the question of what they enjoy about their work: the activity itself, or earning money? Therefore, pointing out that economic ideology is one-sided, and that human beings have more complex motivations, could directly shift the feasibility frontier for certain economic institutions.

However, there is also a second effect, which might be even more important for shifting the feasibility frontier. This effect is indirect: it concerns individuals’ perception of *other* individuals’ motivations and forms of behaviour. Very few people think about themselves as exclusively motivated by self-interest. But it is not uncommon for people to think that *other* individuals are so motivated. This, however, creates a problem: If I assume that everyone is self-interested, I might pre-emptively switch to self-interested behaviour myself. Depending on the concrete institutional setting, this might happen out of a desire to protect what I see as my own legitimate interests. It might also, however, happen because I am not willing to forego my own interests—even interests that I see as lying beyond the minimum of legitimate interests—if others are not doing their fair share. Thus, it is the perception of a social norm, namely the fair distribution of burdens, that might contribute to the unwillingness of individuals to act on motives other than self-interest.

In many experiments, human beings have been shown to be conditional co-operators: they are willing to cooperate with others as long as the others also cooperate with them (see e.g. Fehr et al. 2001). But if they are influenced by economic ideology, they are likely to think that others are *not* willing to cooperate unless it furthers their own interests to do so. Such problems can be overcome in small groups if individuals can communicate with one another and signal their willingness to cooperate. But in larger groups, such communication is often difficult, in particular if declarations of cooperativeness might be made dishonestly, in order to induce others to cooperate and then to exploit their cooperative behaviour. Thus, individuals might form mutual beliefs about one another’s motivations that make cooperation impossible. Each of them might say: *I would be willing to cooperate, but how can I trust that others also are?* Without collective mechanisms for building trust and revealing one’s true motivations, this can lead to dysfunctional equilibriums from which it is hard to exit.

Such dysfunctional equilibriums can limit the individuals’ own sets of options, for example if profitable forms of cooperation that require trust do not come about. But they can also limit the feasibility of institutions that would make a society more equal, or help third parties. Each individual might say: *“I would be willing to contribute more, but as long as the others are not doing it, I will not. The other individuals, however, are motivated by self-interest. So why should I be willing to carry my part of the burden if they refuse to carry theirs?”*<sup>7</sup> But this is exactly what economic ideology teaches individuals, by implying that everyone is acting

<sup>7</sup> If the utility individuals draw from their income also depends on their *relative* position, this can add to the unwillingness to contribute if others do not do their bit, because in addition to the loss in absolute terms, there would be an even greater loss in relative terms.

exclusively out of self-interest. Moreover, when it comes to redistribution or welfare state institutions, economic ideology might also imply that those at the receiving end are strategically motivated to grab as much as they can of whatever welfare programs there are.<sup>8</sup> But even without this latter feature, one can imagine a situation in which those on whose willingness to contribute redistributive institutions would depend are stuck in an equilibrium of mutual distrust—a “feasibility gridlock”.<sup>9</sup> Such a gridlock can arise between individuals, for example the citizens of a nation state, but one can also imagine that it could arise between collectives, e.g. clubs, cooperatives, or even nation-states, when the feasibility questions at stake concern institutional changes to which they would all have to contribute.

Thus, when one thinks about the feasibility of economic institutions, one has to take into account such problems, which concern the coordination of beliefs and behaviours in a society. This fact has been insufficiently addressed in the literature on feasibility, which has often focused on small-scale examples.<sup>10</sup> This gap is surprising, because the institutions with regard to which questions of feasibility have usually been discussed are large-scale social institutions, such as reforms of the tax system or welfare state institutions, the feasibility of which depends on the behaviour of large numbers of individuals. Their attitudes, and their mutual beliefs about one another’s attitudes, influence the degree to which they are motivated by self-interest, or willing to cooperate.<sup>11</sup>

One might, of course, argue that no matter what others do, individuals have a duty to do their fair share.<sup>12</sup> Thus, in the context of the fight against global poverty, Murphy (2003) has argued that faced with the non-compliance of others, individuals should do as much as would be their fair share if everyone did their bit. This principle suffers from severe epistemic indeterminacy, because it is usually difficult for individuals to know what their fair share would be. But leaving this problem aside, Murphy’s answer has the advantage that it would help to overcome feasibility gridlocks. Thus, if all individuals shared Murphy’s position on what they have to do—or even if a certain percentage did this, and other followed out of reciprocity—the feasibility frontier could be shifted. But this might require a willingness to temporarily endure the unfairness of doing more than others. It does not seem impossible to find individuals who are willing to do this, and to act as a “feasibility avant-garde”, as it were. For example, by publicly pledging to donate a certain amount of money, some individuals have motivated others to do the same. While

<sup>8</sup> In addition, it might also characterize economic failure as a matter of lacking ambitions or bad character, rather than bad luck or structural tendencies in the economy.

<sup>9</sup> One might also imagine that individuals are not only “conditional co-operators”, but also hold certain views about what they are obliged to do depending on what others do. As Lawford-Smith (2013b) discusses, if some task is only feasible for a group, and an individual correctly anticipates that others will fail to do their bit, there can be cases in which individuals do not have an obligation to attempt to do the task on their own, because such an attempt would be futile. The cases I am interested in concern large-scale societies; one can imagine that in them some individuals hold such views, rightly or wrongly, which can exacerbate the problem.

<sup>10</sup> Lawford-Smith (2013a, 247) explicitly notes that “uncoordinated aggregates of individuals” may not have the possibility to “bring about” an outcome that matters for evaluating its feasibility. In 2013b, she analyses various forms of collective action, and how they relate to the individuals’ duties. Wiens (2014, 5) mentions the “problem of assurance” as affecting an individual’s motivation to cooperate, but he does not discuss this point any further.

<sup>11</sup> Of course, individuals might also hold overly positive beliefs about the willingness to cooperate and to behave altruistically. But a person who wrongly believes her peers to be more altruistic than they really are is likely to learn her lesson relatively quickly. In the scenario that underestimates the willing to cooperate, it is more likely to be stuck in an equilibrium in which individuals have no opportunity to find out that their beliefs are wrong.

<sup>12</sup> van Someren Greve (2014) discusses feasibility and fairness from a different perspective, namely whether or not it can be unfair to be required to do something one cannot do, a claim which he rejects. What I am interested in is the question of fairness with regard to some doing their duty and other failing to do so.

this mechanism has taken place mostly in the realm of voluntary donations so far, one could imagine similar mechanisms that concern taxation. For example, individuals or companies might make public statements that they do not use mechanisms for tax evasion that build on loopholes in the tax systems of different countries. This might motivate others to follow their lead. Even if each individual case might only make a negligible contribution to making societies more just, they can contribute to a cultural shift that signals to other members of the society that they should also do their bit. More generally speaking, it seems promising to look for mechanisms that can shift the mutual beliefs about one another's self-interested motivations. This would keep the social norm of a fair distribution of burden in place, and yet make it possible to move out of the feasibility gridlock. For example, research about the multiple dimensions of human motivation and how it depends on social contexts could be spread much more widely. This could also have an effect on how individuals see themselves and others, and how willing they are to cooperate, which could shift the feasibility frontier for institutional reforms towards more justice.

## 7 Conclusion

In this paper, I have analysed problems of feasibility with regard to economic institutions. I have emphasized that while self-interest is at the core of the matter, feasibility can be impacted by coordination problems, which I describe as “feasibility gridlocks”, in which individuals are not willing to move beyond self-interested behaviour because they wrongly assume that everyone else is not willing to do so either. Overcoming such feasibility gridlocks has to do with shifts in mutual perceptions, with cultural norms, and an understanding of what is seen as “normal”. Whether such perceptions flow from institutions, or whether institutions depend on such perceptions—directly, or via feasibility constraints, as argued in this paper—is an eternal chicken-and-egg-question. But we do not have to decide this question in order to make progress; rather, we can try to work on whatever end seems more promising at a specific point in time. Given the predominance of economic ideology in many societies, it seems promising to try to change the perception that individuals are exclusively motivated by self-interest, in order to increase the willingness to cooperate, and hence to shift the feasibility frontier.

It is, of course, a large and complex question *how* such perceptions can be changed. But it seems plausible to think that theorists play a certain role in shaping them. Hence, they also have a responsibility to proceed with care when it comes to the communication of their ideas. While it would maybe go too far to put all blame for the spread of economic ideology on academic economists, it seems undeniable that they played a role in creating a cultural climate in which individuals understand themselves and others as self-interested, and hence in which the feasibility frontier for institutional change is narrower than it would have to be. This is all the more deplorable given that this picture of human nature is simply wrong. With regard to economic ideology, political theorists and social activists can thus kill two birds with one stone: they can dispense with wrong beliefs, and they can help to shift the feasibility frontier for more egalitarian institutions, by making clear to individuals that others might also be willing to do their bit in the struggle for justice.<sup>13</sup>

<sup>13</sup> I would like to thank Andrew Walton and audiences at the University of Tilburg and the University of Zurich, as well as two reviewers of *Ethical Theory and Moral Practice*, for their helpful questions and comments.

## References

- Brennan G, Pettit P (2005) The feasibility issue. In: Jackson F, Smith M (eds) Oxford handbook to contemporary philosophy. Oxford University Press, Oxford, pp 258–297
- Carens JH (1981) Equality, moral incentives, and the market. University of Chicago Press, Chicago
- Ciepley D (2013) Beyond public and private: toward a political theory of the corporation. *Am Polit Sci Rev* 107(1):139–158
- Cohen J (2001) Taking people as they are? *Philos Public Aff* 30(4):363–386
- Cohen GA (2003) Facts and principles. *Philos Public Aff* 31(3):211–245
- Cunningham F (2005) Market economies and market societies. *J Soc Philos* 36(2):129–142
- Easterlin RA (1974) Does economic growth improve the human lot? Some empirical evidence. In: David PA, Reder MW (eds) Nations and households in economic growth: essays in honor of Moses Abramovitz. Academic, New York, pp 89–125
- Estlund D (2011) Human nature and the limits (if any) of political philosophy. *Philos Public Aff* 39(3):207–237
- Estlund D (2014) Utopophobia. *Philos Public Aff* 42(2):113–134
- Fehr E, Fischbacher U, Gächter S (2001) Are people conditionally cooperative? Evidence from a public goods experiment. *Econ Lett* 71(3):397–404
- Feldstein M (1995) The effect of marginal tax rates on taxable income. *J Polit Econ* 103:551–572
- Frank R, Gilovich T, Regan DT (1993) Does studying economics inhibit cooperation. *J Econ Perspect* 7(2):159–171
- Geuss R (2008) Philosophy and real politics. Princeton University Press, Princeton
- Gheaus A (2013) The feasibility constraint on the concept of justice. *Philos Q* 63(252):445–464
- Gilbert P (2009) The feasibility of basic socioeconomic human rights: a conceptual exploration. *Philos Q* 59(237):659–681
- Gilbert P (2012) Comparative assessments of justice, political feasibility, and ideal theory. *Ethical Theory Moral Pract* 15(1):39–56
- Gilbert P, Lawford-Smith H (2012) Political feasibility. A conceptual exploration. *Polit Stud* 60(4):809–825
- Herzog L (2012) Ideal and non-ideal theory and the problem of knowledge. *J Appl Philos* 29(4):271–288
- Hungerford TL (2013) Corporate tax rates and economic growth since 1947. Economic Policy Institute Issue Brief #364, available at <http://www.epi.org/publication/ib364-corporate-tax-rates-and-economic-growth/>
- Lawford-Smith H (2013a) Understanding political feasibility. *J Polit Philos* 21(3):243–259
- Lawford-Smith H (2013b) The feasibility of collectives' actions. *Australas J Philos* 90(3):453–467
- Lieberman V, Samuels SM, Ross L (2004) The name of the game: predictive power of reputations versus situational labels in determining prisoner's dilemma game moves. *Personal Soc Psychol Bull* 30(9):1175–1185
- Miller D (1999) Principles of social justice. Harvard University Press, Cambridge
- Murphy LB (2003) Moral demands in nonideal theory. Oxford University Press, Oxford
- Murphy LB, Nagel T (2002) The myth of ownership: taxes and justice. Oxford University Press, New York
- Pink D (2009) Drive: the surprising truth about what motivates us. Penguin, New York
- Polanyi K (1944) The great transformation. Beacon, New York
- Räikkä J (1998) The feasibility condition in political theory. *J Polit Philos* 6(1):27–40
- Rawls J (1982) Social unity and primary goods. In: Sen A, Williams B (eds) Utilitarianism and beyond. Cambridge University Press, Cambridge, pp 159–185
- Ricardo D (1821) On the principles of political economy and taxation. John Murray, London
- Roemer J (2012) Ideology, social ethos, and the financial crisis. *J Ethics* 16:273–303
- Rousseau JJ [1762] Second discourse. In The discourses and other early political writings. Cambridge University Press, Cambridge
- Sen A (2008) What do we want from a theory of justice? *J Philos* 103:215–238
- Slemrod J, Bakija J (2000) Taxing ourselves, 2nd edn. MIT Press, Cambridge
- Taylor C (1985) Self-interpreting animals. In: Philosophy and the Human Sciences. Philosophical Papers II. Cambridge University Press, Cambridge, pp 45–76
- Valentini L (2012) Ideal vs. nonideal theory: a conceptual map. *Philos Compass* 7(9):654–664
- Van Someren Greve R (2014) 'Ought', 'can', and fairness. *Ethical Theory Moral Pract* 7(4):433–451
- Verhaege P (2014) What about me? The struggle for identity in a market-based society. Scribe Publications, London
- von Hayek FA (1945) The use of knowledge in society. *Am Econ Rev* 35:519–530
- Wiens D (2012) Prescribing institutions without ideal theory. *J Polit Philos* 20(1):45–70
- Wiens D (2013) Demands of justice, feasible alternatives, and the need for causal analysis. *Ethical Theory Moral Pract* 16(2):325–338
- Wiens D (2014) Going evaluative' to save justice from feasibility—a pyrrhic victory. *Philos Q* 64(255):301–307

Copyright of Ethical Theory & Moral Practice is the property of Springer Science & Business Media B.V. and its content may not be copied or emailed to multiple sites or posted to a listserv without the copyright holder's express written permission. However, users may print, download, or email articles for individual use.