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WHY EXACTLY IS COMMITMENT IMPORTANT FOR RATIONALITY?[1]

Amartya Sen
Harvard University

1.

The idea of rational choice must be founded, in one way or another, on the basic requirement that choices be based on reason. But the interpretation of how reason is to be used can vary so radically between different formulations of rationality that there is frequently very little in common between the different uses of the idea of rational choice. There are differences over the *domain* of reason: for example, whether it should apply only to the selection of alternatives *given* one's preferences over the alternatives, or also be used in the determination of the preferences themselves. Within each domain, there can be diversities in the way reason may be used, for example, whether reasoning can lead to some allowance being made for the preferences of others in addition to reflecting one's own preferences in choosing over the alternatives. These and other possible variations lead to quite different interpretations of the demands of rational choice.

In what is called ''rational choice theory'' (a misleading name, since it takes such a puny view of reason and rationality), the focus is on characterizing rationality of choice as maximization of self-interest.[2] The incorporation of one's ''self'' in reasoned choices can be a very difficult issue, since considerations of one's own ''self'' may enter the calculations involved in quite different ways (not merely in terms of what can be seen as one's own ''interest''). In an earlier paper, published in 1985, I used a distinction between three different ways in which the self may be central to

[1] Paper presented at a Workshop on Rationality and Commitment at the University of St. Gallen, May 13–15, 2004.

[2] For wide-ranging critiques of this approach from different perspectives, see Anderson (1993), Zamagni (1995), Hausman and McPherson (1996), Ben-Ner and Putterman (1998).

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one's preferences and choices: (1) ''self-centered welfare''; (2) ''self-welfare goal''; and (3) ''self-goal choice.''[3]

> *Self-centered welfare*: A person's welfare depends only on his or her own consumption, which rules out sympathy or antipathy toward others, as well as the effects of processes and relational concerns on one's own welfare.
>
> *Self-welfare goal*: A person's only goal is to maximize his or her own welfare, which rules out incorporating within one's own objectives other considerations (such as the welfare of others), *except to the extent that it influences the person's own welfare*.
>
> *Self-goal choice*: A person's choices must be based on the pursuit of his or her own goals, which rules out being restrained by the recognition of other people's goals, *except to the extent that these goals shape the person's own goals*.

All three requirements are in fact imposed in the traditional models of rational behavior (for example, those in the ''general equilibrium theory'' of Arrow and Debreu).[4] For example, a person whose own welfare is influenced by the misery of others, because of his sympathy for them, certainly does violate the condition of ''self-centered welfare,'' but this fact tells us nothing about whether the person's goals will directly include considerations other than his or her own welfare (thereby violating the self-welfare goal), or whether the person's choices will depart at all from being based in each case on the pursuit of his or her own goals (thereby violating the self-goal choice).

Or, to take another type of case, a person's goal may include objectives other than maximization of her own welfare, for example, pursuit of her concept of social justice and, while this may violate the axiom of self-welfare goal, it would leave open the question of adherence to self-centered welfare and that of self-goal choice. Similarly, a person's choice behavior may be constrained or influenced by the goals of others, or by rules of conduct (for reasons that Immanuel Kant and Adam Smith discussed so well), thereby violating self-goal choice, but this need not, on its own, entail any violation of self-centered welfare or self-welfare goal. The influences may work on the person's conduct, which may be based on the deeply social recognition that there are other people in the society who also are trying to pursue their own goals (and that they should be treated fairly). But this influence on considerate behavior may not require that the person modifies his own goals correspondingly – it is a question of how to *act* given one's own priorities and the manifest priorities of others.

In a still earlier paper, called ''Rational Fools,'' I tried to explore a distinction between ''sympathy'' and ''commitment'' as possible

[3] Sen (1985). On related issues, see also Frey (1992).
[4] See Arrow (1951), Debreu (1959).

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foundations for other-regarding behavior.[5] Sympathy (including antipathy when it is negative) refers to ''one person's welfare being affected by the position of others'' (e.g., feeling depressed at the sight of misery of others), whereas ''commitment'' is ''concerned with breaking the tight link between individual welfare (with or without sympathy) and the choice of action (for example, being committed to help remove some misery even though one personally does not suffer from it).''[6]

In this interpretation, sympathy violates self-centered welfare, but not necessarily the other two requirements. Commitment, on the other hand, need not involve a violation of self-centered welfare, but can take the form of modifying the person's goals, which can include effects on others beyond the extent to which these effects influence her own welfare (thereby violating self-welfare goal). It can also alter the person's reasoned choice through a recognition of other people's goals beyond the extent to which other people's goals get incorporated within one's own goals (thereby violating self-goal choice).

In the important advance made by Gary Becker on the characterization of rational choice, he seized the bull by the horn so far as ''self-centered welfare'' is concerned.[7] But he left the two other bulls of ''self-welfare goal'' and ''self-goal choice'' freely roaming the fields without being noticed in the reasoning of the rational agent, and without their getting much attention from Becker himself. The Beckerian utility function that the person maximizes can, therefore, be seen *both* as the person's maximand in reasoned choice and as a representation of the person's own self-interest (rather than some commitment to go, if necessary, against one's self-interest). That congruence is quite important for many of the extensive results of the analysis that Becker pursues powerfully.

No one, I believe, has done more than Gary Becker – one of the major gurus of the discipline of rational choice theory – in marrying that approach with utility functions that do admit concern for others, accommodating *within* the concept of self-interest our many non-self-centered concerns. But this does not take any note of the reasons that may lead a person to have different goals from what she sees as her own welfare, or to choose behavior and conduct that go beyond pursuing her own goals (making practical reasoning take note of the goals of others).

In their illuminating critique of rational choice theory, Jolls, Sunstein, and Thaler also stick largely to accommodating non-self-centered welfare, rather than trying to take fuller notice of the other two departures.[8] Jolls,

[5] Sen (1977).
[6] *Choice, Welfare and Measurement* (1982: 7–8).
[7] Becker (1976, 1996). See also his (1981).
[8] Jolls *et al.* (1998). I have discussed their critique in the introductory essay to *Rationality and Freedom*, Sen (2002).

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Sunstein, and Thaler would like to go further along the path of reducing the self-centered characterization of self-interest, and the extensions they suggest have conceptual plausibility and explanatory value. But they are not any more hostile to the basic congruence of a person's own welfare (with sympathies and antipathies taken into account) and the maximand she uses for her choices. The critique that Jolls, Sunstein, and Thaler present is, thus, an important contribution to the debate ''within'' the basic conception of rationality as formulated in on-going rational choice theory.

To go beyond that, we do need to take note of the possibility of committed behavior, so that conduct may not be congruent with the relentless pursuit of one's own goals, and in particular one's own welfare (no matter how broadly it is characterized). That is the first answer to the question in the title of this talk: why is commitment important for rationality? If committed behavior is ruled out, then the reasoning that can go into the determination of choices would be correspondingly impaired. That would hardly be the way to give reason its due in the idea of rationality in general and rational choice in particular.

2.

A second reason for the importance of taking note of commitment is that it can help to explain many patterns of behavior that we actually observe which are hard to fit into the narrow format of contemporary rational choice theory.[9] In understanding the relevance of this question, we have to take into account the fact that the idea of rationality is used in economics – and increasingly in the other social sciences too – for two quite distinct purposes, representing two quite different motivations. The *direct* motivation is to understand what form – or forms – reasoned behavior can take. What makes one choice rational and not another? The *indirect* motivation, in contrast, is concerned with the description and prediction of *actual* behavior. The programme here is that of understanding, explaining, and prognosticating actual behavior by characterizing, first, rational behavior, and *then* assuming that actual behavior will coincide with rational behavior.

I have already discussed why taking note of commitment may be quite important for the first purpose. It is also important for the second. Indeed, the two purposes are closely linked, especially because the indirect interest cannot but be, in some sense, parasitic on the direct interest. If you cannot characterize rational behavior well, you cannot make good use of that characterization to predict actual behavior, if the strategy is to assume

[9] On the difficulties of using standard and unmodified rational choice theory for behavioral explanation, see the pioneering work of George A. Akerlof, in his (1984).

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rationality to make actual behavior more tractable. I should, however, note in passing that whereas the indirect interest is contingent on the first, the first (direct) interest may or may not be married to any program of predicting actual behavior. A theorist of rational choice can be content with analyzing what rationality requires (even perhaps advising how to behave rationally), without presuming that people actually act – always *or* even by and large – according to the dictates of rationality.

This elementary point is worth noting straightaway, since the indirect use of rational choice as a method of getting at prediction of actual behavior has been so pervasive in some schools of economic, political, and legal thinking that the direct interest in understanding the nature of rational choice may have, to some extent, been rather overshadowed or clouded. It is, thus, important to remind ourselves that we can be interested in what rational choice requires without wanting to presume that this will tell us how people standardly behave.[10] It is also crucial to note that a presumption that people behave rationally does not – and cannot – easily lead to a particular theory of actual choice until the very substantial debates on the nature of rationality of behavior have been adequately addressed.

There are many empirical studies that indicate that committed behavior has its actual domain. That demonstration has tended to come from many cases of experimental games, but even in the world of actual practice, such as work motivation and environment-sensitive conduct, commitment helps to explain many cases that would be hard to fit within the narrow limits of self-welfare goal combined with self-goal choice.

There is also considerable evidence that the view that is taken of work responsibilities varies greatly from one society to another. These comparisons, which are mainly cross-sectional, can be supplemented by evidence of intertemporal change as a result of movements of social tradition – an old subject that received much attention from Marx, Tawney, and Weber, among many others. Social traditions can indeed be relevant in the formation of objective functions as well as in the specification of action ethics. There has also been much discussion over the last few decades on the extent of committed behavior in Japanese industrial production.[11] These theories include alternative attempts at explaining why, as *The Wall Street Journal* put it (stretching a point somewhat), Japan is ''the only communist nation that works.''[12]

One of the observed phenomena in behavioral norms is the tendency to imitate others, much commented on recently in the context of reasons

[10] Among the many contributions made by the far-reaching empirical studies of Daniel Kahneman, P. Slovic, and Amos Tversky are their analyses of the observed departures of actual behavior from the demands of rational behavior. See Kahneman *et al.* (1982).

[11] See Morishima (1982), Dore (1987), Aoki (1989), Ikegami (1995).

[12] *The Wall Street Journal*, 30 January 1989, on page 1.

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offered for the pursuit of corrupt activities in business and politics in Italy: "I was not alone in doing it." The reasoning underlying such behavioral response points to the need to bring in the influence of established norms of behavior in explaining what actions will or will not be chosen, and it is clear from the discussions presented to the Anti-Mafia Commission in Italy that many businessmen felt that they had to depart from their commitment to business ethics, since others – their competitors – were already doing that and they could not be matched without a similar eschewal of business ethics.[13]

One can consider also many other examples, but the basic point is that commitment is not only important for characterizing the demands of rationality, but also for explaining behavioral variations between different societies and over time. The admission of committed behavior within a theory of rationality, not only enriches our conceptual understanding of rationality, but also helps us to understand actual behavior better, through taking note of the varying role of commitment in different social circumstances.

3.

I turn finally to ethics and morality. It is easy enough to see that ethics is somehow mixed up with the idea of commitment, even though departures of the committed kind may also come from sheer force of habit. The belief that we, as free and rational agents, are capable of going *beyond* the exclusive pursuit of our respective well-being was strongly asserted by classical authors such as Adam Smith. Smith, in particular, distinguished actions motivated by "prudence" (taking into account indirect as well as direct advantages) from those influenced by "sympathy," "generosity," and "public spirit," to each of which he gave a distinct and differentiated role.[14] The possibility of such ethical motivation was explicitly accepted also by the pioneers of utility theory in economics (such as Mill, Jevons, Edgeworth, and Marshall), though this issue is rarely addressed in modern economic theory.

To use a medieval distinction, we are not only "patients" whose needs demand attention, but also "agents" whose freedom to decide what to value and how to pursue what we value can extend far beyond the fulfilment of their needs. A fuller understanding of this issue can, for example, help us to understand better the role of environmental priorities that we recommend or follow.

[13] See Camera dei deputati (1993). In the process of allegedly advising the Commission, I learned much more than any enlightenment I could have offered to those fine Italian analysts, led by Senator Violante.

[14] See Smith (1790: 187–93, that is, IV.2).

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To illustrate, consider our sense of responsibility toward the future of other species, not merely *because* – nor only to the *extent* that – the presence of these species enhances our own living standards. For example, a person may judge that we ought to do what we can to ensure the preservation of some threatened animal species, say, spotted owls of some specific kind. There would be no contradiction if the person were to say: ''Our living standards would be largely – or completely – unaffected by the presence or absence of spotted owls, but I do strongly believe that we should not let those owls become extinct, for reasons that have nothing much to do with human living standards (not to mention my own living standards).''

If such reasoning is permitted within the bounds of rational ethics, as I believe it must be, it has implications for many practical issues, such as the characterization of ''sustainable development.''[15] The need for concerted action for ''our common future'' was powerfully outlined about a decade and a half ago in a pioneering manifesto, prepared by the World Commission on Environment and Development, led by Gro Brundtland (formerly the prime minister of Norway and later the director general of the World Health Organization (WHO)).[16] The Brundtland Report defined sustainable development as meeting ''the needs of the present without compromising the ability of future generations to meet their own needs.''

Brundtland's concept of sustainability has been further refined and elegantly extended by one of the foremost economists of our time, Robert Solow, in a monograph called *An almost practical step toward sustainability*, published a little over a decade ago.[17] Solow's formulation sees sustainability as the requirement that the next generation must be left with ''whatever it takes to achieve a standard of living at least as good as our own and to look after their next generation similarly''. The Solow formulation of sustainability has several attractive features. First, by focusing on sustaining living standards (seen as providing the motivation for environmental preservation), Solow gives more concreteness to Brundtland's concentration on the fulfilment of needs. Second, in Solow's neatly recursive formulation, the interests of all the future generations receive attention through provisions to be made by each generation for its successor. The generational coverage is, thus, comprehensive.

But does the Solow reformulation of Brundtland's idea of sustainability incorporate an adequately broad view of humanity? While the concentration on maintaining living standards has some clear merits (there is something deeply appealing in Solow's formula about trying to make sure that the future generations can ''achieve a standard of living at least as good as our own''), it can still be asked whether the coverage of living

[15] These implications I have tried to discuss elsewhere: see my (2004).
[16] World Commission on Environment and Development (1987).
[17] Solow (1992).

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standards is adequately inclusive. In particular, sustaining living standards is not the same thing as sustaining people's freedom to have – or safeguard – what they value and to which they have reason to attach importance. Our reason for valuing particular opportunities need not always lie in their contribution to our living standards.

Sustainable development has become the ruling theme in much of the environmental literature. The idea has also inspired some significant international protocols for concerted action, for example reducing harmful emissions and other sources of planetary pollution. This is a great achievement, even though it is in danger of some neglect right now given the evident lack of interest of the Bush Administration in the United States in these priorities even in already accepted obligations. Despite the adversities, the idea of sustainable development is here to stay, and will continue to be used in the future. It is, therefore, particularly important to make the concept do justice to the reach of reasoning involving commitment as well as sympathy.

Gautama Buddha used an analogy to make a point that has a direct bearing on the distinction involved. He argued in *Sutta Nipata* that since we are enormously more powerful than the other species, we have some responsibility toward other species that links with this asymmetry of power. Buddha went on to illustrate the point by an analogy with the responsibility of the mother toward her child, not because she has given birth to the child (that connection is not invoked in this particular argument – there is room for it elsewhere), but because she can do things to influence the child's life, positively or negatively, that the child itself cannot do. The reason for looking after the children, in this line of reasoning, is not our own standard of living (even though that too will almost certainly be affected), but the responsibility we should acknowledge precisely because of our power. We can have many reasons for our conservational efforts – not all of which are parasitic on our own living standards and some of which turn precisely on our sense of values and of fiduciary responsibility.[18]

The role of commitment in the ethics of behavior can be investigated in nearly every field of practical reason. The illustration with environmental reasoning and conduct is only one example. The importance of understanding the role of commitment in rationality applies to all behavioral ethics in general, as it does also to the conceptual clarification of the very idea of rationality and the investigation of its implication for predicting behavior and actions. There might be some answer in all this, I would submit, to the question asked in the title of the paper.

[18] How rational choice can take full note of fiduciary responsibility, along with other features of committed behavior, is analyzed in my (1997).

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