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## The Moral Dimension: Toward a New Economics

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**The Moral Dimension: Toward a New Economics**, by Amitai Etzioni. New York: The Free Press, 1988. 300 pp.

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I came to Iowa State University more than twenty-five years ago. My employment was with the Department of Economics and Sociology. Soon the department was split into two: economics became one department and sociology another. The assumption was that economics and sociology are sufficiently diverse to stand apart, and there were administrative and professional merits to the idea of separate university units. Amitai Etzioni, in a brilliant, in-depth analysis in *The Moral Dimension*, shows that sociology and social-psychological insights, analysis, and integration add many dimensions to long-held assumptions made by economists about human and social behavior. Sociological analysis does belong with economics.

Insofar as economists are prime societal players, with influence on business and political leaders, their assumptions and world views do matter because there are consequences when those assumptions are translated into behavior and policy. Professor Etzioni critically analyzes the assumptions favored in economics. He shows again and again that economic theory and practice have much to gain when balanced with broader reflection and research. He offers an astonishing variety of research findings and insights that bring flavor and excitement to what some still see as the "dismal science."

Professor Etzioni honors his former teacher, philosopher Martin Buber, by adding a moral dimension to decision making and social behavior, showing how the moral dimension interacts with the rational decision-making models favored by the neoclassical view in economics. He shows how the model of self interest in neoclassical economic thought—what Etzioni calls the "I"—in reality is combined with social and moral influences—what he calls the "we." This reminds me of Buber's "I and Thou."

Etzioni gives many examples of the ways in which irrational, emotional factors impinge on the supposedly rational decision making favored as the underpinning of much of economic theory: "Multi-millionaires work themselves to a frazzle to increase their income" (107). I add that some engage in practices that bring them to disaster when charged by regulatory agencies, all for money not needed for physical survival or even for the enjoyment of luxury which they already have in gross abundance. "Executives work for their families, destroying their family life in the process. Societies undermine their fabric in order to accelerate economic growth" (107). There is rationality here, but it "has been referred to as irrational rationality, or mad rationality" (107).

Herbert Simon offered the insight that people do not maximize (with full rationality) but they "satisfice." A person does not hunt for the exact needle lost in the haystack but grabs the first one found. Etzioni discusses satisficing. Business managers do not seem to maximize profit but seek to reach a certain level of aspiration, a specific share, called "satisficing." People also adjust goals "to what their decision-making can service. If the target is easy, aspirations rise; if difficult . . . they fall. . . ." If "economic policy-making cannot attain a 4 percent unemployment rate without inflation, rationalizations [but are they rational?] are advanced to explain why 7 percent is the proper goal, and immediately our policy-making capacity improves significantly" (116).

Research findings are presented in chapter 7 which show the cognitive factors that severely curb the logical thinking which much of economic theory, medicine, and science favor. Even scientists are biased, based on the subrational mentalities they share with the rest of the population. It is not so easy to maximize decisions and actions on a base of full information when our brains *require that we live in relative ignorance. Even a game of checkers requires* limited rationality because the number of choices of moves would take a computer an unbelievable number of years to calculate the possible options and resultant outcomes (117), while our game partners prod us, "So move already!" Compare what the real world presents to us for decision-making with the fact that we seem to be able to hold only some seven items (possibly as few as three) in immediate mental grasp (117). Pilots fly jet aircraft at five hundred miles per hour or more through the congested air space of New York City, Boston, and Chicago, people drive cars in New York City and San Francisco, leaders decide to retaliate against perceived enemies by bombing—all with brains strained to hold more than seven items in immediate grasp! So, we abstract pi complex flow of the world and build technical, social, political, ideological, and even scientific systems from our limits. At some point the abstractions become so real in our minds that they are seen to be the "whole world," and people are ready to defend and attack those who construct their world from other, different, abstractions. We all could use large doses of humility to temper our rush to judgment. Etzioni does have a short section on humility. Considering the extent of the problem, we could have benefited from a full chapter on the subject.

I wish to allow the author's own words to summarize the main thesis of his book:

Are men and women akin to single-minded, 'cold' calculators, each out to 'maximize' his or her own well-being? Are humans able to figure out rationally the most efficient way to realize their goals? Is society mainly a market place, in which self-serving individuals compete with one another—at work, in politics, and in courtship—

enhancing the general welfare in the process? Or do we typically seek to do both what is right *and* what is pleasurable, and find ourselves frequently in conflict when moral values and happiness are incompatible? Are we, first of all, 'normative-affective' beings, whose deliberations and decisions are deeply affected by our values and emotions? And to the extent that we rely on evidence and reason to choose our course, what techniques have been developed to help us proceed in view of our limited ability to know? What problems does the reliance on these techniques introduce, to add to our innate difficulties? Assuming human beings see themselves both as members of a community [we] and as self-seeking individuals [I], how are the lines drawn between the commitments to the commons and to one's self? . . . ' (ix).

We are now in the middle of a paradigmatic struggle. Challenged is the entrenched utilitarian, rationalistic-individualistic, neoclassical paradigm which is applied not merely to the economy but also, increasingly, to the full array of social relations, from crime to family. One main challenger is a social-conservative paradigm that sees individuals as morally deficient and often irrational, hence requiring a strong authority to control their impulses, direct their endeavors, and maintain order. Out of the dialogue between these two paradigms, a third position arises, which is advanced in this volume. It sees individuals as able to act rationally and on their own, advancing their self or 'I', but their ability to do so is deeply affected by how well they are anchored within a sound community and sustained by a firm moral and emotive personal underpinning—a community they perceive as theirs, as a 'We,' rather than as an imposed, restrained 'they' (ix-x).

This book has great implications for clinical sociology. Different assumptions about human behavior lead to different interventions. Education is often offered as a solution to personal and social problems. If we educate people to be more rational about their interests they will not fight, take drugs, abuse others, or even drop out of school. Yes, rationality, "the facts," appeals to self-interest, and education, do work—and fail, too. People are educated but may still engage in destructive behavior. Some educators do the same. Is more rationalistic authority the solution? How much more? Some destructive behavior is a response to rational authority.

Harold Garfinkel, in his *Studies in Ethnomethodology* (1967), shows the anger and resistance of people when the assumptions behind their constructed reality systems are questioned. I add that it is common in families when budding ethnomethodologists called "children" question, "Why?" "Why is \_\_\_\_\_?"

Parent: "Because \_\_\_\_." Child: "But why \_\_\_\_?" Several rounds of this often leads the parent to anger: "Stop asking silly questions!" In the same way, Etzioni's persistent questioning of the "whys" behind human behavior and the assumptions of logical thinkers and economists might lead some readers to anger. It is a common fate of children and critical thinkers to "make" people angry. Actually, such angry people make themselves angry.

It is my opinion that Etzioni has written a very special book.

**Focus Groups: A Practical Guide for Applied Research,**  
by Richard A. Krueger

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The term "focus group" has become a household word in recent years, as researchers study values, attitudes, product preferences, political leanings, and other reactions to a complex society through controlled, guided, small group discussions focused on a particular topic. The current popularity of focus groups in the public and private sectors suggests a recent invention. Yet, focus groups were promulgated as a viable research technique in the classic sociological work, *The Focused Interview* (1956), by Robert K. Merton, Marjorie Fiske, and Patricia L. Kendall.

As a form of qualitative research, the focus group is a good example of a sociological method that has been adopted in the corporate world and in applied settings. The focus group uses standard principles of group dynamics and relies on orthodox principles of research design to achieve legitimacy and validity. Conducting focus groups is an ideal opportunity for sociologists to practice their profession and to make data-driven recommendations for political, social, economic, and consumer change.

As Richard Krueger points out in *Focus Groups*, they are appropriate for gathering in-depth information from past, current, or potential consumers, program participants, voters, organization members, etc. Focus groups tap the subjective world of respondents (their perceived needs, interests, concerns) rather than the objective world of measured behavior. Focus groups can also be used as heuristic devices prior to staging larger-scale quantitative research projects; they can also be used in concert with quantitative methods, or as a way of helping explain findings from a survey or poll. Focus groups enable us to see not only what people think, but how they think.

Uses of the focus group are virtually unlimited. Krueger cites the case of a movie studio "that has received numerous awards and quintupled profits in five years [by using] focus groups to test audience reactions to possible endings for