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When Self-Interest Isn't Everything

By ROBERT H. FRANK

TRADITIONAL economic models assume that people are self-interested in the narrow sense. If “homo economicus” — the stereotypical rational actor in these models — finds a wallet on the sidewalk, he keeps the cash inside. He doesn't leave tips after dining in restaurants that he will never visit again. And he would never vote in a presidential election, much less make an anonymous donation of money or time to a presidential campaign.



This posture stems from the so-called free-rider problem, a cornerstone of rational-choice theory. The problem, as described by Mancur Olson in his classic book, “The Logic of Collective Action,” is that even those who share a

presidential candidate's policy goals will reap no significant material advantage by donating their time or money. After all, with cash donations legally capped at \$2,300, even donors who give the maximum have no realistic hope of influencing an election's outcome. Nor can any individual volunteer — even one whose efforts resulted in hundreds of additional votes for his candidate — realistically hope to tip an election.

Although the logic of the free-rider problem may seem compelling, people's behavior strikingly contradicts many of its predictions. Last month alone, for example, the presidential campaign of Senator [Barack Obama](#) raised over \$32 million from more than 250,000 individual donors and sent huge numbers of volunteers into the field. (Disclosure: I'm an Obama contributor myself.) Other campaigns have benefited in similar, if less spectacular, ways from their supporters' willingness to set narrow self-interest to one side.

Die-hard proponents of self-interest models sometimes counter that by becoming involved in campaigns, volunteers reap a variety of personal advantages. They often meet interesting people, for example, or they may learn about attractive employment opportunities. Major donors, for their part, are often rewarded with ambassadorships or other prominent positions when their candidate wins.

Fair points, especially when applied to “bundlers” — those donors who assemble contributions totaling hundreds of thousands of dollars from friends and associates. But what about the millions of others who make small cash donations? The elderly South Carolina woman who sent her chosen candidate a money order for \$3.01 surely did not expect to be appointed ambassador to the Court of St. James next January. And what about the volunteers who staff phone banks from home, or who perform other tasks that offer little opportunity for social interaction?

When viewed through the lens of traditional self-interest models, such behavior is equivalent to the impossible geological phenomenon of rivers flowing uphill. It often seems to entail a yearning to participate in something larger than oneself and is by no means limited to the political domain. Fans of sports teams, for example, often seem oblivious to the standard cost-benefit calculations, as do the followers of certain rock bands.

Researchers at the intersection of economics, psychology, sociology and other disciplines have had interesting things to say about the anomaly inherent in collective action. Albert O. Hirschman, an economist at the Institute for Advanced Study at Princeton, was one of the first to grapple seriously with it. In his 1982 book “Shifting Involvements,” he acknowledges that self-interest indeed appears to be the

dominant human motive in some eras. But over time, he argues, many people begin to experience disappointment as they continue to accumulate material goods. When consumption standards escalate, people must work harder just to hold their place. Stress levels rise. People become less willing to devote resources to the public sphere, which begins to deteriorate. Against this backdrop, disenchanted consumers become increasingly receptive to appeals from the organizers of social movements.

Eventually, Mr. Hirschman argues, a tipping point is reached. In growing numbers, people peel away from their private rat race to devote energy to collective goals. The free-rider problem ceases to inhibit them, not only because they now assign less value to private consumption, but also because they find satisfaction in the very act of contributing to the common good. Activities viewed as costs by self-interest models are thus seen as benefits instead.

In Mr. Hirschman's account, a similar dynamic governs the pursuit of collective action. Although social movements often command substantial allegiance for many years, at some point their supporters' commitment begins to falter. One reason for this, perhaps, is that the bar that defines morally praiseworthy behavior shifts with context: when growing numbers of people actively dedicate themselves to the pursuit of civic virtue, it becomes harder to earn moral

approval by volunteering. When some discouraged volunteers abandon the social movement to resume pursuing private accumulation, remaining adherents feel increasing pressure to do likewise. And at that point the cycle is set to repeat.

From an informal survey of 20th-century American social movements, Mr. Hirschman concluded that these cycles have an average duration of about 20 years. But sometimes patterns take much longer to recur.

Many people have likened the response to Mr. Obama's appeal for civic engagement to the response to similar appeals by President [John F. Kennedy](#) during the 1960s. Then, as now, many economists were skeptical. The Nobel laureate [Milton Friedman](#), for example, began the opening chapter of his 1962 book, "Capitalism and Freedom," by quoting the already-famous passage from Kennedy's inaugural address in which he said, "Ask not what your country can do for you, ask what you can do for your country." Mr. Friedman seemed to find the statement unintelligible, or at any rate not "worthy of the ideals of free men in a free society."

"The free man," he wrote, "will ask neither what his country can do for him, nor what he can do for his country."

SOME economists seem similarly baffled by the exuberance

inspired by the Obama candidacy. But while homo economicus may be unresponsive to calls for sacrifice for the common good, the plain fact is that many people find such calls compelling.

Self-interest is surely an important human motive, perhaps even the most important motive much of the time. But it is never the only important motive. And during at least some moments in history, narrow self-interest models miss the essential story line completely. This may be one of those moments.

Robert H. Frank is an economist at the Johnson School of Management at Cornell University. E-mail: rhfrank@nytimes.com.