THE ECONOMY OF TOKENS

being Chapter Four of
A GENERAL THEORY OF VALUE

The first three chapters of this book have taken us from the concepts of information, complexity, and organization, through some of the workings of biological and cultural evolution, to an abstract theory about why certain things and events have value. Positively valued things and events are "positive" because they rehearse or promote the overall trajectory of the evolution of life on earth, which is towards greater complexity-and-organization, Ω, and more life. Negatively valued events do the opposite: they decrease Ω, halting or reversing life's progress. I then presented a selection of evidence to support this basic idea.

Although I provided examples (where I could) from nature and from everyday experience, we now stand at a gateway. All the equations, all the abstractions, and all the claims linking the stars to earthworms and eyeblinks to the stock market come together in this chapter—or rather, collapse in this chapter, in order to open out again onto human life, its trading and striving, its joys and disappointments, its questions of valuation, justice, progress, and goodness. The theory encapsulated by "$V = \Delta\Omega$" begins to bear more recognizable fruit. Or so I hope to show.

In purely human terms, I will argue, value has to do with satisfying needs—"needs" being understood in a certain way. And so I begin with a discussion of the nature of human needs, turning to the psychologist Abraham Maslow for a beginning structure. I then hypothesize—or rather, point out—the existence of a system of production, exchange, and consumption not of material goods or labor services as we typically know them, but of *tokens*, which are social-psychological goods that consist almost entirely of information. Tokens, I will say, satisfy our psychological needs. How well they do so has everything do with the evolvedness of the society in which they are devised and traded. Enter Ω, complexity-and-organization, whose aim is self-increase. From looking at the world in this way, we are able to consider fresh interpretations of the nature of happiness, of nobility, of love, of promises and threats, of personal growth, of "the social contract"—in other words, of what *economics*, which once called itself the science of value, is *really* about. Many themes are addressed too briefly. But when they are, it is usually in prologue to their more detailed investigation in later chapters.

This chapter, then, is a pivotal one.

Abraham Maslow and the hierarchy of needs.

Psychologist Abraham Maslow's *Motivation and Personality* appeared in 1954. Based on work he had been doing since the late 1930s, it defined what soon became known as "humanistic" or "value" psychology. By the 1970s Maslow's ideas had become widely adopted in psychotherapeutic and educational circles, if not as a formal therapeutic method then at least as a pervasive secular perspective on human nature and human potential.[i]

The armature upon which Maslow's theory turns is the idea of a human as a *gratification-seeking* animal, one with a certain, finite number of identifiable, pan-human *needs*. These needs arise in a rough and yet predictable succession: when one need is satisfied, a next and "higher" need emerges to take its place.[ii] As a person matures in a sufficiently rich physical and social environment, higher and higher needs come forward, are addressed, and are satisfied until, at some apex, the person is both perfectly happy internally and a shining example of fully realized humanity to others. Stunted growth, chronic unhappiness, and a whole panoply of behavioral pathologies arise from the frustrations, fixations, and misunderstandings that accompany failed attempts to satisfy needs in the right order.

Maslow's scheme is an elegant one, and one does not have to look hard to see its connection to the theory of evolution: the concepts of emergence, succession, and maturity—of higher forms of life in some value-laden sense "exceeding" lower forms of life—here played out within the individual human psyche and within an individual human lifespan.

For psychotherapists anyway, Maslow's ideas also seemed to clear a path through the intellectual thicket that had grown up around Freud's theory of personality, with its burgeoning medical etiology and ever-darker, ever-more-circuitous explanations of human behavior in terms of self-delusion, hidden realms of the mind, sexuality, "drives," and childhood trauma. And by granting to people what they so obviously had—an interior life, long term goals and a valuating consciousness—Maslow also avoided the sterility of John Watson's and B. F Skinner's behavioralism, a popular movement during the 1940s and '50s. Maslow wanted to treat the person holistically, as a complete human being, rather than as a set of complaints or dysfunctions that could be separated and targeted for treatment. Maslow also believed that psychotherapy had more to learn from studying happy, fulfilled, and creative people than it did from studying unhappy and troubled ones, i.e. those who typically became doctor's patients. By turning attention from the pathological to the functional personality, Maslow once again avoided both the medical and the reductive behavioralist models.

Instrumental to Maslow's accomplishment was the particular naming and hierarchical *ordering* of basic needs he identified. Building upon centuries, indeed millennia, of common sense about such matters, Maslow distinguished two lower needs ("physiological" and "safety" needs) and two higher needs ("esteem" and "self-actualization"), and placed a dominantly social need (for "love and belongingness") in the middle. Five needs in all. Moreover, he observed, the relatively lower needs are intrinsically "pre-potent" over the relatively higher ones: when left unsatisfied they command our attention more strongly than the others and dominate our behavior. Only when our lower needs are substantially satisfied do they fall dormant, as it were, recede, and permit us to move on to "higher things."[iii] But let the conditions of the continuing satisfaction of the lower needs be challenged, and they elbow their way to the forefront of consciousness again. Thus a student might lose the desire to study just as soon as he gets hungry or his girlfriend calls, while a person whose job is threatened will either "play it safe" and not undertake risky, new projects, or do quite the opposite, out of desperation. Similarly, when relationships based on esteem begin to fail, issues of authority and duty will come to the fore. Art is rarely produced on a battlefront, nor can education proceed when there are guns in the classroom. And so on. We will look more closely at these needs and their interaction shortly.

"Value" and "values"

The word "value" itself has an etymology that begins in eighteenth-century political philosophy as a cognate to the word *worth*, understood economically: the value of an object was its worth in some economic context.[iv] Over time, value came to be seen as a common property not only of "goods" in the narrow economic sense, but of all constant, positive, human possessions, traits, virtues, and desires. By the twentieth century, "value" had fully entered sociological and psychotherapeutic discourse so that today we find it common parlance. People speak easily of family values, business values, ecological values, or simply of "having values," in the plural. What these unstudied phrases convey is the desirability of behaving in accordance with certain fundamental moral *principles* or of exemplifying a number of timeless *virtues*, or both.[v]

Now, there are far fewer moral principles (and virtues and values) than there are situations to which they apply—and this is to the good. Their relative paucity lends a vital efficiency to the task of making myriad day-to-day judgments about the good or right thing to do. But people also know that, as guides to behavior, moral principles (and virtues and values) often come into conflict with each other by advising courses of action that put dearly-held principles or virtues at odds with each other. Consider, for example, how the embryo's right to birth and maturation as a human being is set against the pregnant woman's right to decide for herself whether or not she will become a mother. Both rights seem worthy of honor. Similarly, duties to family and country often conflict, as do many equally-laudable virtues such as honesty and kindness, loyalty and freedom. When this happens, crises precipitate. Painful decisions must be made. Periods of paralysis can set in.

We tend to believe that in a better world—one in which, among other things, we would have a more evolved understanding of moral principles—neither pain nor paralysis would appear. We would all know and do what ought to be done with good cheer, and things would turn out for the best automatically. The question is: where are we to *obtain* this "more evolved understanding"? How are we to devise better principles than we already havet? And how would we test them?

"Well," one might answer, "we could follow the advice of the wise. We could learn the lessons of history. We could sift through the maxims that inform religious and spiritual traditions." All true. But progress can come also from developing a deeper and more general *theory of value* of the kind that we are after in this book.

We are given a head start by our intuitions. Consider this: we find that we are perfectly able to think of most objects, attitudes, data, and actions as having value to us in greater or lesser amount. Value itself, in the singular, quite readily becomes an orienting, comparative measurement of the goodness of all "goods" and an attribute of everything that we find *worth while*—everything, that is, which we find worthy of giving up or giving over certain portions of our finite lifetimes to beholding, wanting, having, giving, protecting, engaging in, or exemplifying. The first three chapters of this book were devoted to exploring how value could reasonably be thought of in this universal way, i.e. grounded in nature and evolution, but manifest in complex machines, games, business life, or individual human psychology.

When it comes to human affairs at the social scale, however, belief in the existence of a singular value-substance (or value-attribute or value-quality) tempts many to allow *money* to step in as value's measure—indeed as its purest embodiment and purveyor. After all, ubiquitous, precise, fluid, strangely unimpressive in material reality and yet magical in its social effectiveness, money comes close to embodying how a value-substance would function.

Others believe that *love* is the irreducible "substance" of value. Yet others, "utility."[vi] We shall discuss all these at greater length in good time. But a few words need to be said about money in the context of our argument that value is a single, unitary thing.

Should we resist the temptation of thinking of money as a fundamental and universal value-substance? Of course. Nature uses no money, yet animals clearly *evaluate*. But proving that money is not the legitimate measure and store of all value does not discredit the idea that value is a single 'thing," that "value" is some property or measure of objects and actions which underlies all val*ues*. We need not posit, with philosopher Elizabeth Anderson, a plurality of incommensurable values such that the value of a joke is *nothing like* the value of a pair of shoes.[vii] Value—like energy, like information, like time—might be singular in its nature *and* manifold in its measures and manifestations. This is what I have argued so far. Good jokes and good shoes both enhance life, and there are situations in which one would choose one over the other *if one had to*. If we can see money as just one among many measures and manifestations of value, then the New Testament's frequent admonitions against "the love of money" need not be ignored. Rather, they can be seen as inveighing against the *disproportionate* desire for and use of money in daily life.

We should be careful, on the other hand, not to let the very reasonableness of this view force us towards a common, "render unto Caesar..." wisdom about money's relation to value, a wisdom which tells us that what money measures, by definition, is only *economic* or commercial value, while depth-of-feeling, love, happiness, health, equality, natural beauty, biological diversity, etc., etc., all measure non-economic, incommensurable, and somehow morally superior value. As I shall argue again later, no value is—no values are—"non-economic." In real life, all manifestations and measures of value intermix and compete, and they often must be compared to each other so that we can act in the best way for ourselves and for others. "Prices" must be paid; risks must be taken. Radically segregating commercial value(s) from the others at the outset, on apparently rational but actually doctrinal, quasi-religious grounds, only makes their later and inevitable marriage in everyday life that much more difficult.

But this is looking ahead to the subject matter of the next few chapters. Continuous with how value was conceived in evolutionary and cognitive terms in the last few chapters, here I wish to give an overview of how value is created by everyday human intercourse in the service of satisfying needs. Needless to say, this is a complex and emotion-laden affair.

The economy of tokens: preamble

Central to our theory of value as it is developed in this chapter is the concept of *tokens*. I present only a preliminary discussion of tokens now, because it will help make sense of how I present and modify Maslow's theory of needs, which I do in the next section. That done, we will be able to come back and carry on with more under our belts.

Careful attention to human discourse reveals, I suggest, the existence of an economic system consisting not only of the manufacture, trade, and consumption of goods and services as these are traditionally understood, but, co-mingled with them, an economy consisting of "psychological goods" called *tokens* and of "psychological services" which involve such tokens. This system, insofar as it can be examined by itself, will be called alternatively the *economy of tokens,* the *psychological economy,* or the *psychoeconomy* .

The economy of tokens consists not only of the production, exchange, and consumption of (i) tokens understood as markers and records used in the exchange of material goods and services—tokens such as contracts, chits, deeds, handshakes, receipts, etc.—nor only of (ii) tokens understood as transferable units of what economists call *intangible* goods—goods such as security, good-will, authority, or status—but rather of both of these classes of goods, as well as of (iii) all acts, utterances, gestures, items of information, or objects that address psychological needs quite directly and which are produced and exchanged for that purpose. A "token of appreciation," for example, if well-constructed, appropriately timed, genuine, and accepted, can satisfy directly what Maslow called our basic need for *esteem* whether it takes the form of a kind remark, a Hallmark card, a gold watch, or a favor. Certain other tokens, such as "assurances," can satisfy our need for (feelings of) *safety*. An apple can satisfy our hunger, but, given as a gift, it can also be a token of *love-and-belongingness*, to use Maslow's nomenclature again. Money, when used as an investment, expresses confidence in, and gives *confidence* to, the person or firm receiving it. In the U.S., a green card offers a recent immigrant a measure of *legitimacy,* while in China today the possession of (and ability to accept) a credit card betokens social status—which is a variety of legitimacy with an element of approval and confidence. This social function is often more important than the payment convenience the card supplies. And so on.

Whether in the form of a gesture, a spoken word, a document, an idea, or an object, a token always leaves a trace or inscription in the physical world, if only a trace in memory. But the token itself is none of these things: it is not a *thing*. Although objectively we can see A blowing a kiss to B, there is no "kiss" that exists in the space between A and B at any time, or that passes physically from one to the other, or that is given up by one for the other to have...and yet we understand perfectly well the pantomime of blowing a kiss to the object of our affection. A token, like a blown kiss, is more like an *understanding* that passes invisibly from one person to another. It is this understanding—which is pure information—that works upon us, and not any specific material manifestation as such. This holds true except when the choice of the material manifestation is itself meaningful: as when receiving a silk rose is not the same as receiving a real rose, or when a phone call saying "come over for dinner" is not the same as a printed, mailed invitation saying the "same" thing.

A (positive) token, we might say most technically, is a packet of information devised and offered by one party to another with the intention to provide or guarantee a measure of satisfaction of one or more of the receiver's needs—generally the latter's psychological needs, and generally in the expectation of reciprocation. This reciprocation need not be immediate, nor need its fairness be evaluated with precision on every occasion. Indeed, there are two spectra here, one of delay-of-reciprocation, and one of precision-of-evaluation, along which all token exchanges are properly, i.e. culturally, situated.[viii]

Unlike energy and material goods (but quite like services), tokens are utterly consumed; that is to say, they are consumed without waste. Nonetheless, over time, their effect is apt to decay, to dissipate. They are forgotten, they become untimely...and with interesting consequences on our behavior, as we shall see.

Tokens are either interpersonal or intra-personal. When they are traded interpersonally or between groups, their offering, exchange, and acceptance is more or less public and open to objective consideration by those not directly affected. Such tokens circulate and are reciprocated in ways that allow us to think of them as being in constant *exchange* between people and between organizations on the basis of their subjective value to the parties involved. Moreover, such exchanges are often sufficiently open and competitive for us to think of them as token *marketplaces*. When tokens are "traded" intra-personally on the other hand—as when one evaluates, plans, interprets, or "bargains with oneself"—the manner of their devising, interpretation, and 'exchange' is less directly amenable to objective consideration.[ix]

In sum, along with material goods and services of all kinds, tokens themselves embody, convey, and create value in the largest sense. They offer us the satisfaction of deeply felt needs. In their proliferation and sophistication they enhance the range and complexity of social intercourse; they add to the complexity-and-organization of human consciousness.

Marcel Mauss, pioneer of the exchange theory of social cohesion in modern anthropology, wrote the following in his landmark 1924 work, *The Gift* :

> Food, women, children, possessions, charms, land, labor, services, religious offices, rank—everything is stuff to be given away and repaid. In perpetual interchange of what we may call spiritual matter, comprising men and things, these elements pass and repass between clans and individuals, ranks, sexes, and generations.[x]

Despite Mauss's unfortunate inclusion of two groups of persons as "things" (in order, one trusts, to be descriptive rather than prescriptive), this passage might serve as our stepping-off point. Most deeply, this "stuff," this "spiritual matter," is *information*. In the discussion that follows, it takes the form of tokens whose "passing and repassing" constitute a psychological economy of growing complexity-and-organization.[xi] The rest of this chapter, indeed much of the rest of this book, explores the explanatory power of this idea.

I. The Stratigraphy of Needs

Some closer definitions. We shall consider *needs* satisfiable by *goods,* meaning by a "good" anything the conception, production, acquisition, use, understanding, or consumption of which reliably satisfies a need, and meaning by a "need" the distress internally felt due the lack of something—specific or not—that would provide the feeling of greater *satisfaction*. At this level of description, goods and needs define each other. Actions are motivated by needs. More accurate is it to say: our actions are motivated by the need to satisfy needs. This higher-order need (i.e. the need to satisfy needs) is, in normal people, the need for more life: more life in quantity as well as quality, chiefly for oneself but also for the people and other living things one cares about. (It can also be on behalf of certain inanimate objects like ideas, artworks, businesses, and so on.) *Satisfaction* consists in the feeling of lifefulness in and around oneself—but as registered, ultimately, only *in* oneself, and as compared to the lifefulness one expected.

It seems natural to declare further that *particular actions are motivated by wanting to satisfy particular needs*. This inoffensive statement should be made with care, however, for two reasons.

First, it discounts the feeling that many of our actions seem motivated not by deficits—not by pain or lack or "need"—but by *surfeit*: by an excess of energy seeking expression, an abundance of talent seeking application, of overflow of love seeking an object, and so on. Indeed, there are philosophers who object to the whole "needs-based view of man" because they think it portrays people as always wolf-like, craven creatures, responding only to pain or the threat of it. But arriving at this conclusion depends on how one conceives of "needs "in the first place. For if among one's needs are the needs *to be free*, say, or *to realize one's full potential* or *to ensure one's children's future* or *to live forever* or *to learn about the world*...then a lot of what *looks* like behavior that is not motivated by deficit, is. Most people can imagine a better life than they are currently enjoying (or suffering)—perfect freedom, full self-realization, rock-solid security for their children, immortality, and omniscience, for example—and it is registering their insufficiency, relative to the ideal, that sets them to devising ways to perfect or at least to improve upon the current dispensation. Why else does the celebrated emeritus professor pen a major work in his 90s? Or a billionaire give his money to an art museum? We don't think of these people as *needing* anything. But in their own view, they do.[xii] In Chapter Six we will call this the shortfall model of need.

The second reason for being careful in saying that "particular actions are motivated by particular needs" is this: Taken to its logical conclusion, one ends up asserting that we do everything we do *in order to satisfy the need to do it*. In its circularity, this is not a helpful statement.

But this concern, too, can be met.

It is true: if we allow the number of needs we can name to proliferate so that they match the number of goods or experiences we think it would be nice to have (so that I have a *need* for ice cream, a *need* to shave, a *need* to drive a red car...rather than just want these things), then the term "need" itself becomes devalued—deducible from, rather than causative of, what we actually value and do. This is particularly a problem because in order to have a useful theory of motivation, or a useful view about people's *rights* to have certain needs satisfied, needs cannot be arbitrarily plenteous or equally important to each other. Most psychologists and moral philosophers have agreed, and not just because "need" is too strong a term to use for our myriad and fleeting desires for specific goods. Rather, it's because they observe that, as different as people are to each other, people actually *do not have* very many needs.[xiii] Indeed, the consensus is that we have countably few and quite universal needs. These are often called *basic needs*. This leaves open the possibility of naming as many other needs as you like: they just wouldn't be *basic*. And these basic needs contain within themselves—aligned along the same vector, as it were—both the repulsive forces of dread (of pain/loss/scarcity) and the attractive forces of desire (for pleasure/gain/abundance).[xiv]

Maslow posited five such basic needs, and arranged them in a hierarchy. I will modify this scheme and posit *six* basic needs, arranging them in a "stratigraphy" or set of layers. All the various goods we want and value, I will say, we want and value because they satisfy one or more of our basic needs. It follows that goods which satisfy the same basic need(s) are likely to be more substitutable for each other than goods that do not satisfy the same needs.

The structure

Recall from the opening of this chapter: Maslow's five-term categorization of human needs is as follows: first people seek to satisfy their "physiological" needs (for food, shelter, warmth, etc.). They then go on to satisfy their needs for "safety," for "love and belongingness," for "(self-)esteem," and finally for "self-actualization," which means the fulfilling of all of one's unique potentials.

Our modified six-term taxonomy—also from the bottom up—runs as follows: the need for "survival," followed by the needs for "security," "legitimacy," "approval," "confidence," and "freedom."

To compare: at the most basic level, Maslow's "physiological" level and our *survival* stratum are in all-but-perfect correspondence,[xv] as are the next, Maslow's "safety" need and our *security*. With *legitimacy* and *approval*, things open up a little. These correspond roughly to Maslow's third level, "love and belongingness." Maslow's "(self-)esteem" and our *confidence* are clearly very close in meaning and implication, but I distinguish the need for *approval* (which is a need for esteem) from the need for *confidence*, which is a *release* from the need for approval and hence constitutes the beginning of self-realization, of "self-actualization." Self-actualization and *freedom* also overlap, but my assertion is that freedom is the larger, more socially engaged term: it includes self-actualization and autonomy, but goes somewhat further than these, as we shall see. Thus, one has the following comparison between the two schemes:

Figure 4.1 Maslow's Hierarchy of Basic Needs and our Stratigraphy of Needs, compared

I can give no rigorous argument at this point as to why Maslow's estimable terms satisfy me less than my own—much less the terms used by Jeremy Bentham, Karl Menger, Max Scheler, Sigmund Freud, or any of the eminent thinkers who more recently have numbered and ordered our basic needs.[xvi] But, like Maslow and some others, I posit that needs present themselves in some sequence, each one conditional upon the effective satisfaction of the prior, more basic need.

Also with Maslow (and Menger, Mill, and Bentham) I posit that *happiness derives from satisfying needs*.[xvii] This is a claim I would modify only to the extent of saying that happiness is not proportional to the level of need-satisfaction *reached* (which would be more like 'contentment' or 'fulfillment') but a measure of the current and felt *progress towards* satisfying our needs. That is, "happiness" is both the product and the measure of advancement, of headway, improvement, difference, change-for-the-better. Positive *value* is attributed to any idea, any experience, any event, skill, good, service, or token—that "makes us" happy in this sense, or soon will.

Now, satisfaction, on my view, is not merely 'contentment'—not some inchoate feeling of fullness implying lassitude. It is happiness-accumulated; it is positive value experienced and learned from. Consequently, higher levels of satisfaction are likely to be correlated with the greater ability *to continue arranging for one's future happiness*. Satisfaction, in short, is also human capital; and we will examine in later chapters how this is so in some detail.

The structural similarity between *satisfaction* and *complexity-and-organization*, Ω, as well as between *happiness* and *value*, V, as defined in previous chapters, ought to be clear. Just as value is change-in-complexity-and-organization ($V = \Delta\Omega$), so happiness is change-in-satisfaction ($H = \Delta S$). It remains for me to convince the reader that "satisfaction" and degree of "complexity-and-organization" are essentially one and the same thing, and that "happiness" and (the experience of) "value" are one and the same too. This is work for Chapter Six.

My definition of happiness may also remind some readers of Spinoza's definition of pleasure. In Stuart Hampshire's rendering of Spinoza's then-radical idea: "The transition to a state of greater power or perfection in any individual is reflected in his consciousness as pleasure, and a diminution of power as pain ....[P]leasure and pain always represent a *change* in psychophysical state…"[xviii] The similarity to our formulation is obvious. Rather than leave the terms switched about, merely asserting my preference for one or the other or suggesting that the distinction is arbitrary, I would proffer the following reconciliation: that *happiness* is best thought of as the *net* (positive) *change* in satisfaction, while *pleasure* is best thought of as the time *rate of* (upward) *change* of satisfaction.

Although people often equate satisfaction with happiness, to do so prevents us from understanding how we can be satisfied but not happy, happy but not satisfied, sometimes both, and sometimes neither. Ditto for pleasure. It is as though constant "psychic expansion," or "growth," or "progress"—call it what you will—were itself a need, a meta-need, or else the outcome of the double need in each of us *to be both satisfied and happy at once*.[xix]

Calling our arrangement of needs a "stratigraphy" allows us to suggest less a set of power relationships and more an organically layered structure. (It also allows us to put the word "level" to other uses). As noted previously, one need not deny privilege or extra value of some sort to the upper strata, nor deny temporal and ontological priority (Maslow's "pre-potency") to the lower strata in upholding a system of precession or structural dependence. I do stop short, however, of positing any "upward causality" that would have the lower needs *causing* the higher ones to come about through a sort of mechanical pushing action. The relationship of lower to higher strata, rather, is that of less-evolved to more-evolved, less complex-and-organized to more complex-and-organized. This relationship is generative, where the action of the lower levels is neither erased nor deadened by supercession, but rather steadied, built upon, elaborated, made available as a resource.

Now these are merely assertions, of course, and, as the reader might have guessed, I hope to show more convincingly that the use of the term "value" in this chapter corresponds to the concept of value discussed in Chapters Two and Three. But no matter how this project turns out, it is certainly the case that at any given time, both among individuals and within them, there is value to be generated throughout the stratigraphy, in the engagement of any or all of the needs. This is a dynamic that we can judge and work with on its own merits.

Needs, values and virtues

Later in his life, Maslow added two more needs to his list of five—namely, the "desire for knowledge and understanding," and the "aesthetic needs."[xx] These occupy an ambiguous position in his scheme of things. They are described as being just as basic as the other needs, and yet they are not universally so. Transcendent and transpersonal, they are elevated in a developmental sense and yet apt to arise without regard to the degree of fulfillment of the other needs. In this, and rather like Christian grace, they break with Maslow's system of pre-potency relations and, I think, weaken his theory. It would be better if our desire for knowledge and understanding and our appreciation of aesthetic objects and experiences were understood as somehow integral to the whole system, a part of the way it works, rather than as individual needs in the hierarchy, among the others. Left as exceptional they too easily provide an "out" for difficult cases—cases where we are tempted to say that things are being done purely for their own sake when a closer examination would show that they are not. In my view, both the desire for knowledge and the longing for beauty are fully a part of what it means—even of what it *takes*—to satisfy needs throughout the stratigraphy. Knowledge and Beauty in the abstract (as well as Love and Justice) are properties of the social matrix itself, in all of its working complexity. They can be means *or* ends; and if and when they *do* become thought of as ends in themselves it is first because we have the acquired the composure to turn ourselves towards them as abstract ideals, and second because we have learned what their presence betokens and promotes—to wit, our ascent of the stratigraphy as individuals, as a community, and as a species.

But let me concede that *this* list—*this* stratigraphy of needs—is an American one, or at least a Western and modern one. In contemporary Japan, for example, schoolchildren are likely to say that "personal responsibility" and "sharing with others" are the hallmarks of an ideal society, while American children are more likely to offer "freedom of speech" or "privacy."[xxi] It appears that, whereas Japanese society is activated by idealizing and then satisfying legitimacy and approval needs, American society is activated by idealizing and then satisfying confidence and freedom needs.[xxii] Insofar as both Maslow and I are universalizing (after all, he placed "self-actualization" at the top of his list, something that would make pre-moderns of all cultures frown, as well as modern Japanese), the stratigraphy is as much a normative analysis as it is a descriptive one. Americans today are apt to think that confidence and freedom are higher "values," and my chart indeed represents just this bias—if, historically, *mere* bias it turns out to be.[xxiii]

Similarly, it may be argued that the stratigraphy represents a masculine rather than a feminine world-view. Having had many discussions on the matter during the writing of this book, I must concede that the stratigraphy—as well as Maslow's hierarchy—may also be biased on this score.[xxiv]

By way of resolving these matters, I offer the following: I believe that the stratigraphy of needs holds for all people and times, for men and women alike. However, the number of ways of dealing with the world and with each other—as we seek to address, satisfy, and transcend these needs—is very large indeed. And it is in the order and *way* in which these needs are met rather than in any differences in the *kinds* of needs themselves that women may differ from men, Easterners from Westerners, the rich from the poor, the young from the old, and so on. By the same token, whole societies, periods, groups, and persons can be organized around what seems to outsiders like obsessive concern with one or two of the needs on the stratigraphy while other needs languish or are suppressed. Indeed, the term *values,* in the plural, is the name we give to one or more historically "pre-valorized" needs, needs which are held to be both difficult to satisfy and supremely worth satisfying precisely because centering life around them has proved successful in arranging the affairs of the group (or individual) in a life-promoting way in the past. Thus warrior societies are apt to privilege survival and security needs, and merchant-trading societies are likely to valorize legitimacy and confidence needs, while cynics and mendicants recognize only freedom and survival needs as valid (at least for themselves) and believe that the middle four strata of the stratigraphy are, if not wholly illusory, then a waste of time addressing. A *society* composed of cynics and mendicants is hardly possible, of course, but the other two—warriors and merchants—can and do develop elaborate social institutions, master narratives, and myths whose purpose is to *keep* their privileged needs/values privileged. At least in name.[xxv]

What we call "values" or, in individuals, "virtues," can also be behaviors that are *instrumental* to satisfying the basic needs of the majority (or ruling classes). Widespread *honesty*, for example, is necessary for societies to function efficiently, dependent as most societies are on successful commercial exchange and the reliable transfer of information. And so honesty is not only positively valued as a "value," but internalized as a "virtue" and rewarded by tokens of approval and legitimacy. (Of course, a society of liars would also hold honesty to be one of the prime virtues, since it is in the interest of every liar that all *other* people be more honest than he.) But, for all this, people do not *need* to be honest the same way that they need *to have food* or *to get respect* , except insofar as being honest will more likely win them sustenance and respect in the long run. Similarly, we all need a certain amount of privacy; but privacy is a condition of social exchange in general, a "value" that is not itself a basic need but, rather, one that is instrumental to satisfying our real basic needs.

This contextualism about values while holding to a pan-human list of needs echoes the position that Aristotle took in *Nicomachean Ethics* and *Politics*. There he enumerated the human virtues he considered universal. Among them were courage, moderation, justness, generosity, hospitality, and truthfulness. He allowed for local and temporal variability of emphasis, but he argued that human beings are sufficiently similar to each other across geography and history to venerate, desire, and fear essentially the same things. For example, beyond the considerable discipline imposed by Nature upon all creatures for the wresting of food and shelter from her, "human flourishing" demands that every society develop a *rapprochement* between our natural, self-preserving selfishness and our no-less-natural reliance on pleasing others, between our love of life and our acceptance of death, between the desire to act immediately and the necessity for reflection and planning. The virtues of patience, courage, moderation, justness, generosity, hospitality, and truthfulness have been arrived at by most long-lived cultures, and although their exact and proper expression varies with custom and circumstance, they are easily recognized across cultural divides and historical time. They are as Confucian as they are Aristotelian as they are Judeo-Christian. Variability of emphasis and expression, said Aristotle, does not relativize *what is good* to the point that neither comparisons nor progress, in any moral sense, can be made.[xxvi] In this, I follow Aristotle.

The process of growth or ascent

With Maslow's hierarchy, it is tempting to see the satisfaction of each need as *prerequisite* to seeking satisfaction of the next higher need. Each need might be visualized as a stepping stone to the next higher need, which we move to only when the lower one is satisfied.

But this stepping-stone picture has its drawbacks. When we achieve the satisfactions afforded, say, by great legitimacy, we do not, by "stepping up," *abandon* concern for our security or survival. We remain wary. This is because the satisfaction of higher needs always rests upon the satisfaction of lower needs, and we depend upon periodic reassurances that the lower needs are being taken care of still. If our sense of legitimacy were to fail some challenge, challenged too would be the satisfaction we had won of all of the needs beyond legitimacy, i.e., our feelings of approval, confidence, and freedom. Whatever had been achieved in these higher realms would suddenly seem less relevant, less valuable. We would feel "undermined."

Maslow himself worked with a model of the needs' relationship to each other that looked like Figure 4.2.

Figure 4.2 Maslow's model of how the basic needs succeed each other

This figure illustrates how different needs can coexist at different strengths in a single individual at a given time or stage of psychological development. That time, or stage in development, is represented by the vertical line XX'. XX' moves to the right when things are going well, and to the left when they are going poorly; to the right when the individual is maturing, progressing, and to the left when he or she is regressing. As far as I know, however, Maslow did not propose a way to aggregate the *total* effect—one's overall degree of satisfaction or dissatisfaction—so as to keep the state of a lower need in control—"pre-potent"—over the state of relatively higher needs. This is something we do in the chapter after next.

Now, if Maslow's five-need hierarchy and our six-need stratigraphy usefully identify *adult* human needs, it natural to wonder how these needs come into being, i.e., how they develop through childhood. Do they emerge all at once at a certain age, in some sketchy form, and then elaborate in complexity, or do they emerge in a definite sequence, one by one?[xxvii]

Although no empirical work on the question has been done (as far as I can determine), Maslow leaned towards the second option, and many have followed him in that. Certainly, physiological and safety needs do seem to govern infancy and love-and-belongingness needs early childhood. The need for esteem seems to dominate during adolescence, while full self-actualization, if it is reached at all, is reached later in life. But the mapping is rather rough, and most developmental psychologists have found other schemes more useful.[xxviii] Certainly, our stratigraphy of six needs—survival, security, legitimacy, approval, confidence, and freedom—demands a more complex story. One has only to witness a toddler repeatedly scampering away from his or her parents, squealing with delight and alive with curiosity, to surmise—correctly, I think—that *freedom* is a simple and early-felt need. Consider this, and consider the fact that *security* needs are also strong at this early age, note that 5-year olds want praise as much as teenagers do (if not more) and that teenagers seem, if anything, to need *confidence*...and one becomes convinced that only a *combination* of simultaneous emergence (plus development) and sequential emergence can tell the right story. Here's how it might go:

Freedom is the first need to make an appearance after survival. During infancy, these two needs (for survival and for freedom) are rudimentary and very simple to satisfy: *not-being-*

in-pain satisfies the first, and *not-being-bound* or frustrated satisfies the second. As time goes by, however, and as the child is socialized, the other needs emerge and fill in as *prerequisites* to greater freedom and as *proxies* for more comfortable and sure survival. The space between survival and freedom opens up, as it were, as the child's life grows in absolute complexity-and-organization, which is to say, as more is demanded by the child from the people around him or her, and, reciprocally, more is demanded from the child by the people around them. The need for legitimacy, which lies at the middle of the stratigraphy, in the heart of the flower as it were, emerges relatively late—only as society's authority-structures and notions of propriety begin to enter consciousness as prerequisite to approval and proxy for security. It seems plausible to me that all six needs are in place, as it were, and set in the right order, by around age six. From then on, they grow only in their sophistication —i.e., in complexity-and-organization, Ω—this Ω being stimulated largely though interaction with the cultural environment: school and work.[xxix]

A tour through developmental psychology in search of evidence for this theory-within-a-theory is beyond the scope of this book. And I do not want our larger theory of value to ride on the accuracy of these speculations about how the needs emerge in time. Perhaps the most valuable idea to be drawn from the last few paragraphs is the idea of *proxies* and *prerequisites*—of how, with trust, some higher-need tokens come stand in for lower-need ones (proxies), and how lower-need tokens often have to be offered first in order for higher-need tokens to be evinced and believed (prerequisites). We will turn to an account of this process in Chapter Nine when we try to understand money, since it is fundamentally economic.

We turn next to examining how the stratigraphy of needs both motivates and organizes the production, exchange, and consumption of tokens in a little more detail.

II. The Economy of Tokens

Here is a fuller sketch of the stratigraphy of needs, listing each need-stratum and a selection the types of tokens which typically belong to each stratum. Boundaries between adjacent needs and token-types are somewhat permeable. But I stand by the general structure. Each stratum is founded upon, and emergent out of, the strata below it in ways we will investigate.

Freedom tokens include *offers, consents, options, grants, access, tickets, releases*, *exemptions, immunities, waivers, absolutions, permissions, invitations to, submissions of, admissions to; privileges; uncommitted time, unbudgeted money...*

Confidence tokens include *promises*, *secrets*, *entrustings*, "*inside information,*" *investments*, *loans, certifications*, *commissions, "cachet,*" *confirmations*, *ratings*, *sponsorships*, *scholarships*, *endorsements; recommendations*, *encouragements, missions, votes, futures, stocks and bonds, checks…*

Approval tokens include *applause, smiles, compliments/"strokes", kudos*, *votes, congratulations, grades, points, gifts, greetings, thanks, favors, blessings; expressions of pride, dedications, autographs, kisses, declarations of admiration, honoraria;...*

Legitimacy tokens include *names, nominations, legal identity /"papers", charters, licenses, contracts, treaties, titles, prizes, medals, and awards, "station", "offices," rank; stamps and seals, signatures, memberships, and affiliations*; *deeds, claims, obligations*, *justifications, rights, entitlements, duties and responsibilities, proofs of provenance or lineage; salutes, handshakes, bows,* and other gestures of *respect...*

Security tokens include *decrees, guarantees, sanctions, insurances, assurances, boycotts, assessments of trustworthiness; "contacts", guardianships, shelters, protection, patronage; seals and locks; tattoos, curses and caresses*; *alliances and allegiances*; *land, "inalienable" rights, responsibilities, and entitlements; demonstrations of efficacy; predictability and regularity* as such...

Survival tokens include *life-riskings, -savings, and -sacrifices*, *fasts, forfeitures, blood oaths, scar-displays, weapon-brandishings; suicides and suicide threats, hostage takings, rape, showing/getting "respect"...all demonstrative acts of violence, physical suffering/well-being, or nurturance; signals of sexual availability, access to stocks of food, clothing, fuel, medicine, etc*.

By way of interpreting the structure of the stratigraphy thus far, here are nine preliminary groups of elucidations.

1. Positive tokens, negative tokens, and performativity

Most token types (the italicized words above) are put in positive terms. For example, the opposite of a *compliment*, an *insult*, is not listed. An insult is still a token of approval but a negative one, a token of disapproval.[xxx] A *blow to the head* is a negative survival token, as would be a letter threatening murder, or the brandishing of a weapon. A slap in the face, a punch, a kick, is something less weighty: a token intended to shake the recipient's sense of security. *Gifts* are signs of approval offered without ostensible expectation of reciprocation. Most gifts, nonetheless, are tokens; as are "negative gifts," which we might call *aggravations* (like being given something long to read). Similarly, being given new *responsibilities* usually brings about confidence gains but freedom losses, while *schedules* and *budgets* reduce both confidence and freedom, especially when "handed down" by those with authority based on their greater legitimacy.

Contests are illuminating: While *applause* and *smiles* and *congratulations* are tokens of approval, *prizes* are not. Prizes are tokens of legitimacy—although, of course, a prizewinner may *also* get applause and congratulations. This is because prizes are typically the reward for meeting certain criteria in a contest that has rules created by an organization (or person) that has, by some chain of association to higher authority, the authority to "qualify" and "disqualify" contestants, to declare "official" winners, and so forth. Indeed, prize-winners may sometimes not *deserve* their prize in the opinion of most onlookers. When this happens, contestants who did *not* win a prize are applauded while the winners get booed. Should this scene be played out too often, however, the rules of the contest might be revised. After all, contests are social mechanisms aimed at encouraging admired traits and rewarding approved behaviors with the imprimatur of the state, whose own authority devolves upon its ability to deal in security and survival tokens. (Professional wrestling reverses these expectations with such precision that it is enjoyed as a ritual satire of all the rules, contests, and powers of officialdom that constitute civil society.)[xxxi]

In the "theory of speech acts" developed by J. L. Austin and John R. Searle, *performatives* are verbal expressions which, in the right social context and with requisite authority, *do* what they say they do by the very act of uttering them (or putting them in writing).[xxxii] For example, to say or write down "I promise to do *x*" is indeed to promise to do *x*.

To utter the words "you are fired!" to an employee is *ipso facto* to relieve them of their jobs. Performatives are often accompanied by prescribed physical gestures, and must generally be carried out in certain spaces and at certain times by people with the requisite authority in order to work.

Most if not all performatives can be thought of as involving token offerings of one kind or another, both ones that can feasibly be refused and ones that cannot. We could add to various strata on the stratigraphy, therefore, such performatives as accusations and absolutions, cheers, denials, nominations, snubs, thanks, votes, welcomes, and many others. Most of these are token bundles rather than single tokens, as they involve several tokens directed at several needs simultaneously and are often intended to have an effect over, or after, a period of time.[xxxiii]

Performatives cannot be true or untrue in quite the way that factual statements can be. They simply work or do not work; they "fire" or "misfire," and this for a number of reasons, usually circumstantial. Austin calls these failed speech acts "infelicitous," and successful ones "felicitous." We could, if we wished, borrow his nomenclature and distinguish felicitous from infelicitous token exchanges. Note that "felicitous" means "happiness-causing."

The notion of "performativity" need not be limited to verbal behavior. It applies just as well to all voluntary actions and to the satisfaction of "performing," of carrying out, of doing something, and *having an effect*. For starting early in childhood, people want to feel efficacious. They want evidence that they can change something about their environment, no matter whether the effect is for the good or the bad. Good effects are better than bad ones, of course, and they are usually more rewarded, but bad effects are still better than none at all. People also want attention regardless of the reason for that attention, since without receiving attention from another human being (or higher animal) one is unlikely to feel or to become efficacious.

How does all this tie in to our stratigraphy of needs? Like this. The need to feel efficacious is an essential aspect of one's need for *security*. This is why it runs so deep and strong. After all, without having effect on one's environment and without being noticed, one is as helpless as a baby without limbs or voice. One is at the world's mercy. After the need to survive is satisfied, then, the need to have an effect—to be able to perform actions that make a difference to the environment—becomes an essential component of our sense of *security*, which is foundational to all the other needs' satisfaction.[xxxiv]

2. Apparent displacements

Most token-types in the stratigraphy can appear without too much surprise in a neighboring stratum. When the gap is large however, the displacement of the term becomes apparent and its meaning of interest. An *invitation* from a king is in reality an *obligation*, just as a *favor* from a Party boss, invoking the burdens of *patronage,* might soon require a return token from some lower need-stratum. The *responsibilities* that often accompany gains in confidence are ties back into the economy of legitimacy tokens, so that *responsibilities* could appear "cross-listed" in the stratum of confidence. And so on. Indeed, in this last example, freedom is often won precisely by convincing others (i.e. by giving them confidence) that one has internalized the appropriate external structures of legitimacy and will perpetuate them.[xxxv]

Likewise, the giving of *gifts* in some societies has more to do with establishing, maintaining, and adjusting the legitimacy of the exchanging parties and less to do with approval as such, even though the entire process is couched in the "language of approval," i.e. praise, appreciation, blessings, expressions of devotion, and so forth. Similarly, one rarely compliments a person one *respects*. Tokens of respect confirm the equal or greater legitimacy of the recipient of the token, and offering them a compliment instead ("nice tie" to your boss) tends to presume that the complimenter has sufficient *authority*, which is the force behind legitimacy, to judge the one who is complimented.

These displacements and subterfuges would seem to scramble the categories of the stratigraphy irreparably. But they do not. On the stratigraphy, the rules of *etiquette* (dealing mostly in tokens that confer approval and acknowledge legitimacy) may lie just "above" the rule(s) of *law* (dealing mostly in tokens that confer legitimacy and acknowledge security), but we rarely confuse tokens of one for tokens of the other. What we call *courtesies*, for example, are tokens that oscillate between approval and legitimacy. Such are our quotidian social skills that once we are adults we are fooled very little in this regard. We understand the masquerade for what it is: a dance of euphemisms, evasions, and signals necessary to maintaining human discourse at the largest possible distance from (survival-threatening) violence. In exchange, we should begin with tokens as high on the stratigraphy as we can, and descend only if we have to. This is a moral imperative. For example, the process of democratic *voting* makes a political candidate's *legitimacy* (her legal holding of office) conditional upon receiving sufficient *approval* for her person and plans. This reflects a inversion of the older and more "natural" pattern, in which the candidate's *legitimacy* is based on his power to give (or withhold) *security* tokens to (or from) his supporters and detractors.[xxxvi] One has only to compare electoral rhetoric during times of peace and prosperity to the same rhetoric when war is in the air or the economy is deep recession.

At a smaller scale: when an ignorant, neglected, and demoralized teenager totes a gun or murders an innocent and barely conceals the deed, the "respect" he says he wanted some of has little to do with approval or legitimacy. What he wants and needs is something more basic: a footing on the stratigraphy at all, social *existence*, which is survival at a symbolic if not physical level. Lives are taken when lives are threatened, no matter how mistakenly the latter is construed.

These topics are taken up again later, chiefly in Chapter Five.

3. Token bundles

Certain tokens are also explicitly multipurpose or multi-leveled; we might think of them as token bundles.[xxxvii] For example, the approval-based award of academic tenure to a young professor is aimed at providing him or her the basis for "academic *freedom*." But it is aimed also at signifying and providing *privileges*, *recognition*, *encouragement*, *patronage*, etc.—the marks of legitimacy and security—all of which may well guarantee the young academic's survival. For students, academic *grades* are tokens of approval, tokens that add up to one big token of confidence and legitimacy with the earning of a *college degree*.[xxxviii]

A *marriage license* is a token that engages the psychological economy primarily at the strata of approval and legitimacy. In modern, liberal societies, however, as both parties forswear involvement of a sexual/reproductive nature with others, a marriage license also works as a constraint upon freedom, i.e. as a *negative* freedom token. In more traditional societies on the other hand, a marriage license is seen as a *positive* freedom token, a permission. For, once properly married, the young couple can now legitimately leave the homes of their parents to form their own, may exercise their own unique preferences, may conjugate freely, have children, etc. (all of which explains, I suppose, why the term "license" rather than "sentence" took hold for this particular type of agreement). The need for greater security by one or both parties is also usually well served by the marriage contract, with the law providing several legal benefits that it does not offer to unmarrieds.[xxxix]

Rights (legitimacy tokens) to real estate, otherwise a multi-valued good, may come with certain *encumbrances*, negative freedom tokens, in the form of liens (unpaid mortgages and taxes) and legal restrictions as to the land's use (zoning, setbacks, rights of way, etc.). Then one needs a *permit* (the freedom, or actually liberty, as we shall see) to build. Indeed, all official permissions, like passports, are both legitimacy and freedom tokens together, and all property rights combine these advantages in some proportion, i.e., the right to use, sell, or otherwise dispose of one's property. Corporations are granted *charters* by state authority and these define certain *privileges* and *responsibilities* in the conduct of their business. Legitimacy tokens all.

Being entrusted with a *secret* is a "vote" or token of confidence in the one entrusted by the one who tells the secret. It may well reduce one's freedom. But certain secrets can also guarantee security and even survival. The idea of "a secret" is general enough to cover both cases until the content and context of the secret is specified.

Assuming that one is not compelled to use them, *tickets* to concerts, sporting events, gala dinners, plays, and the like are freedom tokens in the sense that they permit access to the space of certain performances which would otherwise be off limits, "non-options." We note that the measure of freedom that tickets provide is, however, founded on some of the same mechanisms that provide legitimacy. Akin to a passport-holder, an official ticket-holder's right to access to certain events is supported impersonally by *law*. Tickets betoken a temporary lifting of trespass laws. That is to say, the ticket-holder's right is a right that, like all rights, is ultimately supported by the security apparatus of the state (namely, the police force) whose own authority is built upon those military actions that, some time previously, had brought about the conditions for the rule of the particular system of law and now stand ready to defend them again. Thus is the value of the most trivial thing—a paper scrap called ticket—grounded.

The act of downing a cold beer with some friends may slake a young man's thirst. But it also confirms a membership (legitimacy), builds friendships (largely approval), imparts confidence, and amplifies his feelings of freedom all at once. He may also come to feel more secure. If each member of a drinking party, apparently at random, pays for a round of drinks for the whole group, then, even though by the end of the evening each drinker will likely have paid for exactly as much as he himself has had to drink, something more has been achieved than mere transaction efficiency with the bartender or waitress. For when each member of the group takes a turn to pay for all members rather than pay for himself at each round, a network of gift-giving and gift-receiving is created, "zero sum" though the game may be in terms of money. With this come feelings of pride and gratefulness, of fellowship and mutual trust, a radiating sense of obligation towards the others for "covering them" as well as for their implicit sanction of the behavior itself, i.e. drinking. And should any member of the party feel that he overpaid or underpaid that night...why, there will soon enough be another occasion to right the balance (and besides, who cares?).

A *caress* is usually both a token of approval and a token of security. A *kiss* can confer legitimacy. The full act of making love can come close to addressing all needs simultaneously, right down to survival.

Fledgling institutions and businesses will often seek to establish themselves by seeking the *endorsements* of people who have legitimacy already by virtue of their positions and titles at already-established institutions and businesses. Will they serve on the new Board of Directors? Will they come to a conference? Will they be photographed with the young founders? Such official and quasi-official endorsements lend not just *confidence* to prospective investors in the fledgling enterprise, but *respectability* too, which is one of the come-withs of legitimacy. Notice in the *New York Times* or *Wall Street Journal* can have a similar effect.

With its medals for bravery and for service, with its stripes, ribbons, clips, and pins for qualifications, rank, and affiliations worn on uniforms, with its highly formalized behavioral protocols and language...day-to-day life in the military fairly exemplifies what an explicit token economy looks (and sounds) like. Civil(ian) society differs only in the relative subtlety and complexity of its comparable token exchange systems, which are carried in manners, speech, bearing, design, clothing...[xl]

That the value of prestige goods has to do with their utility in maintaining or improving people's relative station in a class structure is something philosophers, political economists, and anthropologists have remarked upon long before Thorstein Veblen made it his leitmotif. But here we can begin to see prestige goods as fully a part of a larger system of tokens, which is the psychological economy as a whole.

4. Tokens and signs.

One must distinguish between *tokens* and *signs* (of need satisfaction). For example, "playing it cool" is a *sign* of already possessing security and confidence, just as easy good manners are a sign of already possessing legitimacy ("breeding" being a sign of long-satisfied legitimacy/long-held rank). Signs are displays of a state of need, indications of current satisfaction levels. Although they may be unintentional, signs are closer linguistically to statements than to performatives in J. L Austin's terms, and are not themselves exchanged. Nevertheless, and importantly, signs create the bargaining environment for the exchange of tokens and thus determine the range of relative values, or "prices," at which the relevant tokens will be exchanged. Signs can be deliberately manipulated; when they *are* they are closer to tokens. For example, when I feign a general demeanor of dissatisfaction, am I not offering to all comers a stream of tokens of disapproval? When consciously I dress *this* way, drive *this* car, make *these* gestures, live or work in *this* building in *this* part of town...am I not "putting out signals" as to how I wish to be taken and as to what—be forewarned!—I will regard as acceptable behavior towards me?

Military medals and badges are tokens in the act of actually awarding and receiving them at the conferral-acceptance ceremony. They become signs, however, once pinned on to the soldier's uniform and placed on permanent display to others. Here they continue to issue a stream of warnings and claims to all who lay eyes upon them. Ditto with the framed awards and certificates that adorn the walls of professional offices and businesses alike: they were tokens in the giving and are now signs in the display thereafter. Heraldry, flags, banners, monuments, anthems, fight-songs, mascots, emblems...these too belong to a class of legitimacy tokens that have turned into signs of group identity retaining the general message: do not trifle with us!

The idea of signs includes therefore what we generally think of as status symbols. But here "status" has a broader meaning than simply one's social position in terms of class. Here status symbols are taken as indications of the (satisfaction-) status of all of our needs taken together, as a set. That is, signs are presentations of our general *state of mind* in terms of readiness and desire—based, it is to be presumed by others, on real achievement.[xli] As we shall see in discussing the idea of *nobility*, status symbols are often deceptive.

5. Nobility

Nobility of character, I propose, consists largely in the capacity to behave *as if* all one's needs have sufficiently been met. Consider: when one's needs are met, all but gone is the need to exchange, the need to compete, the need to engage in social intercourse. Hence the aloofness associated with noble character, the geniality, the composure, the living (ostensibly) beyond the influence of others or the desire to influence them. One is "above it all." One is directed solely from within. If one pursues anything at all, it is not for personal gain or for anyone else's, but "for its own sake."[xlii]

Interestingly, the quality of nobility is also attributed to people who "neither complain nor explain" as the adage has it, when, by common measure, they have ample reason to do both. And so the ascetic is often seen as noble too. Wanting little, he has a lot. He cannot be tempted. He has nothing to lose. He is apt to be kind, and apt to be amused.[xliii]

Why give the name "nobility" to any of this? Why not autonomy, or self-directedness.

Perhaps because the free, confident, moneyed, landed, educated, trained, and titled aristocrats of the world were (and still are) people who had every real reason and every real opportunity to have their every need met. Their noble comportment could be genuine. They could be exemplary in behavior, and were expected to be, and disappointed when they were not, because they represented a state that all common people strove for: freedom from need.[xliv]

Now, whether or not aristocrats were as a rule especially contented people, or whether or not they are so today (among what little remains of true aristocracy), is an open question. Given the intensely competitive political nature of life near centers of power, one wonders. Regal forbearance and aristocratic self-confidence may have been nothing but a ploy, culturally promoted and perhaps only half-consciously understood as such, but a ploy nonetheless by the privileged (a) to silence by example those less fortunate around them, (b) to ward off political attack from peers and superiors by offering no apparent weakness, no unmet need, as an opening, and (c) to raise the value of token offers (attempts to influence them) from others.

We might ask ourselves this question: who is more noble, the person who has her every need met, or the person who does not and yet acts as if she does? On our account (and Kant's), it is the latter. Nobility is a very particular kind of choice, or posture. It happens to be a posture that is recognized and valued almost universally, across all cultures. Why? Perhaps because noble people—high-born or low, rich or poor—by applying only that lightest of moral forces, namely, their *example*, make the fewest demands on the rest of us.[xlv]

If nobility means acting as though all one needs have been met, it follows that "ignobility" is acting as though one's needs were endless and could never be met. The wholly ignoble person appears to others as a black hole of neediness, as insatiability personified. (Felt in oneself, is this not a kind of hell?) How undignified, how sad, is the woman of wealth who still acts as though every dollar stands between her and starvation. How ignoble is a man of means whose acquisitiveness knows no bounds, whose selfishness betrays unwarranted insecurity, whose tastes remain as unrefined as a child's, who demands justice in every quarter for the smallest infractions against him!

Let us not be ungrateful, then, that during the thousands of years that peoples lived under monarchical rule there were, among the aristocracy, people who deserved their status, who showed all just what humans with wealth and education and self-discipline could be. The respect that ordinary people demand and give each other today may be a remnant of what such aristocrats showed to be possible.

6. Satisfaction, happiness, and pleasure.

As mentioned in the introduction to this chapter, *happiness* and *pleasure* are neither descriptions of, nor the result of, one's overall satisfaction or contentment with life. Rather, they are the felt *movement* in a positive direction. They arise from the *improvement* in one's condition, and not from the condition itself. The man who loses a dollar experiences sadness—the less sadness as he is already wealthy, of course—but sadness nonetheless. This is why the man who *gets* a dollar is happier than the man who already has it.

In Chapter Two we defined "value," V, as a change in complexity-and-organization, Ω, and here we see how this rule is manifest at the psychological level. For as I discussed earlier and shall argue again later, "satisfaction" is the feeling that accompanies attainment of the level of complexity-and-organization demanded by the social and technological environment. Satisfaction is Ω embodied. Maddeningly for some, the process of civilization steadily sets these demands at levels ever farther from what was once necessary for simple survival and reproduction. Greater satisfaction therefore also contains the implication of greater capability.

Thinking of happiness and pleasure not as "first order" states but as "second order" states-of-change-in-state helps one understand that happiness and pleasure *can* be compared from person to person and from occasion to occasion, precisely as Bentham proposed. Two people may be equally happy but quite *un*equally satisfied, fulfilled, or endowed. If happiness does not much depend upon how intelligent or how successful or how developed one *is* or has become at a given time, but on whether one is progressing or regressing in the satisfaction of needs, then it follows that a fair society is not one in which all are equally wealthy or "well-off" (read: satisfied), but one in which the subjective wealth of each is increasing at the same rate.[xlvi]

Happiness can thus have different names as it occurs in connection with different strata of need. Around legitimacy and approval, happiness might be identified with/as the feeling of *pride*, around confidence perhaps *merriment,* around security *peace of mind,* and so on. Things of value "lift our spirits" even as they comfort us; things of value open our minds and hearts even as they show us the right way to be. Things of value increase complexity *and* organization, freedom *and* responsibility, in just the combination we then need.

7. Liberty as foundational to freedom

In the light of our stratigraphy of needs, consider Thomas Jefferson's stipulation of the natural, inalienable right of every human being to "Life, Liberty, and the Pursuit of Happiness."[xlvii] "Life" corresponds to our survival stratum, "Liberty" corresponds to freedom, and "the Pursuit of Happiness"—at least by our definition of happiness—corresponds to the ascent of the stratigraphy *per se*. Jefferson, it seems, lays out the bottom of our stratigraphy, the top, and the vector which carries us through all the other strata that intervene.

That this sort of mapping between categorical systems can be carried out is unremarkable, however. The stratigraphy itself can be understood as an elaboration of the Jeffersonian—dare I say American—credo, and I would not object to this criticism. But let us look more closely.

Jefferson, following Locke, proposes that liberty is an "unalienable" *right*, something granted at birth to all human beings (except slaves) and whose continued protection is civil society's very purpose. Liberty is not something to be earned, achieved, reached, or traded-for with goods, money, "tokens," or anything else. We are to be free *ab initio* by law. In our terms, this makes of "liberty" a need tied rather more to legitimacy than to (our) freedom. How so?

Is there a difference between political/legal freedom and personal, moment-to-moment freedom? If there is, then our difference with the Jeffersonian credo can be resolved.

Liberty consists in the absence of coercion by the state in such matters as family life and religious practice. It consists in the guarantee of political representation, educational opportunity, public speech, and so forth. It refers to relations between the state and the mature citizen that restrain the former and empower the latter with real choices. "Liberty" names a class of *rights*—in our terms, guaranteed-available, guaranteed-warrantable tokens—which work to satisfy our need for legitimacy, which in turn puts a seal, as it were, on our sense of security. In sum, liberty is about law—about what is (and is not) legally permissible.

Freedom, on the other hand, is cognized and felt as a continuing sense of possibility for new action and thought in general, in oneself for oneself, or in a group for a group, and generally for new action and thought *as already falling within the bounds of (enforceable) law*. Liberty, one might say, is prerequisite to freedom.[xlviii]

Now if it values freedom at all, a society is better off when all of its citizens are free to pursue the satisfaction of any and all of their needs, including that for freedom per se, in more ways than one. At the stratum of legitimacy, for example, the personal freedom both given and taken away in liberty will appear as *autonomy*, which, as its Greek etymology indicates, means "living under one's own laws." What does this mean?

Consider games. Games form quasi-legal frameworks *within which* players can act freely and spontaneously at the smaller scale: freely kicking a ball this way or that, playing the card of their choice, and so forth. Players exercise their *freedom* totally while playing that game, within that game's wall-like rules. Artistic production has something of the same quality. One exercises one's *autonomy*, however, *by initiating new rules to play by* or walking off the field! Autonomy is the liberty-based freedom to make the rules to which one will thence hold oneself bound. Because of this, exercising autonomy can just as easily lead to having less freedom as lead to having more freedom: for it depends on what the new *rules* are. When one freely joins the army or a monastery, for example, or even a university, one autonomously gives up a great deal of future freedom. Indeed, all commitments share in this quality.

Why do I link autonomy with liberty rather than freedom per se? Because rules are always associated with legality in some sense, and therefore with trade in tokens of legitimacy.[xlix] When a teenager is pressured by his or her peers into joining a club or taking drugs, this "pressure" amounts to a taking-away not of freedom per se but of freedom's *bases* in feelings of sufficient legitimacy, approval, and confidence. Under this sort of pressure the youngster might join the group not because he or she endorses its activities or values, but *in order to be free* again...to feel approved of and confident—though now, of course, *within* the legitimating rules and token-trading protocols of the new group/game. Autonomy has been traded for freedom.

At the higher stratum of approval, by comparison, freedom presents itself not as autonomy or liberty, but as "social mobility," or as "freedom of association": the freedom to choose one's friends, to express opinions about others without fear of libel, and so forth.

Of course, all tokens—insofar as they allow, guide, suggest, and demand specific behaviors from us—give us some freedom with one hand and take some back with the other. And so, just as liberty presupposes the existence of an orderly, security-offering state that could both grant and protect it, so the sort of freedom that lies at the top of the stratigraphy presupposes a significant measure of already willingly accepted restraint in all dealings in the lower strata. We call them "responsibilities."

Now, the freedom of a few can be large if it comes at the expense of the freedom of the many, since the first group, among other things, may do what they will with the second. This is tyranny. Conversely, the freedom of the many can be increased at the expense of the freedom of the few. This is the persecution of minorities. But the closely-equal freedom of *all* the people at the same time is possible only with limitations accepted by all the people at the same time. This freedom—which I call *well-founded* freedom—is thus not identical with complete and orgiastic *abandon*, with unfettered thought, untamed desire, irresponsible action, or limitless choice. It grows, rather, in the spaces made by a hundred rules gladly obeyed and therefore no longer a burden; it expands through finer attention to the needs and behaviors of others; it rejuvenates in wonder at the world's inexhaustible complexity; it inhales and exhales best in the air of clear conscience. Yes, well-founded freedom is a fine thing indeed, a "celestial article well worth its high rating" as Thomas Paine put it. It is "the Way of Heaven," as Confucius said.

Not surprisingly, I shall have more to say about freedom throughout this book.

8. Human and social capital

In all this, we can hardly ignore the fact that a certain level of capability and efficacy is required in order to function in both the material and the psychological economy. Every adult must bring some endowment of physical strength, social standing, useful training, and native intelligence to the system. Furthermore, the opportunity to *develop* these capabilities through learning and practice—chiefly but not exclusively in youth—can morally be denied no one, as Martha Nussbaum and Amartya Sen have argued.

The requirement to present an endowment of capabilities has a symmetrical counterpart. For just as an adult individual must bring her knowledge and skills—her "human capital"—to the social arena, so must the culture as a whole bring to *her* its viable traditions, traditions which, amongst other things, provide and distribute individual endowments fairly enough to present her with others to play with, learn from, and earn from. Where and what are these traditions? They are embodied in society's institutions: in its languages and laws, in its practices and rituals and know-how. They are embodied in its businesses and books, in its millions of Rolodexes, in its contracts and understandings, in the layout of its buildings and streets, in the ever-fresh flow of gossip on streets, in bars, around kitchen tables, in the newspaper, online…in short, in the accumulation of countless generations of living and arranging things before her, and which constitute that society's achieved complexity-and-organization in "social capital."[1]

At any given time, then, some significant portion of society's activities is necessarily devoted *not* to the direct exchange of tokens (or goods or services) for present pleasure, but to the building up of human and social capital through the transmission of capability-increasing, endowment-creating *information*: news, guidance, techniques, proofs, models and theories, questions, case histories, examples, and recountings, aphorisms, exercises, games, and vicarious educational experiences of all sorts, each of which is packaged differently, each of which is targeted differently, but each of which serves to develop one's effectiveness in the general economy. Without a modicum of intelligence, imagination, and life-experience, for example, no amount of time or money will deliver up freedom. Not for nothing do we tend to classify this information and its associated spheres of human endeavor as *cultural*: they are endeavors *at cultivation* that must themselves, we find, be cultivated.

Moreover, in any complex social system, the path taken by an individual to produce or secure just *one* desired good or token might be quite circuitous. It may require several steps, many delays, and any number of side-tracks for research, retraining, or the meeting of preconditions and prerequisites. In general, and as we grow up, we find that our needs cannot very often be satisfied directly. They cannot always be satisfied "just like that," either by the production of the very thing we want or by the exchange, then and there, of something else for the very thing we want. We must "jump through hoops;" we must work with others, we must wait. Patience is called for, together with learning and investment. Moreover, the value of present actions rarely belong to them alone. Rather, the values of present actions are cast back from the future, as it were, from what they are aimed at securing.

It seems, then, that a good deal of the information circulating in society should be thought of as "meta-psychoeconomic" and "meta-economic" rather than psychoeconomic and economic. "Meta-" because this kind of information satisfies our needs only indirectly and/or in the long term; meta-economic because if it is not always *about* economic functions directly, it nevertheless serves to enhance them. Since many of our educational, cultural, and religious institutions are concerned with increasing individual capability in venues that seem far from a formal marketplace, they too might be thought of as meta-(psycho)economic in mission, and thus in some sense exempt from strict economic logic.

Now, having made a distinction between economy and meta-economy, we might ask: just how cleanly can it be drawn? And we might wonder: does making this distinction not undermine the importance accorded here to the psychological economy precisely to the extent that it admits that there *are* areas of human life situated at varying degrees of remoteness from direct economic pressures, an admission which in turn makes room for activities which are *untouched* by economic thinking of any sort? And what if these "non-economic" pursuits, amongst which we usually list (amateur) sports, art, music, scholarship, religious practices, scientific inquiry, gossip, exercise, recreation, education, family life, even politics—what if these activities were better thought of as *served by* economic life rather than *servant to* it? Many find the truth of *this* interpretation to be self-evident and would be incredulous that anyone but a philistine would suggest the opposite. We create art—as we like to say in the modern era—for its *own* sake; we like to ski for the pure pleasure of it, and we have real friends for reasons having nothing to do with "business."[li]

Part of the difficulty in answering these questions lies in the fact that on close inspection the distinction between matters "economic" and matters "meta-economic" is not an easy one to draw. Just as there is always a component of self-reference in language—a level of meaning that is *about* what is being said even as it is being said—so, in moment-to-moment economic exchanges, there is always a component that manages and comments upon the exchange itself, expressing what the exchange means and how future exchanges are expected to go. This component educates its parties as to the very techniques of exchange and valuation. It builds personal capability and social capital. Conversely, no purely academic discussion *about* subject X is ever really "purely academic," just as no training for the future is not also a meeting of some needs at the very occasion of the training. Individual capability (human capital) and structured interpersonal connectivity (social capital) increase or decrease with every exchange, and both are vital to all future exchange. These several levels—the ostensible 'core' level, the 'meta-,' the 'meta-meta-', and so on—operate together, it seems, "all the way down": from institutional arrangements in a complex society, through everyday language and economic exchange, to DNA, where the bulk of the DNA strand encodes not finally-expressed features but "reading schemes" which encode further reading schemes *for* that feature data *to* express itself.[lii] In this light, who is to say which level is more important? In any organically evolved system value attaches itself to every step, every function, every part and every level, for its instrumentality in maintaining, as "capital," or increasing, as with "cash flow" or communications, the complexity-and-organization of the whole. The needs listed in the stratigraphy are not ends in themselves. Their satisfaction, each one, is a means to tackling the next need. Each is a foundation, stock, or store of capital for moving on and up the stratigraphy to well-founded freedom, which always demands the most complex-and-organized mode of life available.

9. The token economy everywhere

It should neither surprise nor disappoint us, then, to observe that as soon as any individual's interest finds enough followers to create a group or community, the community develops its own local token economy, this no matter how nobly far from everyday commerce and "business mentality" it may try to situate itself. There are memberships to deserve, standards to meet, approvals to be gained, confidences to be traded, votes to be cast, privileges and freedoms to be meted out, earned, and forgone. These token economies appear quickly.

Teachable ways to work more effectively with them soon follow.

Art, for example, requires an *art world* to sustain it, as Arthur Danto points out: artists, collectors, dealers, critics, museums, galleries, audiences, auctioneers, aristocrats, lampooners, gossips, Schools, schools...the lot—all swirling in a din of token exchange around "the art" and, in the process, making the art Art.[liii] Nobody who works for volunteer groups or charitable organizations does so for nothing, though they are not paid in money. Non-money tokens are not "nothing." Being appreciated has considerable value, as does the legitimacy lent by the official titles "donor" or "volunteer" or "volunteer coordinator," and so on. As for the life of aristocrats among each other, life at court was a veritable bazaar of trade in slights and favors, rumors and lies, and decorums obeyed and challenged, just as the life of senators and congressmen in Washington is now. Indeed, so-called non-economic institutions are notoriously rife with internal politics—and what is "politics" but economic activity concentrated in the traffic of tokens of legitimacy and approval?[liv] On our view, what Alasdair MacIntyre called *practices*—namely, institutions such as the professions of medicine or law or architecture which have their own internal goals, traditions, and definition of "goods"—are at best island-economies, not non-economies.[lv]

But actually—and this is our second reason for claiming that the distinction between economy and culture is an not easy one—neither art nor sports nor education nor religion are really *islands*. And certainly, none of the professions—which, as MacIntirean practices, ostensibly serve the public by unilaterally upholding non-market, non-economic standards—□are really *islands* either. Whether material or psychological, all of them provide rewards for their participants, tokens which carry weight on the "mainland" of the rest of human life. The man who wins a bridge tournament on Sunday holds his head high in the stockroom on Monday. The tennis star basks in adulation and buys condominiums in Nice and Vail. For the rest of their lives Nobel Prize winners can do no wrong, getting grant money more easily than most and deference wherever they go. Architects who win the Pritzker Prize receive yet more prestigious and lucrative commissions. Concert pianists don't just play their hearts out for the sake of it: they have teachers, managers, and neighbors, all of whom need to be negotiated with, paid, flattered.

From making catering arrangements to paying electricity bills, from collecting royalties and membership fees to paying rent and buying stamps—the ostensibly non-economic institution cannot escape the larger economy. As well as developing spontaneously from within, economic forces—and with them psychoeconomic forces—penetrate everywhere. The grounds-keepers must be paid *and* appreciated; the bar must be stocked *and* the bartender deliver sympathy for free. Not for nothing do pastors and rabbis have to be father-figures *and* diplomats, accountants *and* sages.

And so, as with "levels of description," as with "means and ends," one should make the distinction between economic and meta- or non-economic activity, between psychoeconomic and meta-psychoeconomic information, only warily. Certainly no privilege is to be granted to either one, and which one *causes* or drives or justifies the other is quite undecidable. Life is Life.

Value is attributed to that which satisfies and helps us satisfy our needs, the more the more, and the more-directly the more. This is easy to see. Less easy to see, perhaps, is that in the longer run value also lies in the creation of needs—not, very often, new needs as such—but in the raising of standards, the opening of possibilities, the elaboration of new wants, new techniques, and new and finer discriminations. Each provides room for psychical expansion. Each objectively increases the complexity-and-organization of human affairs and of human consciousness. There is satisfaction in the feeling of capability as such, at mastering the new complexity, at increasing our human capital. Our happiness at feeling that capital increase, the swell of pride we feel as we realize the quality of our endowment, these too have value. In other words, there *is* value in achievement, competence, knowledge, and excellence pursued seemingly for their own sakes, but it is really for Life's sake that we honor them, the life of the whole system that nurtures and feeds us, and for our own contributory happiness.[lvi]

III. The "Goal of Life"

In this book, the goal of life-as-lived by ordinary people is the same for individuals as for groups: it is to be both satisfied *and* happy—which is to experience both well-being *and* "well-becoming"—in the largest degree and for the longest time.[lvii] In presuming to say outright what the goal of life is, it may seem that I am turning a blind eye to certain other goals of life, many more lovely and cosmic: the experience of meaningfulness; the development of community; service to God, Gaia, or fellow man; the creation of perfect childhoods; the pursuit of immortality, virtue, wealth, power, or learning; achieving the ideals of beauty, justice, truth...and so on. I have no quarrel with any these objectives, and would rather not enter into the battles for moral ultimacy such lists tend to engender. For if all of these goals are really different manifestations of the single mandate from life to increase itself in complexity-and-organization, then no harm will be done in beginning with our objective—"to maximize satisfaction and happiness"—provided (1) that we carry our arguments as far as they will logically go, (2) that we universalize them to apply to all people everywhere, present and future, without prejudice, and (3) that the proponents of the various other goals do (1) and (2) also.[lviii] All genuinely moral objectives, I believe, implicate one another deeply.

In our terms, since satisfaction is always applied to a need, and happiness can only result from motion "upward," i.e. from the conquering of first *this* need and then higher ones, the final goal of life-as-lived can only be the satisfaction of the top-most need, which is freedom. But the stratigraphy's dynamics ensure that the goal is not any old freedom, or mere freedom, but the well-*founded* freedom we've been discussing, i.e. freedom supported by *the complete satisfaction of all the lower strata of needs*. The lower needs must be left behind. They are to be solved, rendered moot. With the achievement of well-founded freedom one is as far as one can be from preoccupation with survival.

Is the earthly achievement of perfect, well-founded freedom possible? If it is not possible, is it because reaching it is simply too difficult? Or is it because "[m]an is so constituted" as the eighteenth century political economist Fernando Galiani wrote "…that when he satisfies one desire, another one makes itself felt with equal force…thus find[ing] himself in a perpetual motion without ever arriving at complete satisfaction"?[lix] In other words, is desire never-ending? Is complete satisfaction an endless quest, and circular as well?

This, of course, has been the view of many philosophers and of several religious traditions (Buddhism most prominently), and we might be well advised to accept such age-old wisdom. We would then forgo the idea of any final satisfaction, but could still hold on to the idea of happiness as the ascent—albeit illusory now—of an Escher-like, endless, circular staircase of travail and overcoming. Lifelong happiness rather than any final and complete satisfaction would then be our goal, and this if for no other reason than that the perfectly free person, having reached the top of any finite, *non*-circular model would not be *able* to be happy by our very definition: he would have nowhere to go!

We should, I think, stick to our model, which is finite and linear, and accept this last problem as the problem it is. Our model tells us that progress—which is marked by happiness—draws us up to the stratigraphy's top—to freedom—in a sense in spite of ourselves. And so the question for us revolves less around the notion of circularity than around the questions (a) of the plausibility of well-founded or "perfect" freedom as a goal reachable in a single lifespan, and (b) of what, if freedom *is* thought reachable in a single lifespan, we imagine might lie *beyond* it: a yet higher need?

It seems, then, that whether or not one believes that perfect, well-founded freedom can ever be achieved (and with it the completion of one's life's work) depends on:

(1) whether or not one believes that there actually have been, or exist today, people—be they saints or CEOs—who *have* achieved perfect satisfaction of all their needs;

(2) whether or not, given (1), one believes that those needs and desires were artificially reduced—curtailed—by asceticism or self-delusion so as to make their satisfaction more easily accomplished; or

(3) whether one believes that there are needs above and beyond freedom *that perhaps only the perfectly free can see*.

We shall consider these questions in turn.

People are needful, desire-filled, deeply social animals who spend their time moving and trading and laboring ceaselessly, Sisyphus-like, in the gap between their need for survival and their dream of perfect freedom. This does not prevent people from reaching a state of imperfect (i.e. less than well-founded) freedom *that can yet call itself freedom*. Indeed, it encourages them to reach this state. However, freedom that is achieved while the lower needs remain substantially *un*satisfied, will always be fragile, exceptionally prone to blackmail, and likely to provoke anger in its defence. For it is accomplished only by ignoring or suppressing the calls from below, as it were. Freedom, prematurely wrested, is hollow and not robust. Its owner has not paid his dues; he is "under-capitalized." It is the freedom that very young children can enjoy when their lower needs are fully taken care of by parents, but now "enjoyed" without ground or cover. (Everything said here about the hollowness and fragility of poorly founded freedom can be said about poorly founded, confidence, approval, legitimacy, and so on.)

Well-founded freedom, on the other hand, is something quite complex: it is something *earned* through effort and exchange, rather than given as a basic human right. What *is* a basic human right, given at birth and properly protected thereafter, is the freedom to pursue (personal) freedom without state interference (as long as it does not harm others). In other words, what is given as a basic right in democratic countries is *political* freedom, or civil *liberty*. This position lies somewhere between classical conservative doctrine, following Edmund Burke, which says that freedom is earned through social responsibility, and classical liberal doctrine, following John Locke, which says that freedom is a right, inalienable and inborn. Neither Burke nor Locke distinguished between the two senses of the term "freedom," which we have done here.[lx] As I remarked earlier, on page 39, to distinguish between personal, moment-to-moment freedom on the one hand, and liberty—the politico-legislative freedom to pursue and enjoy greater freedom on the other—takes us a little way towards breaking up the moral paradox inherent in considering freedom as something *both* given (Locke, Jefferson) *and* earned (Burke), as something owed (Locke) *and* yet needing to be won (Burke).

Be this as it may, there is a hitch even with perfect, well-founded freedom. To the extent that one achieves the highest levels of satisfaction (and therefore, ultimately, perfect freedom), one leaves behind or becomes cut off from the traffic in tokens itself, which is to say, from largely self-interested, need-based intercourse with others. When done deliberately and without harm to others, this is graceful retirement, nobility. To remain socially connected in the psychological economy, i.e. to remain in (the) circulation (of tokens), the perfectly free person would have to *feign* desires she does not have, display dissatisfactions she does not feel, and express ambitions she does not hold. Indeed, there is considerable pressure to do so if for no other reason than the purported duty to maintain the "life-blood" of social intercourse as such. In acceding to the pressure, ironically, a perfectly free person may then feel guilty, confused, or resentful of the "need" for the duplicity, thus threatening her satisfaction level in the category of (self-)approval.

But this danger assumes an insufficient wisdom to take these duplicitous practices *lightly*, for the sake of others, or in recognition of one's continuing connection with ordinary, striving humanity.[lxi] For the alternative to withdrawal, upon reaching freedom's satisfaction, is to give oneself over to altruistic behavior—that is, to dedicate oneself to promoting the happiness of others without regard to reward for oneself. (This is also the more moral alternative to the pleasures of aesthetic "disinterestedness", which only the well-foundedly free can enjoy in comfort.) We might think of this as a "returning to the fray," a turning back, Boddhisattva-like, to improve the human condition—or *teshuvah* in Hebrew. We might think of it as beatitude, or Motherhood, or sainthood.[lxii] But since altruistic behavior can be found long before—and independent of—beatitude's onset, I hesitate to name a yet higher need. There is no sharp dividing line between altruistic and self-interested behavior, only gradations of patience and subtlety and scope of reciprocation. (Indeed, Robert Frank in *Passions within Reason* has shown rather convincingly how being genuinely altruistic is in one's best interest.) Saints may rather often need to be "cruel to be kind." Besides, what need would then be higher than this new one? Having named a need higher than freedom, will we not have postponed our problem rather than solved it? Is not some sort of turning-back required not just morally, but structurally?

Indeed, we might begin to see that the satisfaction of given need does not involve cutting ourselves off from the needs below it, but rather involves *enwrapping* the lower needs with another layer of complexity-and-organization, the way a tree grows by adding rings. The higher needs are not so much "higher" as "more capacious" informationally, greater in Ω. And when each of us takes the position of refusing to enter Nirvana until all other beings can join us—the Boddhisattvic ideal—then what we will have achieved, quite possibly, is the very Nirvana we once strove to enter in private escape from this world, and now no longer need to escape because the Kingdom of God on earth, to use Christian symbology, is all around.

There are also factors mitigating our happiness that are more insidious than the usual frustrations afforded by under-endowment, bad luck, other people's venality, and so on. For long before any high-level satisfaction of all their needs is achieved, many people (perhaps most), at the moment of satisfaction of some need or desire, turn away or draw back for reasons quite other than Boddhisattvic altruism. Why? *Precisely in order to maintain the meaning-giving lack.* They resist the new responsibilities that will surely come with the ascent to the next stratum of need—the new complexities, risks, and abstractions they will have to face—and yet long for what that higher stratum offers in new comforts, pleasures, prestige, and freedom. The economy of the new and higher stratum seems to them like a foreign territory, an unfamiliar and threatening new marketplace in the general psychoeconomy.[lxiii] Moreover, through personal habituation, material necessity, or cultural training, many people become fixed in the economy of a particular need, unable to escape it. Their growth is stalled, Maslow would say; they remain immature. Their happinesses alternate with their sorrows, each cancelling out the other. Before long, the existence of other needs and the possibility of their satisfaction may become remote, abstract, hardly real. When these "other needs" are higher ones, the resultant state of mind is called (tellingly, I think) "demoralization." When these other needs are lower ones, it is called "recklessness."

IV. And What of Love?

And what of love? Do we not have a deep need to give and receive it? Should love not appear in every serious schematization of human needs (as it does in Maslow's scheme, we note, and also in Scheler's)? Why does "Love" not appear on our stratigraphy as a need? Is it because love has nothing to do with economics, even psychological economics? Might love be economics' *antithesis*—indeed its nemesis—just as people instinctively feel that it is?

Venturing to explain what many would rather leave unexplained, I offer this view: that love is not itself a need. Rather, love characterizes a relationship-entire. A *loving* relationship is the name we give to any *happiness-producing, sadness-preventing relationship between two individuals, across all their needs, where the happiness-balancing procedures that ensure fairness are deliberately suppressed or deferred or blurred.* Any relationship can be more or less loving. Any exchange of goods can be more or less loving too, either in itself, then-and-there, or as contributory to the lovingness of the relationship between the exchangers over the long term.

Let me enlarge. Love, I say, is necessary but is not itself a need. How can this be? Because love is systemically essential before it is personally essential. Without *some* love, the whole system of human relations, from strictly business ones to purely familial ones, would freeze, rigidify, like a machine tightened solid or designed without tolerances. Under these circumstances, neither goods nor services nor tokens would circulate at all for lack of forbearance of imprecision or delay.[lxiv] Both the love that we feel personally and the love that is referred to by the transitive verb "to love" are manifestations of the deeper and more natural lovingness-in-exchange which is systemically necessary to all communicating species living in an unpredictable world. In its systemic nature, love is similar to many other "virtuous" emotions like loyalty, courage, or shame. These emotions burn in the individual human heart, to be sure, but they are at the same time merely "programs" that have evolved over millennia to promote, if not ensure, the flourishing of the species.

To elaborate a little further: It is sometimes said that "love is the tie that binds." But if love is the tie that binds, I suggest, it is not one strand drawn tightly at one stratum of need, like a length of shoe-lace tightened hard between a single pair of eyelets. Were it like this, we would call love an unhealthy co-dependency, and a risky one at that. It is, rather, the lace that makes many bonds, each gentle and flexible, tying every need of one person to every need of the other with a cumulative, elastic strength. In love, all the eyelets are connected.[lxv]

In a loving relationship the comparative tallying of tokens, and the happiness produced by them, is also made less precise. But it is not eliminated. This is what keeps love in the (psycho)economic domain and explains why love is always found together with *hope* and *forgiveness*: hope, to allow us to rest assured of future "psychic income" from the person we love, forgiveness to allow us to discount past debts, ours as well as theirs. Hope and forgiveness allow lovers, friends, and family members to "keep books" casually, to defer payments, to round off generously and optimistically.

But we do keep books. Look around: sometimes the imbalance of debts and credits reaches the point at which one party believes that no credible amount of hope or forgiveness could ever be found that would reconcile the books as they stand. Then, quite suddenly, all the exchanges that went before are held, retroactively, to a new and more precise standard. All outstanding loans abruptly become due; all credit already given is found unwarranted, even foolish. The end of a loving relationship is thus the sundering of many bonds, not one, most of them already made brittle by pettiness, by too accurate a tallying of pleasures and hurts, by too fastidious a balancing of accounts. The process is exacerbated by dwindling hope or forgiveness…and all in a self-reinforcing spiral which starts, usually, at the top of the stratigraphy and erodes downwards. That a loving relationship can end at all shows that it was economic all along, at some level of precision. For if love were the complete cessation of all accounting, what could ever begin its end?[lxvi]

With love seen as the quality of a relationship between people marked (a) by the range of needs being mutually satisfied through exchange, and (b) by a certain trusting looseness in the accounting, we are able to venture a number of extensions relevant to life seen psychoeconomically.

Love itself is not a single need to be satisfied as such, but a characteristic of whole relationships. To say that one "needs love" is to simply to say that one very much wants to be in a mutually satisfying, multiple-need, accounting-flexible, long-term relationship with another person. To say "I love you" is to say that such a relationship already obtains between you and your beloved from your point of view, or that one is prepared to enter such a relationship, or to ask for (confirmation of) mutuality. So involving, so complex-yet-simple (which is to say, -organized) does a truly loving relationship become, that the other person—the "object" of one's love—soon seems irreplaceable. Deeply in love, two people become like keys that will open only each other's locks: uniquely necessary to the other's happiness. From here it is but a short step for lovers to care for the other's future happiness as much they would for their own.

Multiplied, lovingness is therefore also a characteristic of the whole psychoeconomy, of the way it *works*. The "amount of love" in a family or firm or society, like the "amount of social capital" to which it is a related quasi-quantity, can be felt directly by its participants, first in the richness of their connectedness to each other across many needs, and then by the degree of hope, forgiveness, and imprecision that characterizes value-accounting in exchanges aimed at satisfying those needs.[lxvii] It follows that in order to induce more love into a social system (i) interconnectedness per se (over all needs) should be emphasized; (ii) hope and forgiveness at every occasion of exchange should be encouraged; and (iii) arrangements should be made to facilitate longer-term and fuzzier accounting. "Love" need never be mentioned. Indeed, direct pleading for more love—"we have to *love* each other!"—is apt to be ineffective anyway, since it engenders guilt, resistance, and endless standoffs as to who should "go first."

In the largest social context, and together with other modes of exchange and accounting (most of them more precise), we can see that love *has a job to do,* as it were. This job is to allow slack into the system, to let it breathe, to let it run without gridlock or seizure, so that is may proceed with equanimity in the face of uncertainty. Love permits trust, and vice versa.

This makes love, as intimately as it is individually felt, something that is systemically necessary to society—like memory, as I have said. But if people-in-society "need" a certain amount of love in order for both individuals and society as a whole to thrive, then likewise *justice*, keenly though it is individually felt, is systemically needed too. Justice is based on the good effects of *precision* in value-judgment as well as strict personal accountability. As it was Shakespeare's aim to show in *The Merchant of Venice*, the two—love, with its component of forgiveness or mercy; justice, with its strictness and accountability—must coexist in some life-promoting balance.[lxviii] Shades of Ω-optimality. Says Portia:

> But mercy...
> ...is enthroned in the heart of kings,
> It is an attribute of God himself;
> And earthly power doth then show likest God's
> when mercy seasons justice.[lxix]

Where does all this leave the economic view of Man, and, in particular, psychological economics? Well, we could try to construct "love's antithesis" using our criteria and see whether economics lies there. A few minutes spent in this exercise will be rewarded.

From what has been posited so far, there are three ways that an exchange can be *not* loving:

(i) for the range of needs involved to be very limited for one or both parties in exchange,
(ii) for the exchange to be knowingly harmful to one or both parties,
(iii) for the benefit-accounting-and-comparing system used by one or both parties to be exact in computation, short in term, and precise in consequence.

Let us examine some of the major permutations of these three factors. If (i) is the case but not (ii) or (iii), we have not love but more-or-less-mutual *dependency,* dependency of one party on the other specifically for all needs on the stratigraphy higher than, and including, the one or two needs directly involved. If (ii) is the case but not (i) or (iii), then we have love's traditional opposite, *hate* or enmity. The relationship is neither happiness-producing nor sadness-preventing, but quite the opposite. (Willingness to engage in short-term unhappiness-producing exchanges known to lead to long-term happiness we sometimes call *tough love*.)

If neither (i) nor (ii) nor (iii) holds, that is, if no needs at all are connected, if neither harm nor benefit arise from interaction, and if therefore the precision of accounting is moot because it does not happen, then we have love's neutralization, inattention or *indifference*.

Finally, if (iii) is the case but not (i) or (ii), then we have conventional *economics*, commercialism, "market-mentality," and so on, with the usual accusations against them of bringing a regrettable calculus into human affairs. After all, what more precise measure of value is there than *money*? And what greater spoiler of affairs-of-the-heart is there than money? A *favor* that the receiver is expected to return in kind—and the sooner the better—is no favor at all; just *quid pro quo*, this something for that something. But those who would discredit economics on this basis tend to forget that love's alternatives—love's opposites—are many: dependency, hate, and indifference being three, as we have seen. Economic exchange relationships are surely better than any of these. At least most economic relationships are freedom-conferring, usually well-meaning, and, by and large, mutually beneficial.

Critics of economic life also tend to forget that many real economic exchanges remain quite *flexible*—in initial valuation, in extension of credit, and so forth; they remain flexible and trusting even as they retain the precision given them by numbers as a potential. Business relationships often have this character. They are more like friendships. The *exact* price paid for a store-bought gift is a fact usually kept private by the giver, even though everyone knows perfectly well that *some* exact price was paid. Better that the recipient (and onlookers) should know only that it was "expensive."[lxx] If the relationship is a loving one, this state of quasi-ignorance is maintained voluntarily and indefinitely. In complementary fashion, the prices of many goods to this day are not set in a take-it-or-leave-it manner but are, rather, negotiated. Their prices, we say, are "flexible," undetermined at the outset. Now, in the process of bargaining, something quite positive and purely social can happen. This "something" may not deserve the name *love*, but what happens can certainly constitute love's early stirrings. Consider the undivided attention of the bargainers to each other, their desire for positive mutual regard, the thoughts of future relations... Peace between nations often starts with business relations.

Finally, this: There are many who find the very program of a psychological economics disturbing because it tries to be precise about the value of things *other* than material goods (and money). Such critics might grant some usefulness to psychoeconomics in a few gray areas of social life, but they would certainly draw the line at love. "Are we now to quantify that absolute imponderable, *love*? Are we really to 'count the ways' and come up with an actual number?"

Not at all. Psychological economics merely locates love's imprecision precisely.

And what is it about *love* that we cannot bear to analyze? What is at stake? Is it a fear that we might succeed; fear that love will die if it is shown to be in the least bit rational or self-interested? After all, on the very theory just proposed, if we imagine that a certain amount of work is required to maintain a loving relationship over all needs, could the process not be made more efficient by the *division of labor*? If the answer is yes, then why should we not cultivate dependency relationships with a large number of people (or at least six), each "specializing" in one token-type or need, instead of multi-need loving relationships with a very few people? Would it not be natural and efficient for *us,* as token producers, to specialize in this way too? Perhaps.

One could even go further, removing the unwanted dependency aspect by instigating competition and diversification. Then *many* people, alternatively and/or alternatingly, can help fulfill this or that need, yet we need rely on no *one* of them… This is all beginning to sound somewhat businesslike and rather unbecoming. It certainly tends to support the romantic view that if we understood love in this way there soon would not *be* any, anywhere. But add back the second "requirement" for love—that benefit-accounting be long-term, flexible, and forgiving—and what have I done but substitute a portrait of an idealized community life of warm cooperation for one of intense romantic love between isolated couples? Would that substitution be such a bad thing? I think not. Indeed, I think this division-of-labor/diversification model describes many vital communities and many real and rewarding social relationships as we find them.[lxxi]

Finally, we should remember that psychological economics is offered as a theory, in the spirit of science. It is offered in the general belief that ignorance is never better than knowledge nor imprecision better than precision, even in connection with understanding human relationships and even if this very knowledge and precision, under certain circumstances, are best waived. But let us note that if, in principle, to make measurements on human behavior is to be intrinsically "anti-love," then so are all of the social sciences and most of the professions based upon them—from law to psychiatry to social work to city planning. More than an oxymoron, the term "social science" now becomes anathema. But where could such a critique stop? Are friends and religious counselors to give up making recommendations formulated in terms of doing (or thinking) "more" or "less" of this or that action (or thought) under the critique that this is already quantification, based, moreover, on some predictive knowledge of human behavior? Should setting out to understand the human heart require *disavowing beforehand* any result which could represent our emotional and valuational lives as systematic—any result, that is, which contravened the Romantic ideal of Man's infinite capacity for defying the narrow confines of reason? Surely not. Surely there is a room here for the "calculus of errors," for precision *as far as it goes*.

For its part, psychological economics sets out to cover the *spectrum* of human relational phenomena, between "purely loving" ones on one side of the spectrum and "purely economic" ones on the other (both of which, like infrared and ultraviolet light, are off the visible scale). Just as the colors of the visible spectrum ranging from red to indigo are really only varying wavelengths of their common substrate, the electromagnetic field, so there are many sorts of exchanges lying between the extremes of very loving ones and very economic ones, all sharing the common substrate of value-production-in-the-process-of-exchange.

And there are mixtures too: multi-colored exchanges, as it were.

Besides, for all the graphs and mathematical paraphernalia found in this book, the scientist's urge to quantify and systematize to the *n*th degree has been held in check, restrained not (or not only) by the author's lack of mathematical prowess, but by the nature of the topic. For there is a quickly-reached limit to the precision with which psychoeconomics itself can be articulated *and be true*. It is as though the component of love, intrinsically *there* to some degree in the complexity, forgivingness, and mutability of most human relationships, could not be erased from any discussion of human affairs. Political economists of formal bent already know this limit well and find themselves hedging their equations at every turn, wary of the charge of pinning butterflies into boxes. There is a corresponding and opposite limit, however, to the usefulness of purely verbal illustration, allusion, narrative, and rhetoric—although, undeniably, these modes of discourse are typically kinder to the "love end" of the spectrum. Between mathematical formalism and narrative exposition, no one knows where the optimum lies for the social sciences, much less for a "psychological economics." Until we do, all we know is that the fullest discussions would contain both.[lxxii]

V. The External and Internal Economies

In economic theory since Alfred Marshall, a distinction has been made between a firm's "external" and "internal" economy. The former has to do with the firm's interactions with its local, natural, and social environment, with its customers and suppliers as well as with its industry-wide regulatory structures and markets. The latter has to do with the firm's own operations, its internal material-, information-, and energy-flows, it own specialized techniques.

As applied to psychological economics however, "external" and "internal" take on a somewhat different detailed meaning. The unit of analysis for psychological economics is the *individual* (although it may sometimes be thought of as a group or a firm), and a relationship of *modeling*, if not mirroring, is asserted with respect to the world outside that individual.[lxxiii] Along with Plato (in the *Republic*, where the soul is compared to the state), with Adam Smith (in *The Theory of Moral Sentiments*[lxxiv]), with sociologist G. H. Mead, psychologist Lev Vygotsky, philosophers Karl Marx and Mikhail Bakhtin, and cognitive scientist Marvin Minsky, I propose that what goes on outside the individual, in the social environment, is modeled inside, in his thoughts and decisions and the way they are made. There are voices within us, others' voices, and we are playwrights all. Conversely, what circulates in society is but a projection, a reflection, of what goes on in every heart and mind. Society creates persons as surely as persons create society.[lxxv]

Take desire itself. We may know instinctively what we need, but how do we know specifically what to ask for, work for, or want? Most of us discover what we want as much by observing the causes of other people's happiness as by examining the causes of our own.[lxxvi]

In 1927, the philosopher R. G. Collingwood made the following exacting argument for a more radical but sympathetic conclusion: "There is no such thing as an exchange between persons" he wrote:

> ...What one person gives the other does not take. I may give a piece of bread for a cup of milk; but what I give is not the bread, but the eating of the bread, and this is not what the other party gets; he gets *his* eating of the bread, which is an utterly different thing. The real exchange is my giving up the eating of the bread and getting the drinking of milk; and there is another exchange, that of his drinking against his eating… All exchange, in the only sense in which there can be real exchange, is an exchange between one person and himself; and since exchange, understood as the relation between means and ends, is the essence of economic action, all the essentials of economic theory can be worked out with reference to a single person. Indeed, it is only so that they can be intelligently worked out.[lxxvii]

Here "…with reference to a single person" really means within the soul of a single person, between "…one person and himself." For Collingwood, then, there is *only* an internal economy.

I do not go so far. Collingwood notwithstanding, distinctions can and should be made between internal and external economies. If the idea of modeling is to serve us well, it can only be as a starting point, as a general casting of the problem into a useful form. For example, if we can say, by way of definition, that in the external, interpersonal, public psychoeconomy, tokens are traded or *exchanged* between individuals (or groups) whereas in the internal, intrapersonal, private psychoeconomy of each individual (or group) tokens are analogously *converted* from one stratum, type, or kind into another, then certain clear differences between "exchange" and "conversion" processes immediately appear: Between individuals, as between groups, there exist *exchange ratios* and *exchange rates* between token categories that are set by both history and the context (i.e. the market).[lxxviii] These ratios and rates are public and can be verified and relied upon by all members of an economy or culture who participate in exchange and intercourse with others. Within individuals, however, *conversion* ratios and rates obtain, set by personal situation and disposition as well as adopted norms. These internal rates are apt to be more volatile than external exchange rates, since they go on literally in private, with no accountability except to conscience. Debts and obligations to oneself, too, are more likely to be re-negotiated or forgiven than debts and obligations to others.[lxxix] The injunction to "love thy neighbor as thyself" thus makes perfect sense, since, by all the criteria outlined in the preceding section (and just recalled here), most people love themselves quite well.

Almost all conversions from one stratum or type of token to another, however, involve some sort of violence to the token as accepted. This is because tokens are usually *marked* by the external offerer as being addressed to a particular need of the acceptor's and on a particular occasion (both as assessed by the offerer).[lxxx] For example, one may wish to convert received, but less-needed, tokens of approval into more-needed tokens of security—most likely by a "surplus" of the first being applied towards a "deficit" in the second. But this would be intentionally to mis-take, to re-interpret, the nature of the token as it was given, and requires an expenditure of confidence to carry out.[lxxxi]

Because internal conversion is cognitively problematic and its results risky when acted upon in the social arena, most people—especially those not yet fully confident or not desiring to test what confidence they have—prefer to engage in influencing others into giving them the correct type of token in the first place.

And yet conversion cannot be escaped entirely, especially when the token accepted and the token expected in return are to be of a different type or stratum. One must then carry out the calculation of equivalent value, that is, the act of conversion, within oneself (or within the decision-making subgroups in the group). I must decide how much security I gain when I am actually only given a new title/position at work (conferring a certain amount of extra legitimacy). And I need to calculate how much approval in the form of appreciation I need to express in return to my boss before I betray too great a need for legitimacy and security, thus lowering the stratum of likely future exchanges. The internal currency that makes these cross-kind token comparisons possible, if not entirely precise or reliable, is change-in-lifefulness, which is happiness...which is value made manifest.

Some shun the process of real exchange with others and prefer internal conversion, others shun conversion and prefer exchange with others; we are likely to call the first group "introverts" and the second group "extroverts." There is, however, an important kind of introvert, one whom we might call a *self-validating* introvert. This person gives legitimacy tokens to him- or herself. Or they mis-take the other tokens they receive *as* legitimacy tokens. That you trade with them at all, on any basis, is proof enough of their legitimacy—of their position, their authority, their rights...

Now, a degree of self-validation is necessary in everyone. Genuine legitimacy tokens are often scarce, and there are very few people who feel utterly secure in their social position. Artists especially require an extra measure of self-validation just to feel sheltered enough from the disapproval—or worse, from the indifference—of others to proceed with their work another day.[lxxxii] So do writers, entrepreneurs, and mothers at home. Political leaders and CEOs often need to be self-validating until the wisdom of their decisions is seen. Indeed, to "grant authority" to such leaders is precisely to grant them respite from looking for the immediate endorsement of their every thought, plan, claim, and command from us, who are led. It is to grant to *them* the power to resolve *our* doubts.

But, taken to the extreme, self-validation by individuals or communities becomes problematic. Entirely self-validating, they become their own "best" judges and critics, their own heartiest applauders and congratulators. Tokens are devised, traded, and circulated entirely internally, never seeing light of day. Such individuals and groups give themselves license to behave in certain ways and often try to manage the conditions of their physical subsistence as directly as possible, seceding from the general psychological and material economy. They begin to evolve away, to become their own cultural species, as it were. Of course, strongly self-validating individuals are often thought of as noble, as spiritual Robinson Crusoes, as loners, pioneers, "rugged individualists," or leaders of utopian communities. But in reality, just as often, these are people who have become tragically isolated from others—marooned. And this is more especially the case if self-validation, as a mode of living, was not chosen *by* them but *for* them through rejection. Needless to say, when individuals or groups long accustomed to self-validation re-establish contact with the larger economy, there is a very good chance of mismatch and conflict.[lxxxiii]

We might note that the difficulties and risks involved in conversion also mitigate applying the Marshallian *principle of substitution* to the satisfaction of needs. For if we could simply extract and then freely apply the value of *any* received token to *any* need, in the same way that we can apply an amount of cash to any purchase or investment we might have in mind, then it would be rational to distribute the value of tokens received so as to yield the same increase-in-satisfaction—the same happiness—from each of our need-states. This equilibrating process would maximize our total satisfaction as well as maximize the efficiency of the inflow of tokens. In short, it would make good (psycho)economic sense. But we need not conclude that people are barred somehow from rationality just because satisfaction maximization *cannot* happen in this way, i.e., chiefly through substitution and conversion. Although tokens, other than money itself, are not fungible goods (then again, nor is money, always), *some* sort of strategy for satisfaction maximization across many needs at once must be operative for ordinary life to carry on. Can we retain a quasi-Marshallian principle of "distributive equilibrium of happiness" without positing substitutability of tokens and without depending heavily on conversion processes?

I think we can. For most people clearly can and do "balance" their time, their work, their attention and their resources to the variable states of their various needs. And they do this through "truck and barter " and comparing themselves with and influencing others, rather than through persuading/deluding themselves as to how well they are doing. To be sure, needs vary from time to time in their relative claim to our attention, and this complicates the process whereby any "distributive equilibrium of happiness" among needs is attempted. So too might the fact that the warrants of tokens lie ultimately outside oneself, in the realm of the external economy where the logic of exchange dominates. Tokens are marked as to their intended effect—"this is a *compliment*, not an *assurance* of your safety" might be the explicit or implicit statement. But none of these facts makes pursuit of an optimization strategy either implausible or unnecessary. Indeed, ways of working past such limitations to effect a good internal distribution of total "value-income" constitutes the very stuff of "ambition" and "personality."[lxxxiv]

The internal economy models and tracks the external economy. It keeps accounts, it models, it predicts. And it cannot, for long, go it alone.

We turn finally to proposing how tokens in the psychology economy are produced and consumed—or rather, offered and accepted—and how they are used to back each other up. This discussion will form a bridge to the concerns of Chapter Five, where we explore what it means for tokens to have "force."

VI Token Consumption and Warranting

If material goods and services are designed, produced, marketed, and consumed, then tokens, analogously, are devised, formed, offered, and accepted.

When a token is accepted, it is utterly "consumed." Tokens are information, mind-stuff, and there is no waste-output as a result of consumption in the sense of higher-entropy offal, trash, or refuse. Tokens generally do, however, *dissipate* within the mind. Over time they lose their effect. Either they are forgotten, or the context which supported their original timeliness dissipates, or both. Token types vary in their rate of dissipation: some vanish as quickly as the taste of lemon sherbet; others, like the blessing of an ancestor, can last a lifetime. We shall examine this time and timing sensitivity in more detail in Chapter Six.

But what happens, we may wonder, when a token is discredited or dismissed at the outset? Person A says to person B "I think you're wonderful" and person B says sarcastically "Yeah, right." Is A's token of approval accepted/consumed by B? Apparently not. We must allow that a token can be partially or provisionally accepted,[lxxxv] indeed that it can be rejected "like water off a duck's back," and find a way to discuss B's "Yeah, right" *as itself a token* produced in return for A's "I think you're wonderful." In the psychological economy, *anything other than a random utterance is a calculated response, conscious or not*. In our example, what is B saying (or rather, doing)? There are several possibilities. B has converted A's compliment into an occasion for him to challenge A's sincerity: "You are not to be believed," B is saying. A may read the challenge implied by "Yeah, right" as "Who are *you* to say?" converting the whole transaction into an exchange which shades into the next lower need stratum, that of legitimacy. On the other hand, B, feeling quite satisfied with his own wonderfulness, may be attempting to "up the ante," to upgrade the exchange from the stratum of approval into the stratum of confidence: first A's confidence and then, when A says "No, I mean it! (I'm confident!)" or "just look at (…my credentials, my achievements, who else says so, etc.)," his own confidence. Other interpretations of this exchange are possible too, but all of them can be described, I submit, as specific token-exchange and conversion processes within the logic of the stratigraphy.

The exchange of tokens is thus done with newly produced or re-produced tokens devised, formed, and offered by each participant to the other on and *for* the occasion of the exchange. (The "other" may be a group, of course.) Although many tokens are formulaic, conventional ("have a nice day," "thank you for calling Acme"), there are no second-hand tokens except in such cases as when one passes along a compliment, conveys an offer, confers authority on behalf of another, and so on, and even then the messenger imparts his own spin. Tokens, if they are not merely being passed along, *come out of* the person who offers them, on his or her own authority as it were, with their own human capital. The offerer is assumed to be able and willing to stand by the implications of the token insofar as he or she can. This "standing by" constitutes a good part of what it means for a token to be *warranted*. For all tokens can, in principle, be "redeemed" for what they ultimately warrant or betoken, just as bank-notes could once, in principle, be cashed in for gold. However, the redeeming of a token is not the same as its acceptance, which is a token's normal fate and which merely entails its incorporation as a more or less reliable piece of information into the individual or group's system of beliefs, feelings, intentions, availabilities, and so on. Tokens may also be partially warranted by making a move *towards* their ultimate redeeming in the following quasi-contractual way: the offerer promises that he will accept in return, and if judged necessary by the accepter, tokens of equivalent or greater value but of a lower stratum on the stratigraphy. That is to say, the offerer marks his tokens as "downward-convertible."[lxxxvi]

The rate at which the value of tokens is tested by actually redeeming them—by "cashing them in" for physical objects and acts—or the rate at which they are in fact traded for or converted into lower tokens, is a measure of the strength of the token economy itself. Over all, the more often tokens are cashed in and the less long they are held and exchanged at their own stratum or higher, the weaker is the token economy. If the trust—if the love—between people erodes, then tokens begin to lose their warrantability, and a greater proportion of the trade in tokens is driven to lower and lower strata of the stratigraphy, from confidence down through legitimacy and security to survival.[lxxxvii]

It asks too much of tokens for their warrants to be always and directly grounded, which is to say, to extend always and directly to questions of their foundation in survival just as bank-notes once extended to the gold standard. Ultimately they *are* grounded in survival needs, of course, and in dire circumstances the conversion—the break-down—is undertaken.[lxxxviii] But tokens traded at the higher strata in times of relative peace and prosperity are remote indeed from this arena, and their exchange value is referred more directly to the state of the psychological economy in the same or neighboring strata of needs. By and large, the warrants of tokens are not tested; they depend on *trust* for their effect, and this is what enables them to broach the complexity of social and economic life with a degree of efficiency.[lxxxix] The value of tokens is not invalidated just because, like modern currencies, in their interchange, tokens "float" free of their moorings and come to define their value largely in terms of each other and of their relative "buying power" in terms of satisfaction. On the contrary: when questions of survival and security are in the forefront so that traffic in their tokens predominates in the culture, or when, in conversation, the warrants of the higher-stratum tokens are repeatedly called into question by considering their value in exchange for legitimacy or survival or security tokens, then there is real cause for concern. War is in the air.

Now with all this talk of warrants, some may be apt to criticize the whole "economy of tokens" as being, *in the final analysis*, more chicanery than machinery, more symbol than substance. The psychological economy is but a froth of illusions, a pointless traffic in mere signs of rights, social standing, demands, possessions, mental states, etc.—fictions all, rather than any actual actions or goods. We would be better off without it, as Rousseau argued. Teenagers watching their parents socializing would agree.

But of course, people have lived in symbolically mediated cooperation and competition since the Beginning—since, at least, they were "humans." Moreover, neither we nor our ancestors live(d) in any materialistic "final analysis." We live *in* sociality and *with* representation. Without an active economy of tokens—without promises, threats, treaties, gifts, titles, rights, compliments and, yes, money—no civilization could have flourished and few individual's needs, material or otherwise, could have been met. With Jean Baudrillard, one might even argue that the economy of tokens (which he would identify with his "political economy of the sign") is the primary one, the economy whose independent dynamics have always guided the materio-energic economy, giving it both structure and purpose. It is tokens that give *their* value to the traditionally-conceived material goods and services, he might say, and not the other way around. Tokens are the real thing, particularly after survival and security needs have been met, and perhaps even earlier.[xc]

But Baudrillard's simple reversal of common sense is not satisfactory. Historically, much about the economy of tokens seems, if often *in*appropriately, to be modeled on the materio-energic economy of competition for, and management of, scarce physical resources. In general: if tokens primarily mediate the relationship between people(s) and organizations in the realm of information, then objects, goods, and services too may be purchased, sold, held, and promised for precisely their role in the psychological economy. Tokens and signs are dispersed throughout the materio-energic economy to the point of emulsification. They make a medium—a continuous space of actual actions and dreams of actions—out of the mass and energy flows of life.

We have spoken of a token's sanctioned, mutually recognized, downward convertibility as its *warrant*. We need only to remark that a token's sanctioned, mutually recognized, upward convertibility is its *potential*. Later, we shall see how "threats" and "promises," correspondingly, engage the token economy's system of warrants and potentials.

We look into some of these things in the next chapter.•

NOTES to Chapter Four: *The Economy of Tokens*

i Abraham Maslow, *Motivaton and Personality* (New York: Harper and Row, 1970 [1954]). Maslow did not do all this single-handedly, of course. The humanistic psychology movement was co-founded by Maslow, Carl Rogers, and Gordon Allport. All of them owed a great deal to Erik Erikson. Maslow's thinking especially was warmly received by the management-theory community.

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ii With the adoption of this armature, Maslow, a psychologist, had already moved into the intellectual territory of political philosophers going back to Plato. Earlier thinkers in this humanist tradition include Adam Smith, Simonde de Sismondi, John Stuart Mill, the younger Karl Marx, John Ruskin, John. A. Hobson, and Thorstein Veblen. For a brief overview of this tradition as it bears on Maslow, see Mark A. Lutz and Kenneth Lux *The Challenge of Humanist Economics*, (Menlo Park, Calif.: Benjamin/Cummings Publishing, 1979), 25—53.

As for a need-based rather than want-based picture of humans, this too has a long history in economic thought, going back most famously to Jeremy Bentham's 1789 *Table of the Springs of Action*. In more recent times we might point to Hermann Heinrich Gossen, Carl Menger, Friedrich von Wieser, William S. Jevons, and Eugen von Böhm-Bawerk, all of whom are identified with the marginalist school in economics. These thinkers posited as fundamental to their approach the notion—not unlike Maslow's—that men and women have a finite set of basic wants, "high" and "low," primary and secondary, which they attempt to satisfy in some more or less rational and prioritized way.

For an example of extensive use of Maslow in recent political science, see Charles Murray, *In Pursuit: Happiness and Good Government* (New York: Simon and Schuster, 1988).

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iii According to Nicholas Georgescu-Roegen, the earliest statement of this particular precession principle in modern economics—and the one that was most influential on Jevons—was not Gossen's, as is commonly believed, but this one by T. C. Banfield in 1844:

> The first proposition of the theory of consumption is that *the satisfaction of every lower want in scale creates a desire of a higher character...* The removal of a primary want commonly awakens the sense of more than one secondary privation: thus a full supply of ordinary food not only excites [us] to the delicacy of eating, but awakens attention to clothing. The highest grade in the scale of wants, that of the pleasures derived from the beauties of nature or art, is usually confined to men who are exempted from all the lower privations... It is the constancy of a relative value in objects of desire, and the fixed order of succession in which this value arises, that makes the satisfaction or our wants a matter of scientific calculation…

Note the strong relation to evolutionary logic, which was very much in the air when Banfield was writing. Maslow would no doubt have balked at Banfield's call for "scientific calculation," but then, Banfield was a nineteenth-century economist and not a twentieth-century psychologist. (Passage above from Nicholas Georgescu-Roegen, "Choice, Expectation and Measurability," *Quarterly Journal of Economics*, 68 (1954): 514.)

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iv This brief historical overview is based on William J. Frankena's entry, "Value and Valuation," in Paul Edwards, ed., *The Encyclopedia of Philosophy* (New York: Macmillan, 1972 [1967]), vol. 8, 229–232.

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v Moral principles might include: the Ten Commandments, the Eightfold Way, maxims such as "do unto others...," "honesty is the best policy," and so forth, while the *virtues* might include charity, honesty, courage, and so forth. For a study of how the Artistotelian idea of "virtues" in the Victorian era became the "values" we speak of so easily today, see Gertrude Himmelfarb, *The Demoralization of Society*, (New York: Alfred A. Knopf, 1995).

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vi Economists offer the word *utility* for this value-substance, as we shall see, but quickly allow *money* to function as utility's chief accountant.

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vii See Elizabeth Anderson, *Value in Ethics and Economics* (Cambridge: Harvard University Press, 1993). In "Practical Reason and Incommensurable Goods" (in Ruth Chang, ed., *Incommensurability, Incomparability, and Practical Reason* [Cambridge: Harvard University Press, 1997], 99), Anderson asks how we might rationally compare the genius of a scientist with the honor of a gentleman, or the artistic merit of a Henry Moore sculpture with that of a Chinua Achebe novel. To all intents and purposes, says Anderson, the two goods in each pair are different to each other *in kind*, and one should not imagine that a universal scale exists along which one could find the one *better* than the other. I would argue, of course, that there is always such a scale, to wit, the degree to which a good changes the complexity-and-organization, Ω, of its appreciators' and creators' lives, even though it is impossible to hold up an "Ω-meter" and say, with a glance at a dial, which good has more Ω or would engender it.

Anderson makes an important point about the difficulty—and the frequent silliness—of comparing "apples to oranges." But conceiving of situations in which "incommensurable" goods *are* quite reasonably weighed against each other is not that hard. As Anderson herself uses for an example, deciding on a leisurely Sunday afternoon whether to stay home and read Achebe or go to see the Moore sculpture is one such situation. Anderson wants to leave this decision to whim—a decision somehow beneath serious value computation because a comparison of their relative aesthetic worth would be pointless. While I might agree about the pointlessness of the aesthetic comparison, the aesthetic judgement is hardly the only thing that determines whether going to experience the sculpture or staying home with the book is *the best use of my time* or would *give me more life* .

Permanent irresolution about the comparative value of different-in-kind ideals, attitudes, actions, art forms, and so on, becomes, for Anderson as for Isaiah Berlin, a good in itself since it casts doubt on conclusions about merit where the preservation of uniqueness is the higher value. Avoiding the rush to judgment keeps the door open to variety, the ears keened to softer voices, the mind open to further considerations and hungry for subtler arguments. It permits complexity to enter the situation. With Kant, Anderson also wants as much attention to be paid to the intentions for action as to consequences of them. Intentions, too, must be evaluated quite apart from what becomes of them; and ditto for attitudes. I applaud these ideals, but my method for achieving these ends is different. It asks us to work with a single unifying principle of valuation, but one that is not, on that account, simple. See also Note 52 of Chapter Nine.

[viii] By way of preview, I believe the interaction of reciprocation delay and evaluative precision to map human relations roughly like this:

		Delay of reciprocation	
		Short	Long
Precision of evaluation	HIgh	business with strangers	business with friends and associates
	Low	relations with strangers and extended family	relations within families and among close friends

The terms "high" and "low," and "short" and "long," are to be understood as relative to each other. The absolute magnitude of these measures is apt to vary with cultural norms.

[ix] It might even be useful to think of the *forum* of such deliberation—namely, the mind—as a marketplace, too. This idea would seem familiar to students of Gerald Edelman and his neural-Darwinism theory of mind. See Gerald M. Edelman, *Bright Air, Brilliant Fire: On the Matter of the Mind* (New York: Basic Books, 1992) and, with Vernon B. Mountcastle, *The Mindful Brain: Cortical Organization and the Group-selective Theory of Higher Brain Function* (Cambridge: MIT Press, 1978).

[x] Marcel Mauss, *The Gift*, transl. I. Cunnison, (New York: Free Press, 1954 [1924]) 11–12. Mauss himself is not endorsing the "people as things" view, but he sees it in the social system of the Maori where, very broadly speaking, both inanimate things have spirits and spirits have material bodies. This is how Marshall Sahlins

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renders Mauss's social-contractarian view of the Maori: "As against war, exchange. The transfer of things that are in some degree persons and of persons in some degree treated as things, such is the consent at the base of organized society." Mauss's originality, says Sahlins, was in seeing exchange between individuals as civilizing in itself regardless of the existence of a state or of authority, which is how most social-contract theory is framed. (See Marshall Sahlins, *Stone Age Economics* [New York: Aldine de Gruyter, 1972], 169.) For a short review of exchange theory up till 1974 in the context of anthropology, see Harold K. Schneider, *Economic Man: The Anthropology of Economics* (New York: Free Press, 1974).

Some readers will see the similarity of my exchange-theoretical approach to that of sociologist George C. Homans in *Social Behavior: Its Elementary Forms* (New York: Harcourt, Brace and World, 1961). Empirical propositions about human social behavior, declared Homans, "may most readily be explained by two bodies of general propositions already in existence: behavioral psychology and elementary economics" (12). Homans "envisages social behavior as an exchange of activity, tangible or intangible, and more or less rewarding or costly, between at least two persons" (13). Homans was very much under the sway of behavioralism at the time, and most of his basic propositions map very closely onto behavioralism's language and methods. No philosopher, Homans speaks of "values" but resists questioning what these may be and where they come from. Without an explicated set of needs like ours or Maslow's—indeed, he disavows the need for such a list—he makes what we will call the need for approval the most general "reinforcer" for human social behavior, a little like money for humans and a lot like grain for a pigeon. In many places Homans is forced to add such values as "self-respect," or "pride in workmanship" and so on. These needs he finds ancillary to his theory because they are "not social"—a conclusion with which we could not agree.

145, expresses this broad view of economy rather well:

various outcomes, all of which may be viewed under various aspects...including the "economic" aspect of the apportionment, circulation, and exchange of goods. Viewed in the latter aspect, all human activity...could be seen to consist of a continuous exchange or expenditure (whether as payment, donation, sacrifice, loss, or destruction) of goods of some (but any) kind, whereby goods of some (but again, any) kind are secured, enhanced, or produced. Thus money or material provisions are expended whereby power is enlarged and status confirmed, sumptuary goods are donated or destroyed whereby social and symbolic value is marked and maintained, bodily comfort and life are sacrificed, whereby exhilaration and glory are gained, "hours of dross" are sold to buy "terms divine," and so forth—and also, for *any* of these exchanges vice versa: money is hoarded whereby status is risked, glory is forgone whereby comfort is secured, terms divine are sacrificed whereby hours of dross are gilded—everywhere, in every archaic tribe and "modern era," *endlessly*.

upper classes. "'Philanthropy is a way of being part of Society,' and 'one of the avenues by which Society makes its connections.'" (Unnamed donor, in Francie Ostrower, *Why the Wealthy Give* [New Jersey, Princeton University Press, 1995], p. 6.) Others do it to make peace with God or conscience. See also Chapter Nine, pp. 47–53.

how *much* different depending on culture (but never going to zero). This need for a unique and publically recognized identity I will subsume under the need for *legitimacy*.

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xiv Some remarks about the words "desire" and "need."

Our everyday understanding has it that the satisfaction of needs is more urgent, more *necessary* , than is the fulfillment of desires. To call a desire "a need" is an overstatement, used to convince the other of the strength of the desire in question. Conversely, to refer to what we would commonly refer to as a need as "a desire" is to try to diminish it, to establish how trivial or optional the stated need is relative to "real needs." People rarely downplay their own needs by calling them desires. On average, *lower* needs (such as for survival) are apt to be called the needs they are, and the higher needs (such as for self-expression), except when totally unfulfilled, are apt to be called desires: the "need to survive," but the "desire for self-expression."

What about things for which we might have a need but no desire, like for surgery or foul-tasting medicine? This points out that we also tend to associate "desire" with (the prospect of) imminent, short term pleasure. When a desire becomes chronic we are apt to recast it as a need, saying "something deeper is going on here." That foul-tasting medicine may save our lives, after all, and it is to this *need* that we respond when we screw up our courage and swallow the stuff down.

Psychoanalyst and philosopher Jacques Lacan suggests that needs should be distinguished from desires by virtue of the "fact that" needs can be satisfied completely whereas desires cannot:

> A need is a drive that can be met, like hunger or thirst. It is a specific detail of compulsion; your body would protest if you didn't satisfy it. But desire is a lack; it can't be met because it is...endless. It is the condition of life itself, not a particular craving which can be satisfied.
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> *Ecrits* (Paris: Seiul, 1966), p. 690.

This is no fact, as far as I am concerned, since Lacan uses "needs" to refer only to physiological needs, which makes of all psychological needs "desires." As we shall see in later chapters, I have no quarrel with the idea of psychological needs and desires being "endless" in the sense of almost never being fully satisfied. I do have a quarrel with them being endless in number or type.

Then there is the term "*wants*." Economists are happier thinking about *wants* rather than needs or desires precisely because wants are evident in people's market behavior. People want lawnmowers; people want movies; people want houses. Why? We don't need (want?) to know. Wants are facts. Needs are philosophy. This is changing. Economic philsophers, anyway, are becoming quite interested in needs:

> …[T]his (new) emphasis on the empirical tractability of needs is ironic, given the traditional aversion economists have felt to distinguishing needs from mere wants. (The) aversion seems not to have stemmed mainly from empirical difficulties in studying needs. Economists reject the notion of needs largely because of theoretical objections to distinguishing among preferences. Needs have no neat *theoretical* place. Here is a case where moral philosophers seem to be more practical than economists.
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> Daniel Hausman and Michael McPherson, "Economics, rationality, and ethics," in D. M. Hausman, ed., *The Philosophy of Economics* (Cambridge: Cambridge University Press, 1994) 267–268.

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xv Actually, there is this difference: on my list of needs, the need to survive is more fully psychological whereas for Maslow, the "physiological needs" are, well, purely physiological, to wit: our need for warmth, air, food, shelter expressing themselves literally in our shivering, suffocation, hunger pains, and so forth. For us, this level of need—actual survival—lies beneath the psychological need to survive which is engaged and felt when, for example, we are assessing the risk to life and limb of some physical activity, when someone brandishes a weapon or threatens to strike us, when we watch the stock market crash with all our savings in it, when we see our crops fail, and so forth.

In this sense, actual survival—and all of our purely physiological needs—are just off the stratigraphy, not-yet-psychological as it were, not yet symbolized; in other words predicted and indicated but not needing to be brought to mind by some act or idea. A person unconscious in a hospital bed feels no need to survive, but his or her body surely does in some sense, and takes nutrition from the i. v. drips, oxygen from the respirator, etc. This person, as far as we know, has no psychological needs. But let them recover enough to take stock of their situtation, and every word from doctor or nurse becomes a sign—and every smile a token—of survival.

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xvi One may wish to compare both lists to Jeremy Bentham's (1787) "four great objectives of public policy," namely "subsistence," "security," "abundance," and "equality," which he ranked in that order. These come after his prime principle of the *summum bonum* or "the greatest happiness for the greatest number of people." (See Spiegel, *The Development of Economic Thought* [New York: Wiley, 1952], 342).

David Braybrooke in *Meeting needs* (Princeton, N. J.: Princeton University Press, 1987) surveys a number of attempts and then provides his own list of basic needs, to wit: the need (1) to have a life-supporting relation to the environment, (2) for food and water, (3) to excrete, (4) for exercise, (5) for periodic rest, including sleep, (6) for keeping the body intact, (7) for companionship, (8) for education, (9) for social acceptance and recognition, (10) for sexual activity, (11) for freedom from harassment and fear, (12) for recreation. Braybrooke follows with a sensitive critique of the limitations and problems of such lists: can they ever be complete? To whom should they apply? And when? Does their substantial satisfaction constitute a human right? In spite of these difficulties, he advocates a need-list approach to human welfare.

Another presumably-complete list of needs, one favored by "alternative" and "green" economists, is given by Manfred Max-Neef (Max-Neef, et al., *Human Scale Development: an Option for the Future* [New York: Apex Press, 1991]) cited in Paul Ekins, Mayer Hillman, and Robert Hutchison, *Wealth Beyond Measure* (London: Gaia Books, 1992), 87. Like ours, it begins in survival and ends in freedom: Subsistence, Protection, Affection, Understanding, Participation, Creation, Recreation, Identity, freedom, each of which exists in four modes:"being," "having," "doing," and "interacting." Notice the debt thoughout here to Maslow.

Perhaps the largest inventory of pan-human traits/needs can be found in Robert Kane's *Through the Moral Maze* (New York: Paragon House, 1994), 51–56. Drawn from various sources and beginning with pan-cultural features of social organization, Kane lists:

1. division of labor and social roles
2. families
3. kinship relations
4. sexual taboos
5. a healthy environment
6. moral codes
7. courage
8. rites of passage
9. a leadership hierarchy
10. shared symbols and values.

He then goes on to personal, experiential needs,

11. to have basic value experiences (happiness, joy, pride...)
12 *not* to have basic disvalue experiences (sorrow, boredom, grief...)

to social needs,

13. to be nurtured and loved when young
14. to have the approval of peers
15. to have social acceptance
16. to have the admiration of others
17. to experience love, sympathy, and affection
18. to be gregarious
19. the enjoyment of humor
20. the cultivation of friendships
21. the desire to work with others towards common goals
22. to be part of a community
23. to have roots (a sense of historical belonging)

to egoistic motives,

24. to have dominance
25. to be in power or control over others
26. to excel in competition
27. to be aggressiveness and territorial

and finally to "miscellaneous traits,"

28. to want meaningful work
29. to make or create things
30. to express oneself in art, fashion, music, etc.
31. to want freedom or autonomy
32. to appreciate the artistic expression of others

What can one say of such a long list? That it is comprehensive? It is not. For example, it is likely that all people(s) enjoy, and strive to have, a *beautiful body*, male or female, one's own or others'. All people(s) also seem to like eating candy and to like becoming mildly intoxicated or stimulated (through the consumption of liquor or caffeine, to mention two legal methods). They also like, occasionally but not unimportantly, to get "high" using euphoriants and to feel enlightened with the aid of hallucinogens.

If Kane's list is not comprehensive, neither is it always efficient. Items 14 through 18 seem very very close, if not redundant. The desire to excel may or may not be competitive, splitting 26 in two. Motives 24 and 25 elide. Art, fashion, music and the rest are rarely seen as merely *self*-expression, at least not by the artists themselves, as 30 seems to suggest is solely the case. And what about wanting to know God?

Kane's portmanteau list of needs could thus surely be longer, shorter, or otherwise modified. Bentham would not deny any of them but merely place most in some hierarchy, under needs 11 and 12, which in some sense rule the rest.

Kane is not to be criticized, however, for attempting to be so comprehensive. One does not want to be overly reductive in the matter of defining human nature. Moreover, under the quasi-moral if not Romantic obligation never to underestimate human capacities, it is very difficult to generate a finite list or set of pan-human needs, values, wants, traits...each of whose members is independent and somehow at the same level of analysis as the others, at the same level of "phenomenality" vs. abstraction. It is precisely because of such difficulties that modern economists are loath to discuss "needs" and "desires," preferring instead to speak of *wants*—i.e. specific wants for specific products, services, and even experiences. (See Note 14 above.) These are indefinitely large in number and apt to differentiate even further as disposable income and leisure time increase. The problem is that in doing so, economic theorists are also cutting themselves off from the obvious: that *desire has structure,* that our innumerable wants have foundation and are often highly substitutable for each other. The idea of basic needs answers the question: *why* do we want what we specifically want? Without taking account of such structure, it seems to me, the prospect of developing any useful theory which links economic and social-psychological behavior is considerably weakened.

We might note, finally, that Jeremy Bentham himself listed some one hundred "springs of action" in his 1789 *Table of the Springs of Action*. This belies the modern opinion that Bentham had crudely collapsed all human motivations into two—the achievement of pleasure and the avoidance of pain—as though these two were singular and the only motivations we had, rather than the felt sign and outcome of the *success* or *failure*, respectively, to satisfy a hundred more specific and yet quite universal wants, some honorable and some not. Any long list of needs, values, motives, virtues, traits, etc. will have specific, socially-constrained relations *between* them and will generate, in their actual pursuit, a rather complex social machinery. It is because of these constraints that most of us could *not* enjoy an ice cream cone while a hungry child looked on, could *not* feel free and autonomous if our family were in danger, and could not appreciate another man's art if we knew that he had bribed the gallery owner to show it. It is because of the complexity and organization of value *systems* that we must all pay a great deal of attention—if unconsciously—to their structure and instantiations, to how the "game of life" is played, rather than to our pleasure and pain as such, which is only the scorecard.

My simple stratigraphy of needs and Maslow's simple hierarchy of needs therefore try to do two seemingly necessary things. First, they attempt to assemble a parsimonious set of basic, pan-human needs, each member of which exists at roughly the same level of generality and abstraction. Second, they posit a dynamic and structured relationship between these needs so that pleasure-as-such and pain-as-such are not in themselves the only things we want, but are, rather, the properties or outcomes of the ensemble of *needs in action*. Wants are surface phenomena, appearing and disappearing as our basic needs are stimulated or satisfied.

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[xvii] For Aristotle, happiness represented the *summum bonum*—the greatest good—and therefore the end, or purpose, of all human ends and purposes. Thought of as an end state or goal, Aristotle's "happiness" seems to be something static, a state-of-being one could arrive at once and for all. Indeed, Aristotle sympathizes with Solon's notion that only the dead can be said *to have been happy* (reminding us somewhat of Oscar Levant's remark that "happiness is not something you feel; it's something you remember"). On this view, happiness is to be judged only retrospectively, that is, in regard to one's life as a whole, in summation. But this assessment is not a utilitarian summation of pleasures and pains in which one's final happiness is like a bank balance after a lifetime of incomes and outgoes of money. Rather, it is a summarizing judgment arrived at by asking: "to what extent did I lead a life in the active expression of human *virtues*? To what extent have I been wise, generous, courageous, and so forth regardless of material outcomes, pleasures, success, etc.?"

With this it is clear that in *Nicomachean Ethics* Aristotle actually thought of happiness as (something produced by) virtuous activity and not a fixed *state* at all, but something updatable, changing, a *sub*total

Because he thought that happiness depends on willed, virtuous action, Aristotle also had to conclude, counter to common sense, that very young children and animals were not capable of happiness. On our view, because happiness is the increase in satisfaction, children and animals can be happy and their joys can indeed be compared with each other's and ours. Is your dog not truly happy to see you come home?

In truth, modern language is as forgiving as it is imprecise about all this. In truth, it matters less how we attach the particular words "pleasure," "happiness," or "satisfaction" to the basic distinction between "states" and "changes-of-state" of pleasure-happiness-satisfaction, than that we make the distinction in the first place, and that we are consistent in our terms thereafter.

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[xviii] Stuart Hampshire, *Spinoza* (London: Penguin Books, 1970), 127.

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[xix] Unfortunately, in practice, it will not always be possible to hold to the distinctions between satisfaction, happiness, and pleasure made here, especially when quoting other writers on the topic, writers who use phrases such as "...brings us satisfaction, "...gives me pleasure," and "...make you happy" more or less interchangeably, as we all do in everyday usage.

In general, economic theories that cast happiness and pleasure as central concepts are characterized as *hedonistic* philosophies. Although hedonism dates back to Epicurus, the origin of the doctrine of hedonism in economic theory is usually ascribed to Jeremy Bentham, and after Bentham and Mill through the Austrian School, through Jevons and Edgeworth in England, and then through Wicksteed, Pareto, and Fisher to recent times with Robbins, Mises, Hicks, and Samuelson. Today, "despite attempts towards the 'neutralization' of economics," writes S. A. Drakopoulos, "hedonistic ideas are still an underlying characteristic of modern orthodox economic theory" (*Value and Economic Theory* [Aldershot: Avebury Academic Publishing, 1991] 178).

Would psychoeconomics, then, also be a form of hedonism?

If this an interesting question at all, then it is also interesting to note that Drakopoulos cites Abraham Maslow's theory of the hierarchy of needs as a prime example of a "*non*-hedonistic philosophical approach". This would suggest that psychological economics, insofar as it begins in the same place, is also non-hedonistic. Is psychological economics therefore some kind of unholy marriage of incompatible traditions; "Bentham meets Maslow," as it were?

At least two errors exist in such a judgment:

The first lies in assuming too narrow a view of what happiness and pleasure are in the first place—one far narrower, to be sure, than Bentham's. There is nothing trivial about either happiness or pleasure. These are not isolated or special feelings on par with, say, sympathy for animals or the appreciation of fine workmanship. As Spinoza understood, Pleasure and Pain have as many names as there are pleasures and pains in a fully lived life. Honor, altruism, empathy, fair profit, psychological growth, the good, the true, the beautiful...none of these, in the realization of it, fails to give us pleasure or to make us happy. And although it may even be true that in order to feel happiness it is best not to make happiness *per se* one's aim, feelings of happiness and satisfaction are as true a mark of the Good having been done as any checking-off of some doctrinal score card, utilitarian ones included.

The fact that scoundrels and criminals can derive pleasure from their actions does not invalidate the claim that happiness marks the Good, nor does the fact that certain indubitably moral actions can make us temporarily miserable (actions such as the fulfillment of certain familial duties). *It is only the holding to an impoverished and somewhat Puritanical notion of "pleasure" that gets theorists into this quandary*, and thus into underestimating the dynamism, variety, and interdependence of the human needs that produce pleasure in their train. Since our happiness depends on them, a "clear conscience" and "peace of mind," for example, could fully be a part of a worthwhile "hedonic calculus." (Much the same point is made by Eugen von Böhm-Bawerk in Book III, Part A, Chapter X of *Capital and Interest*, excerpted as *Value and Price* [South Holland, Illinois: Libertarian Press 1960], 190; and cf. his footnote. But perhaps the most resounding rebuttal of the critique that utilitarianism is too limited by its rendition of "pleasure" to produce an ethics remains J. S. Mill's "What Utilitarianism Is," the second chapter of his renowned 1861 essay, *Utilitarianism*).

The second error lies in misinterpreting Maslow. In *Motivation and Personality* (72–75), Maslow lists 61 psychological "phenomena that are in large part determined by basic need gratification," phenomena ranging from "feelings of physical sating" to "mov[ing] away from a win-lose, adversary, zero-sum-game way of life." So although Maslow—perhaps strategically—preferred to use terms such as *psychological growth*, *health*, *maturation*, *self-actualization* and the like rather than "happiness" or "pleasure," it is important to note how Maslow posits need-gratification as the origin of them all. Indeed, unless one reserves a very special meaning for "gratification," one would be hard-pressed to find a more thorough-going philosophy of hedonism than Maslow's, a philosophy "saved"—should it be thought to need saving—precisely by the sophistication and seriousness with which he analyses the terms "need" and "gratification."

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[xx] Still later, Maslow was to add yet another need to his scheme: the "need for transcendence." One is reminded of Hegel's scheme of the development of Absolute Spirit, beyond both subjective and objective spirit, through both historical time and individual lifetimes.

In all, there is an interesting German-Idealist-leading-to-Marxist bent in Maslow's scheme, and perhaps, therefore, in mine. Marx criticized Adam Smith's picture of economic man, the trader/exchanger in search of wealth, as an impoverished, even ascetic, vision. Men are multifarious and subtle in their desires, said Marx, and all desires find their place in, and in relation to, this economic activity. Or ought to. Marx wanted to put, "in place of the *wealth* and *poverty* of political economy, the *rich human being* and rich human need. The rich human being is simultaneously the human being in need of a totality of human life-activities—the man in whom his own realization exists as an inner necessity, a *need*." (Karl Marx, "Economic and Philosophic Manusripts of 1844," cited by Douglas Kellner, "Human Nature and Capitalism," in Jesse Schwartz, ed., *The Subtle Anatomy of Capitalism* [Santa Monica,

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Calif.: Goodyear Publishing Co., 1977] 79.) Maslow's placement of "self-actualization" at the top of the need hierarchy, and his insistence that all prior needs be first met and then continuously sustained, perhaps has its roots here, although the notion of the realization of individual human potential as society's greatest moral goal is considerably older. It was Marx, after all, who insisted that man's economic life and his spiritual life were inextricably intertwined: for Marx there could be no economics without psychology, and no psychology without economics.

For a recent attempt to connect humanist economics and Maslovian psychology to Marxism and Marxist psychology, see David Lethbridge, *Mind in the World: The Marxist Psychology of Self-Actualization* (Minneapolis: MEP Publications/Univ. of Minnesota, 1992).

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[xxi] See any number of books published during the 1980s analyzing the differences between the then economically booming Japanese and the then economically stagnant American culture. My quotes are gleaned from an article by Steven R. Weisman, former *New York Times* bureau chief in Tokyo, in "An American in Tokyo," *The New York Times Magazine*, July 26, 1992, 24ff. See also Nicholas Kristof, "In Japan, Nice Guys (and Girls) Finish Together," the *New York Times*, April 12, 1998, Section 4, p. 7. For a meandering but very informative examination of one aspect the Japanese value system by a Western-trained Japanese psychiatrist, see Takeo Doi, *The Anatomy of Dependence* (New York: Kodansha International, 1988 [1971]).

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[xxii] Many contemporary social critics argue that this obsession with personal freedom is a very recent phenomenon in America; i.e., that the generations (Robert Putnam calls them "the civic generations") that went through the World Wars, the Depression, or the Cold War do not put freedom above all. I am no scholar of the matter, but I suspect that America's love affair with personal freedom was only in temporary remission during this period, if it was at all, and is as old as America itself. In Book 2, Chapter 14 of *Democracy in America*, Tocqueville writes:

> The inhabitants of the United States alternately display so strong and so similar a passion for their own welfare and for their freedom that it may be supposed that these passions are united and mingled in some part of their character. And indeed the Americans believe their freedom to be the best instrument and surest safeguard of their welfare; they are attached to the one by the other.

In this context it is also interesting to note that Japan has not paid very much for its own national defense, i.e. for its major security needs as a nation, ever since it became a military protectorate of the United States after the Second World War. With the top two needs of the stratigraphy culturally less valorized than in the West, and the bottom two taken care of by treaties with the U. S., Japan has been able to reach high levels of productivity by paying full attention to achieving otherwise "impossible" levels of cooperation between individuals, between businesses, between business and government, and even among business, government and organized crime. Neither a country under a siege (from within or without, via war, famine, crime or corruption), nor a country besotted with personal freedom, creativity, and diversity, can hope to match the simple material productivity of a country that can turn itself wholeheartedly to the middle ground of the stratigraphy. (The ratio of U.S. total spending on defense to Japanese spending on infrastructure in 1996 was 2:5, according to *Harper's Magazine*, August 1997, p. 13.) One wonders if Japan's late-1990s financial woes will be dissipated without cultural upheaval. They were certainly not based on lack of technological know-how or social cooperativeness. Required, probably, is a relaxation of typical Japanese frugality. See David Landes, "Culture Makes Almost All the Difference," in Lawrence Harrison and Samuel Huntington, eds., *Culture Matters* (New York: Basic Books, 2001) pp. 7–10.

On the subject of culture's specializing in certain values: the country that spends most, per capita, on grooming, beauty, clothing and other products and services having to do with personal appearance, including plastic surgery, is Venezuela. The statistic holds across all income classes, and for men and women alike. Venezeula' s producton of international beauty-pagent queens is a source of national pride. (See Larry Rohter, "Who is the Vainest of All? Venezuela," *The New York Times*, August 13, 2000, A4.)

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[xxiii] On the topic of the supreme value of freedom in Western society, our path leads back, I suggest, to St. Augustine's explanation of the problem of evil.

Here is the question: How could an all-knowing, all-loving, and all-powerul God permit the senseless suffering that He so apparently does? In *On Free Will, Book III,* Augustine answered thus: God permits evil because He prefers us to be free to do good *or* evil (and then to *choose* to do good) rather than to be constrained only to do the good (and thus not be free to do evil).

In the way that it valorizes freedom, Augustine's solution to the problem of evil rings particularly true to the American mind. School children can repeat it. But this should not blind us to the incredible value Augustine assigns to personal, moment-to-moment freedom—thirteen centuries before the American and French Revolutions. Indeed, he places its value to high *that it outweighs all the evil perpetrated in this world.*

Is this not unconscionable? Many non-Judeo-Christian religions as well as many modern sects of Christianity think so. Consigning Augustine's difficult idea to the philosophers, they have instead retained the older, more colorful, entitative idea of evil as the work of a powerful agent against God: Lucifer. On this view, for example, since the *serpent* offered Eve the apple, the serpent is originally to blame for mankind's expulsion from Eden, and not Eve's desire to live more freely (which in turn inspired her to taste what was forbidden)

But all the while that religionists were catering to our natural desire to personify evil in some way, the philosophers' idea that morality through law and self-restraint is simply the price that must be paid for individual freedom was passing almost untouched into all Western, post-Enlightenment national constitutions and civil laws.

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xxiv See, for example, Note 31 below.

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xxv I say "at least in name" because societies often evolve culturally and economically from, say, simple warrior societies into complex merchant ones, while holding on to the narratives of the past and using them to describe current goings with increasing metaphoric distance. Open any newspaper and read how lawmakers all over the world "line up" on issues, "back" or "attack" one another, "lend support," "defect" or "change camps," "defend positions," "hurl accusations," "provide ammunition," etc., etc. Politics is soaked with what it once *was* and now only *symbolizes*: war.

The only empirical study I have come across that looks at the different needs (virtues, or values) that different societies champion is by Ronald Inglehart of the University of Michigan. (See Ronald Inglehart, "Culture and Democracy," in Lawrence Harrison and Samuel Huntington, eds., *Culture Matters* , pp. 80–97.) Analyzing data from the 1995–1998 World Values Survey, Inglehart finds that one can locate all societies—or at least the fifty major ones he studied—in an abstract two-dimensional map of "cross-cultural variation." One dimension consists of the spread between *traditional* and *secular-rational* attititudes towards authority. The other dimension consists of the spread between *survival* and *self-expression* values. Amazingly, on this map, countries group themselves into a handful recognizable cultural-religious zones. This is not the place to explain Ingelhart's findings in any detail. I would only point out that the *survival* to *self-expression* dimension maps perfectly onto the *survival* to *freedom* spectrum of our stratigraphy, and that the *traditional* to *rational-secular* dimension, the way Ingelhart explains it, looks very much like the span between *rigidity* and *chaos* we first saw in Figure 2.3 and that I discussed in political terms in Chapter Two, pp. 16–18. Had we already discussed the stratigraphy of needs and the notion of culture as largely an economy of tokens, I would have placed a fuller discussion of Ingelhart's data in Chapter Three, as "Some Evidence for Ω."

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xxvi For an excellent summary of Artistotle's views on this matter, see Martha Nussbaum, "Non-Relative Virtues," in A. Sen and M. C. Nussbaum, eds., *The Quality of Life* (New York: Oxford University Press, 1993), 242, and Note 15 above on empirical studies of cultural differences in value emphasis.

Our need-and-satisfaction-based theory of value, of course, runs on another track to that of Aristotelian "virtue ethics" and its emphasis on the study and development of *character*. I see the two viewpoints as complementary rather than antagonistic however. They run on parallel tracks, and I believe that, with patience, a systematic translation between the two could be accomplished with little remainder and to the same ends. After all, before it is good or bad, virtuous or not virtuous, what is "character" but an individual's coherent, "characteristic" manner of achieving his or her satisfaction and happiness? And what is the whole stratigraphy of needs but an analysis of what individuals *characteristically* want? I am aware, of course, of the size of the literature devoted to contrasting utilitarian with virtue-ethical, character-based, and other non-utilitarian approaches, and do not deceive myself that a reconciliation, though sorely needed, will be easy. See also Appendix Five, "In Defence of Utilitarianism."

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xxvii Another interesting question, of course, is how and in what order they evolved socially. Does single-lifetime, individual development mimic this much, much older history—"ontogeny repeating phylogeny?" Cf. my remarks in Note 29 below.

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xxviii For example, Erik H. Erikson's "eight stages of psychosocial development" in his *Identity, Youth, and Crisis* (New York: W.W. Norton, 1968). Jean Piaget's theory of the stages of cognitive development are widely followed, as are Lawrence Kohlberg's stages of moral development. Maslow is cited more often for his rich characterization of self-actualized individuals than for his ideas about how children actually get there.

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xxix This picture of human development predicts that feral children would remain mired in a two-need mode, survival and freedom, with both addressed and expressed in their least elaborate form.

<u>Figure 4.3 One model of how the needs might emerge over time.</u>

It is interesting to note that normal girls and boys between 5 and 11 years old differ in the emphasis and skill they place on satisfying their needs for approval and legitimacy. Boys are apt to focus on legitimacy questions—their own and other's—rather sooner and more strongly than most girls, while girls are apt to focus on approval needs, their own and others, rather sooner and more strongly than most boys. These differences, some say, last a lifetime, and they give men and women typically different ways of resolving moral conflicts. See Carol Gilligan, *In a Different Voice* (Cambridge: Harvard University Press, 1982).

Culturally, boys/men and girls/women are also apt to have different internal settings as to how *much* satisfaction of certain need is prerequisite to tackling a higher one, with boys/men (at least publically) downplaying their needs for approval and confidence (in order, I think, to go from legitimacy to freedom the more quickly), and girls/women doing the opposite—indeed, until very recently, often poo-pooing freedom (and "self-actualization") as a need if it meant any weakening of social bonds of obligations.

When a society regresses to a state of war or widespread criminality, one way of looking at the situaton is this: it is as though the stratigraphy itself had collapsed, had regressed to the simplicity of an earlier stage of *its* evolution. When the cry is "give me freedom or give me death!" we are hearing people who have been forced to re-visit a level of maturity equivalent to that of two year olds, or ferals. The commonest sight in war-torn central Africa: children with guns. And absence of law.

Similarly, when premature death is considered inevitable due to war, crime, or disease, higher needs like legitimacy (honor) can step forward, becoming more basic, in effect, than survival. This is the basis of the warrior's creed, the fatalist's, the one who has been told that he has a short time to live. Here is a Bangladeshi man, dying, along with hundreds of thousands of others, of arsenic poisoning from his well when fresh water is nearby: "If I die, I will die, but I will not go to fetch water from another man's house." His family, sick too, nod in agreement. (Barry Bearak, "New Bangladesh Distaster: Wells that Pump Poison," *New York Times*, November 10, 1998, p. A10.)

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[xxx] In polite society, where overt hostility is frowned upon, personal insults are often delivered indirectly, by the *implications* of what one says or does. For example, a certain professor I know speaks too softly to be heard clearly. Whether he does so deliberately or not is uncertain, but when he speaks he makes no effective adjustment for ambient noise (a large or crowded room, noise through the window, etc.). Whenever he is asked to repeat himself he does so pleasantly enough, *but he does not raise his voice*. Rather, he substitutes an easier word or phrase for the word or phrase he presumes the listener did not get. This subtly conveys the message that what the listener did not hear clearly because it was beneath audibility was something they did not *understand* because it "over their heads" intellectually. Thus an insult is neatly delivered, spoken but unspoken, and easily denied in case of confrontation.

Are not hard-of-hearing people often made to feel like fools for the same reason?

Tokens of approval and even legitimacy can be delivered with similar indirectness: An older, happily married woman assures a younger one, about to be married to a man she has lived with for several years, that she will feel "completely different" upon coming home from the wedding. The younger woman beams with pleasure in anticipation. And relief: the ceremony will be more than a formality and will *mean* a great deal.

What these two examples point to is that tokens are often not simple things themselves, like atoms. They are, rather, whole "understandings" that might take seconds or years to pass from one person to the other completely.

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[xxxi] For a study bordering on psychoeconomics, see James F. English, *The Economy of Prestige: Prizes Awards, and the Circulation of Culural Value* (Cambridge: Harvard University Press, 2005).

The distinction between deserved rewards, social approval, and officially owed recognitions and awards has a far more serious side. For example, are clear *profits* (i.e. income over and above all costs of production, ever deserved or justified? Are lucky entreprenuers and investors *entitled* (officially owed) their windfalls? Or do they merely deserve them for taking the risks they take? Is the marketplace not basically just a contest? Why should a monopolist not get all he can for his products while he can? For interesting discussion of these questions see Robin Cowan and Mario Rizzo, eds., *Profits and Morality* (Chicago: University of Chicago Press, 1995).

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[xxxii] See J. L. Austin, "Performative Utterances" (1961) and John R. Searle, "What is a Speech Act?" (1965), both reprinted in A. P. Martinich, ed., *The Philosophy of Language* (New York: Oxford University Press, 1985), 115–124 and 125–135.

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□□□ Here is a more exhaustive list of perfomatives that involve token offerings and acceptances: accessions, acquittals, advocations, allowances, appointments, appraisals, arrests, backings, baptisms, beggings, bets, bids, blessings, charges, cheers, claims, complaints, compliances, commendations, condemnations, condolences, condonings, concessions, confessions, congratulations, curses, declarations, demands, denials, disavowals, disbandings, divorces, embarrassments, encouragements, endorsements, enquiries, enlistments, greetings, hirings and firings, invitations, invocations, implorings, "lettings" (as in "let $y = f(x)$" or "let this day be remembered..."), mandates, marryings, nominations, offerings, orders, pardons, permissions, promises, proposals, protests, questionings, ratifications, recommendations, recognitions (diplomatic), requests, resignations, scorings, sentencings, snubs, thanks, validations, votes, vows, verdicts, warnings, welcomes… and many others, most of which are token bundles rather than single tokens in that they involve several tokens directed at several needs simultaneously and are often intended to have an effect over, or after, a period of time.

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[xxxiv] See also Albert Bandura, ed., *Self-Efficacy in Changing Societies* (Cambridge: Cambridge University Press Bandura, 1995).

I would claim that the ability to affect another's personal security—for good or ill, in harm or in aid—is all but a human right. From childhood on, proof of one's *effectiveness* in the world is essential to feeling that one exists at all, let alone exists as an free and responsible agent. One must know of the depth and strength of that effectiveness, and this is provided by testing the meaning of power, by tasting the color of violence, now as victim, now as perpetrator, on probably more than one occasion. These are experiences one must both have and "deal with" in order to mature as a person. Said another way: one of the first things a child must learn in order to control it is that they absolutely *do have the power* to hurt or save others, be these 'others' toys, pets, siblings, friends, or especially parents. Only knowing they have the power are they able to transcend power relations—or sublimate them, as Freud would say—and move on to satisfying higher needs and learning the art of using gentler forms of force.

If I am right, then the children most likely to turn criminally violent are those whose parents were un-affectable by them, positively or negatively, or appeared to them to be so. With parents impervious, "strong," indifferent to any of the child's parent-directed actions and showing emotion only in connection with actions outside of the parent-child relation, the child, still not believing in his power, escalates his quest...his quest, that is, to matter directly, in his own right, to those who hold the keys to his life and legitimacy. The need to find and feel their own power is something such childred never get over.

Some of these children, of course, do not turn to violence. Perhaps finding surrogate parents, they become Napoleons in business, or in some other worldly pursuit. It depends on the proximity of believable role models.

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[xxxv] This is why A's offers of freedom tokens to B are so often accompanied by tokens conveying A's demand for, expectation of, or confidence in B's responsibility, which can easily result in B "having" but *not actually using* any of the freedom gained. B's range, variety, or unpredictability of *actual* behavior—which is what you or I would *see* of her freedom—may increase not at all. It may even decrease if the new responsibilities she accepts outweigh the new freedoms she has gained. In fact, all that has happened is that the *locus of control* of B's behavior has moved from A to B, as from parent to child, state to individual, or teacher to student when the latter is given some rein after a period of training. Instead of being controlled from the outside, by threats, promises, constant monitoring, and exchange, B now controls herself from the inside, autonomously, with "values," "good judgment" and desires to *be virtuous* that have been *instilled*, not unlike the way softwareis *installed*, as part of her "operating system."

The commonness with which offers of freedom are accompanied by cautions about responsibility (and vice versa: awards of greater responsibility accompanied by grantings of new freedoms) reflects the same good sense that is reflected in our mathematical model of value. Value is the increase of complexity-and-organization, here taking on the shape of freedom-and-responsibility. Value is always positive if either or both are increased and neither is decreased. And, on the assumption that the person is already close the the ridge of Ω (i.e., already well-balanced in their freedoms and responsibilities), value is greatest when both are increased equally.

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[xxxvi] In the words of one Holocaust survivor and ardent Zionist: "Human rights and dignity can only be attained by membership in a community which has the power to guarantee those rights." (Oscar David Benedikt, personal correspondence, February 2001).

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[xxxvii] The idea that single commodities themselves consist of "bundles of utilities" which make them qualitatively different from each other goes back, at least, to John Bates Clark's 1899 *Distribution of Wealth*. In application to consumer demand theory the idea has been developed furthest by Kelvin J. Lancaster in "A New Approach to Consumer Theory," *Journal of Political Economy* 74 (April 1966), *Consumer Demand: A New Approach* (New York: Columbia University Press, 1971), and *Modern Consumer Theory* (Aldershot, Hants.: Edward Elgar, 1991).

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[xxxviii] In this, not all academic degrees are equal. Those awarded in engineering, medicine, law, teaching, nursing, and architecture are also conferrals of pre-professional legitimacy, preparing one to earn further legitimacy tokens, namely, *licenses* to practice from the State. Other degrees confer much more limited legitimacy, if any, and this solely within the academic context of universities. At each step along the way in formal education, admission committees instpect the student's resume for prior certifications (legitmacy tokens), with fellowship programs requiring a Ph.D., doctoral programs requiring a bachelor's or master's degree, and undergraudate programs requiring a high school diploma.

The B.F.A. and the M.F.A. are amongst the least-valued degrees not because artists are poor (although many may wind up so), but because one needs no license from anyone to be an artist. An M.F.A. confers almost no legitimacy. Instead, it is almost solely a vote of confidence. Such freedom as an artist can gain may or may not be *well-founded*, an idea I elaborate upon later in the text.

And of course, universities as such are not the only grantors of bankable, protected certifications of know-how. One needs a license to be a masseur or a mortician, a cosmetologist or an electrician. Amongst the young male underclass of large American cities, a stay in the penitentiary is often regarded as a certifying event, a sound investment of time—indeed, an *education* concluding with the conferral of valuable legitimacy and security tokens. Returning to the street with tatoos, prison stories, social connections, iron-hard muscles, steely nerves, tips, and violent know-how (called "props" in street jargon, for "proofs of power"), the prison "graduate" finds that he can command security, legitimacy and approval tokens from others more effectively than before. He commands new respect. For young males in the ghetto, for whom *survival* is a daily concern, all the other strata seem like *up*, even the lower ones.

[xxxix] Moreover, within the newly established family, rules and *rights* soon abound that are tied to family "position:" father, mother, oldest child, youngest child, brother, sister, uncle, aunt, and so on. (Interesting that many of these positions are brought into being entirely by the actions of others, and are in this sense *thrust* upon one.) These rules and rights are taken with a seriousness that sometimes exceeds the seriousness with which state law is taken. Many of the tokens circulating within the family are thus *legitimacy* tokens, the more so as there is conflict.

[xl] The world of fashion, for example, might seem to lie at the opposite end of the freedom spectrum from the world of the armed services. But articles such as designer-clothing, watches, cars, and so forth, far from being the just means for free self-expression (or "self-actualization") are also market-purchasable legitimacy tokens. They are about *membership*, and as such it can matter a great deal what one wears and what one drives. This is why leading designers such as Karl Lagerfeld, Coco Chanel, Thierry Despont, or Ralph Lauren must acquire and maintain the necessary store or "stock" of legitimacy of their own. How, we might wonder, do they do this? Chiefly by associating themselves with the titled, wealthy, or famous, and/or by creating quasi-mythological autobiographies and "incidents" of their own. (Interesting to note is how much of this legitimacy in the U.S. is built from appeal to history and royalty, i.e. from allusions to continuity with the founding events and personages of our culture—mainly the British, their uniforms and costumes, or the mythological West that is the Marlboro Man.) At any rate, this legitimizing information must be conveyed with the certain arrogance, i.e. with its authority left implicit. Note how presentations to potential buyers—the insouciant swing of the hip down the runway, the deeply satisfied gaze out to a windy ocean, the leggy step out of a limousine oblivious to admiration—suppress overt mention of legitimacy and emphasize instead autonomy, freedom...the fruit not of escape or rebellion, but of confidence upon approval upon legitimacy upon security...that is, freedom already won, autonomy deserved, *fait accompli*!

The legitimacy offered by fashion extends beyond the imitation of wealth, lineage, royalty etc. defined only canonically, i.e. in terms of the longest-dominant culture. There is haut "street" fashion too, offered, for example, by Stussy, haut "gentleman farmer" fashion offered by L. L. Bean, haut "outdoorsman" fashion, etc. The legitimacy-conveyance system itself however remains intact within all of these various *sub*cultures, the role of "royalty" now being played by celebrities, musicians, sportsmen, movie heroes, and so on, and sometimes just by the merchandisers themselves, or rather, by their marketers and *models*.

[xli] One could chart the stratigraphy again and suggest some of the common *signs* of each need rather than its tokens. These would largely take the form of verbal expressions of preferences and states of mind, as well as non-verbal expressions of these such as gestures or "body language," displays of product-choice from amongst the offerings of material culture: clothing, jewelry, architecture, music, and so on.

[xlii] Other virtues help flesh out nobility, of course, such as tolerance and good-will, but absence of expressed self-pity is the *sine qua non*.

Some side observations on doing things *for their own sake*: That they do things for sake of doing them is a favorite claim of aspiring academics, artists, athletes, and sometimes businessmen. Why? Because refusal or unwillingness to admit to baser motives—and *all* motives are baser than the non-motive of doing things for their own sake—has long been the mark of the artistocratic, old money classes, people who don't *need* to *do* anything. After all, secure in his or her wealth and privilege, it is the person who has moved beyond having urgent interests who has the time to develop connoiseurships in this or that art, who can claim the indifference, the "distance," held by noble theories (see below) to be essential both to aesthetic perception and scientific objectivity.

Whole theories of human behavior can seem more noble than others too. Noble theories are those that flatter their subject (and readers) by ignoring baser motives, by poo-pooing ambition, self-interest, thrift, calculation, and all the other "bourgeois virtues." Ignoble theories picture men and women as struggling for happiness, as steeped in commerce, as competing with one another, aspiring to deserve what they get and get what they deserve, and so forth. (See Dierdre McCloskey "Bourgeois Virtue," *American Scholar* 63, no. 2 (Spring 1994): 177–193, and "Bourgeois Values," in Michael Benedikt, ed., *Center 11: Value 2* [Austin, Texas: The Center for American Architecture and Design, 1999], 1–3.)

Noble theories, on the other hand, prefer to refer to Man's love of play and beauty, of brotherhood and sport and the arts. Noble theories do not portray humans as driven by needs or dependent on other's favors, but driven only to some sort of excellence for its own sake. On this analysis, Plato, Aristotle, Mill, Rousseau, Hume, Jefferson, William James, and Jung gave us noble theories, while Thucydides, Bentham, Machiavelli, Hobbes, Nietszche, Darwin, Marx, and Freud gave us ignoble ones. (Although Marx did look forward to the day when both capitalism and socialism had been transcended and, in general prosperity, all people worked purely for the pleasure of working at whatever interested them, which is almost work "for its own sake.") Few writers produce the balanced view of human nature that Adam Smith did.

The noble-ignoble distinction can easily be heard at work in present day debates on value or values—especially debates of the kind that happen at academic conferences. Here, regularly, one or more speakers will sprint to higher ground by declaring that that-which-is-to-be-valued should be valued "for its own sake" and, moreover, *is* valued for this (non-)reason by the best people (like himself or herself). Sensing the history of the posture and its power to embarrass along class lines, audiences readily murmur their agreement, placing *their* baser motives safe from further exposure. Only the ignoble would accuse others of ignobility! The irony should not be lost: for tens of thousands of years, neither adopting aristocratic postures nor espousing noble theories *were done for its own sake*. They remain useful strategies for solidifying social advantage while not appearing to. Ignoble of me to say so? (See also my "Class Notes," *Harvard Design Magazine* 11 (Summer 2000): 5–9.)

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[xliii] For example, anthropologist Marshall Sahlins (*Stone Age Economics* , 17, 18), here in noble mode, tells us that many a primitive hunting society, successful at what we would see as mere subsistence, is perfectly happy to carry on as before, i.e. with no desire for greater leisure or more material goods:

> The hunter, one is tempted to say, is "uneconomic man." At least as concerns non-subsistence goods, he is the reverse of the caricature immortalized in any *General Principles of Economics* page one. His wants are scarce and his means (in relation) plentiful. Consequently, [here Sahlins begins quoting from a number of reports he has just cited] he is "comparatively free of material pressures," has "no sense of possession," shows "an undeveloped sense of property"...and manifests a "lack of interest" in developing his technological equipment." ....[I]t seems wrong to say that [the hunter's] wants are "restricted," [his] "desires restrained" or even that his notion of wealth is "limited.".... The words imply a renunciation of an acquisitiveness that was never developed, a suppression of desires that were never broached. Economic Man is a bourgeois construction...

Quoting Martin Gusinde's 1961 study of the Yamana/Yahgan Indians, Sahlins goes on to conclude:

> We are inclined to think of hunters and gatherers as *poor* because they don't have anything; perhaps [it is] better to think of them for that reason as *free*. "Their extremely limited material possessions relieve them of all cares with regard to daily necessities and permit them to enjoy life."

How noble these "savages" are. We can be fairly sure, however, that although concern with material goods may be slight in healthy hunter-gatherer societies in part because they must move so often, in part because the returns to greater effort are small, concern with "spiritual goods" such as wives, gifts, children, with other legitimacy tokens such as signs of social status, physical prowess, fecundity, or wisdom, with security arrangements and arguments on fairness issues, with constant commentary on the memorability and correctness of gestures at weddings, births, deaths, religious dances, and so on is no small matter. This makes their *psychological economy* extremely complex and involving. Indeed, I would venture that were we to look at the traffic in *tokens*, we would find that the Yamana, for example, are "Economic Men" down to their toes and that their freedom is not the freedom of noble *sages* at all. Nor, in fact, is it reasonable to assume, as most anthropologists until recently have, that the long-established beliefs and practices of pre-technological societies prove, by their very persistence, that they have optimal adaptive value to those societies. Many have been harmful for a long time, and have led to a great deal of unnecessary suffering. (See Robert Edgerton shows in ""Traditional Beliefs and Practices—Are Some Better Than Others" in Harrison and Huntington, eds., *Culture Matters*, pp. 126–140.)

This is not to deny the existence of some pre-technological societies that, even under this more critical and sensitive scrutiny, would not turn out to be as they seem, i.e., "laid back," even in their social and ceremonial life. There may well be peoples happy to cook up some yams, shoot the breeze, and sleep. But I think these are few and far between.

In *The Joyless Economy* (New York: Oxford University Press, 1992 [1976]), Tibor Scitovsky, following Berlyne and (unbeknownst to Scitovsky) Csikszentmihalyi, argues that optimum psychological stimulation ("flow") is itself a need over and above comfort. Boredom, like anxiety, is a painful experience, one which rich and poor, technologically sophisticated and technologically unsophisticated people alike avoid if at all possible. Unlike cats, humans—*most* humans, anyway—do not fall asleep when there is nothing to do. They make art, play games, or look for trouble. Certainly, infants need optimal external stimulation if they are to grow up healthy: not too much, not too little. And the same seems to apply to adults. Scitovsky concludes that if society is to avoid the harms caused by boredom, ranging from crime and drugs to environmental deterioration, it needs to nurture all those activities that create, challenge, and direct human curiosity and general restlessness in value-positive ways, whether or not those activities are strictly speaking "economic" (which for Scitovsky means: directed at satisfying human needs, excluding stimulation as such, with limited resources).

While I am most sympathetic to Scitovsky's program, I hesitate, for my part, to make "stimulation" (or "optimal arousal" or "flow," see Chapter Three) a need on the stratigraphy, this for two reasons. First, because it would make a peculiarly general and empty need, partnered with the others. It would be a need without portfolio, as it were. (After all, doing or thinking anything for any reason, including no reason, would bring about its satisfaction.) And second, because it bears a closer relationship to the meta-need I referred to earlier as laying, in Gödelian fashion, outside the stratigraphy, which is the meta-need to ascend the stratigraphy—to live more fully, more complexly—at all. To my mind, to give the name "stimulation" to this profound meta-need for more Life falls a little flat.

Besides, as I argue later in this chapter, one can both appreciate and encourage sports and the arts, geographic and scientific exploration and so forth, without arguing that their chief value lies in the obviation of boredom or in the channelling of otherwise loose and possibly destructive energies, or, as Scitovsky also has it, in the pleasures of release from over- or under-stimulation per se. The worlds of sport, of the arts, and of the sciences, I argue, are, rather, sub-economies inextricably tied into the general psychoeconomy *and* the regular economy. They have value, it seems to me, precisely inasmuch as they contribute to the satisfaction of our needs as well as rehearse us and train us in that process symbolically.

In making need-satisfaction the fundamental value-giving practice of society, I side, then, with the economists that Scitovsky means to correct, and I try to introduce the sort of dynamism Scitovsky is after (i) by having both satisfaction and happiness, $\boldsymbol{S}$ and $\Delta \boldsymbol{S}$, be natural desiderata, (ii) by enlivening the standard decreasing marginal utility scenario (see Chapter Six), (iii) by formulating total satisfaction, $\boldsymbol{S}$, in a need-hierarchical way that admits of multiple simultaneous "currents" of pleasure (also Chapter Four), and (iv) by tying $\boldsymbol{S}$ to Ω, complexity-and-organization, which is itself a compounded, optimizable measure of "lifefulness" in which such concepts as "optimal arousal" and "flow" can find a comfortable home (see Chapter Three).

[xliv] Noble gases (helium, neon, argon, etc.) are called noble because they do not combine with other elements. The earliest use of the term in this connection, according to the Oxford English Dictionary ('noble' 7.B.ii) is: "1902 J. I. D. Hinds *Inorg. Chem.* xviii. 151. The name *Noble Gases* has been given by Erdmann to the several rare and inactive elements which have recently been discovered." Often idle too, aristocrats—“nobles”—did not mix with *hoi polloi...*

[xlv] Kant would want to speak of *duty* here: the duty not to make undue demands on others. Of course, this only problematizes the qualifier "undue." Better not to make any demands at all. In his *Genealogy of Morals* (Second Essay, Section 10), Nietzsche, too, thought that true aristocrats, out of their strength, are more likely to be merciful—another appealing trait to the rest of us.

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[xlvi] See R. Easterlin, "Does Economic Growth Improve the Human Lot? Some Empirical Evidence" in P. David and M. Reder, eds., *Nations and Households in Economic Growth: Essays in Honor or Moses Abramowitz* (New York: Academic Press 1974), 96–122.

Easterlin demonstrates that, within countries, the rich report themselves generally happier (our "more satisfied") than the poor. But when the comparison is extended to be one *between* countries, the correlation of happiness with real income falls apart. The rich of India are (self-reportedly) as happy as the rich of America, and the poor as miserable as they are in America, even though the per-capita incomes and standards of living of the two countries are vastly different from each other. This leads Easterlin and others to propose that happiness must be a measure of intra-national *relative income*, i.e. a function of how well off one is compared to others (or compared to the average) in one's own, surrounding society at that time. His data seem to support the Veblenian view that well-being is in large part a function of relative social standing, the result of acquiring what Fred Hirsch in*The Social Limits to Growth* (Cambridge: Harvard University Press, 1976) calls "positional goods." Robert Frank in *Choosing the Right Pond: Human Behavior and the Quest for Status* (New York: Oxford University Press, 1985) agrees.

My proposal, however, suggests that we reformulate the question and reconsider the original data. For it may be the case that happiness, measured as improvement, is better correlated with short-term (i.e. within one generation) *income growth* and perhaps *relative income growth*, than with absolute or relative income at any given time or period. Tibor Scitovsky in *The Joyless Economy*, 137–138, makes much the same suggestion. Thus, using income growth only as a criterion, we would expect that if the poor are getting richer faster than the rich are getting richer, then the poor will feel happier than the rich. And vice versa: if the rich are getting richer faster than the poor are getting richer, then the rich will feel happier than the poor. In both cases, both the rich and the poor will report that they are happy, and the fact that in general the rich are the happier of the two may be a passive reflection of increasing income disparity, pure and simple, rather than a result of the rich person's contemplation of this statistic.

Using *relative* income growth as a criterion, we could expect different results. If the poor are getting richer more slowly than the rich are getting richer, then they will be "positively" *unhappy*. And vice versa: if the poor are getting richer faster than the rich are getting richer, then they (the poor) will be "positively" *happy*, although perhaps less so than the rich. Why the asymmetry here? That is, why would the rich be less unhappy at the faster-improving fortunes of the poor than the poor would be unhappy at the faster-improving fortunes of the rich?..

First, because with reserves of capital and still-generous incomes on hand, the rich can afford to be magnanimous. But second, because when the poor see the standard of living of the rich rising faster than theirs, their exposure to the new consumption possibilities offered to the rich makes them feel as though they were falling behind, moving backwards, as though running after an accelerating bus…this even though their own forward motion is quite real. New consumption possibilities for the rich, on the other hand, are less likely to be exemplified by what the poor decide to do (or have or want) with their improved incomes. For by and large, the poor want to do what the rich already do and not the other way round. When expectations rise faster than incomes, unhappiness can result.

As far as I know, the task of correlating class-specific income growth data with happiness measures has yet to be undertaken. As to whether it is absolute or relative income growth that explains the facts, I favor the first option, i.e. that the happiness correlates more strongly with the absolute rather than relative (rate of) income increase.

Malaysia, for example, has an ethnically and religiously diverse population and very large income disparities. Indeed, there is as much reason there as anywhere in the world for internal strife. But Malaysia until 1997 had a gross national product which was doubling every eight years. Its incomes were rising across the board, and it was a country largely at peace with itself during this time. In most of Africa, as in Yugoslavia, where incomes were not rising and GDPs were falling, the same degree of income disparity has erupted into dissarray and violence. (Thomas L. Friedman, "A Peace Deal Today Really is a Bargain," *The New York Times*, Spetember 11, 1994, E1).

The same happened in Indonesia soon after the financial collapse of 1998: the poor found themselves unemployed but, more importantly, without prospect. Whereas a few months earlier, because of the steady improvement in their own lot and the belief in the real *possibility* of wealth for themselves (or their offspring) some day, they were happy enough to see the rich drive by in their Mercedes-Benzes, now could see only that the time had come for class redress. Looting and rioting ensued. (Nicholas D. Kristof, "To Some of Indonesia's Poor, Looting Gives Taste of Power," *The New York Times*, May 18, 1998, A1). In South Africa at the time, the situation was at the brink: could Mandela and his successors keep black South Africans' lot improving fast enough to prevent civil war against still-propertied whites?

In general, I believe that social-envy effects and status-ranking effects, while undeniably present when those lowest on the scale are failing to improve their status, are somewhat overrated by most humanistically—not to say socialistically—inclined economists.

Data presented by Robert Frank in *Luxury Fever* (New York: Simon and Schuster, 1999), 72 and 73, show that although average incomes in the U.S. and Japan have increased, in real terms, significantly from the 1960s to the 1990s, measures of "overall happiness" (by survey of population) have stayed more or less constant. If happiness means satisfaction, we can see why this result supports the belief than money doesn't buy you happiness; but if happiness means postive *change* in satisfaction, the way our theory has it, then the constant happiness found in these surveys is nicely predicted. Unfortunately, the questions put to the subjects in these studies blurred over the difference between $\boldsymbol{S}$ and $\Delta\boldsymbol{S}$, satisfaction and its (positive) change, which is happiness.

And if we imagine that happiness declines as satisfaction increases, which the "law" of diminishing marginal utility indicates is the case, then equal happiness for all converges in the long run to equal satisfaction for all as well. Might there be more to the law of diminishing marginal utility than meets the eye?

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[xlvii] This is a modification, we might note, of John Locke's earlier and more hard-headed credo "life, liberty, and the pursuit of property" in the second of his 1690 *Two Treatises on Government*.

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[xlviii] See Note 60 below for more on the difference between freedom and liberty, especially the quotation of J. S. Mill. For Jean Paul Sartre, the experience of freedom constitutes the very foundation of being human. The aim of the (mode of being called) *for-itself* is to become the (mode of being called) *in-itself*. The "for-itself" is manifested all desires, all feelings of lack, all seeings of possiblity, all valuing. The "in-itself" lacks nothing, it just *is*. It does not depend; it does not want; it does not dream; it is, in a certain way death, and in another, God. The perpetual gap between the for-itself and the in-itself delivers us freedom. See Jean Paul Sartre, *Being and Nothingness*, excerpted in Charles Guignon and Derk Pereboom, eds., *Existentialism: Basic Writings* (Indianapolis and Cambridge: Hackett, 1995), pp. 333–340.

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[xlix] Adam and Eve had as much freedom as they needed in the Garden of Eden. They could do anything they wanted except "eat of the Tree of Knowledge of Good and Evil." They had the freedom that young children have in the haven of their own backyards. When they ate of the Tree, they acted not freely but *autonomously*. Why? Because they broke with the "rules of the game"; they gave themselves a new Law. For this they were forcibly launched into a more complex and dangerous adult world where freedom, though immeasurably greater than it was in Eden, was immeasurably harder to win because it was awarded only after all their other needs had been met, which was no simple matter to effect.

[l] Much of what I am discussing here coincides with the human-capital and cultural- or social-capital literature. "By analogy with notions of physical capital and human capital—tools and training that enhance individual productivity—'social capital' refers to features of social organization, such as networks, norms, and trust, that facilitate coordination and cooperation for mutual benefit. Social capital enhances the benefits of investment in physical and human capital." (Robert D. Putnam, "The Prosperous Community: Social Capital and Economic Growth," *Current* 356 [Oct 1993]: pp. 4–6. The term "social capital" was first used by Jane Jacobs in *The Death and Life of Great American Cities*, but it was made the centerpiece of social-economic theory by Robert Putman in his "Bowling alone: America's Declining Social Capital," *Journal of Democracy* 6; 1 (January 1995) pp. 65–79. See also Chapter Ten, Note 58.

[li] Cf. my citations of Mihalyi Csikszentmihalyi in Chapter Three, and also my remarks in Note 42 above.

[lii] See Chapter Two for more about *reading schemes*, encoded in what is sometimes called by biologists "junk DNA."

The beauty (some would say the ugliness) of the everyday marketplace for consumer goods is how *little* meta-level information need be expressed in order to execute an exchange. The information is implicit, beneath awareness, embedded in custom and ritual, as John Commons and Thorstein Veblen would point out.

[liii] Arthur C. Danto, *The Transfiguration of the Commonplace* (Cambridge: Harvard University Press, 1981). The same thought captured some eighty years earlier: "(T)here are two worlds—the one exists and is never talked about; it is called the real world because there is no need to talk about it to see it. The other is the world of Art; one must talk about that, because otherwise it would not exist." (Oscar Wilde in conversation, reported by Alvin Redman, ed., *The Wit and Humor of Oscar Wilde* [New York: Dover Publications, 1959] p. 56.) On recent art as business, see also Anthony Haden-Guest, *True Colors The Real Life of the Art World* (New York: Atlantic Monthly Books, 1997).

[liv] The generous reader will see here the potential for a psychological economics to reconcile *politics* and *economics,* as the two are currently understood, by showing how they both operate with the same currency—tokens—made and exchanged under notions of value, norms of reciprocation, hopes for investment, requirements for trust, etc. I see *money*—the often-defining concern of economics as such—as just one token in a large family of tokens of value. (Both economics and politics, of course, were united as recently as the nineteenth century in the discipline of "political economy," which itself had strong ties to moral philosophy and statecraft.)

[lv] Alisdair C. MacIntyre, *After Virtue: A Study in Moral Theory* (Notre Dame, Ind: University of Notre Dame Press, 1981).

[lvi] In the Jewish rabbinic tradition, one is not to pursue wealth so avidly that one has no time for study of the Torah and the commentaries upon it. No matter how great one's actual or intended generosity, working for wealth beyond the level at which one could, in good conscience and in leisure, turn to self-improvement through the study of moral law, is not work that should be undertaken. Our question: is such Torah study done "for its own sake?"

Certainly it is often posed this way. We are told: one does not study Torah in order to improve one's earning capacity. Nor, properly, does one study literature or art or science merely to improve one's economic standing. These are the subjects of purely intellectual curiosity, done for their own sake.

And yet, and yet...what does the study of the intricacies of moral agency do but enlarge the student's sensitivity to what still needs doing in the world, to what is just and unjust, beautiful and ugly about it? One studies Torah, one *studies* at all, as one returns to a well—a well that, in drinking from it, both teaches us and reminds us of the splendor of nature and the limitlessness-in-finitude of human life. What can this do but increase the complexity-and-organization of our thoughts and perceptions? What can this do but return us to the everyday refreshed, with new eyes? Can we say that all study, including religious study, is useful, motivating, energizing, ordinary-life enhancing, and not be thought of as a callow utilitarian?

[lvii] This brings us very close to the classical utilitarian prescription. It differs in that it is really a double goal: to maximize satisfaction ("utility") *and* happiness ("marginal utility"). Classical utilitarianism in the tradition of Bentham and Mill champions only the first, and most arguments since have centred on the issue of the *distribution* of utility among people, i.e. questions about fairness, justice, and so on. Several further comments to be made here:

(i) The multimodal way I conceive of "satisfaction" mitigates against too close an identification of satisfaction and happiness with, respectively, utility and marginal utility in the first place. I have chosen to keep the two sets of terms distinct, therefore, even though I frequently use arguments that apply to both.

(ii) Notice that there is no static state of affairs which can satisfy our formula, half of which is a "becoming," a 'state' of change, an ever-increasing level of satisfaction for an ever-increasing number of people.

(iii) As for the purpose of life itself, life as such, which would include all living creatures, I shall not presume to offer an answer beyond reiterating the opinion, representing as it does a modern-day Bergsonian vitalism, that the purpose of life is *more life,* endlessly. In Chapter Six I will call "more life" *plenitude*. I say 'modern-day' because, with the new biology and the new sciences of complexity, there is no longer any need to presuppose a life-force or life-essence—a spirit or soul breathed into things by God—in order to account for the phenomenon of life and its "desire" to continue. The Mysteries of Life exist at several levels yet: first, in vast areas of ignorance of how living systems, from organisms to ecosystems, actally work; second, in how life's purpose (should we grant that it is its own increase) manifests itself in human purposes and human experience; and third, deep within the physics and mathematics of self-organizing systems per se, where information theory and computation theory and our understanding of physical fundamentals such as space, time, energy, and irreversibility all meet. There are mysteries enough for me!

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[lviii] I cannot prove here what I believe to be the case, namely, that (1) implies and is implied by (2). So I present both. Point (3) is out of my control.

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[lix] In *Della Moneta* (1751), cited in Spiegel, *The Development of EconomicThought*, 204, 205.

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[lx] See Edmund Burke, *Reflections on the Revolution in France* (Chicago: H. Regnery, 1955 [1790]); John Locke, *Two Treatises on Government* [1690], appearing as "An essay concerning the true original, extent and end of civil government," in Ernest Barker, ed., *The Social Contract: essays by Locke, Hume and Rousseau* (London: Oxford University Press,1947).

For an entry into the contemporary debate on the distinction between freedom and liberty, see Jonathan Wolff, "Freedom, Liberty, and Property," *Critical Review* 11, no. 3 (Summer 1997): 345–357. Wolff offers essentially the same solution as is offered in this book, but let it be noted that his article was read by this author many years after the writing of this chapter.

For his part, John Stuart Mill understood well the distinction we are drawing between liberty and freedom. He starts his famous 1859 essay *On Liberty* thus:

> The subject of this essay is not the so-called "liberty of the will," so unfortunately opposed to the misnamed doctrine of philosophical necessity; but civil or social liberty: the nature and limits of power which can be legitimately exercised by society over the individual.

Mill confines himself to discussing, in our terms, liberty only. He stipulates that the only liberty (= our freedom) that ought not be permitted to be given up is liberty itself (preventing one, for example, from selling oneself into slavery). His position dramatizes the difference between (civil, political) liberty and (moment-to-moment,"metaphysical" or existential) freedom. For "selling our freedom" is a commonplace event. We all do it a hundred times a day in order to make a living, to keep promises, to maintain human relationships, even to stay consistently ourselves.

And what of the person who enjoys being physically restrained or psychologically dominated in the heated liminal zone of sexual congress—but not at any other time? Is this not a symbolic, or better, a *real-yet-temporary* selling of oneself into slavery, with the currency of freedom mimicking that of liberty?

Indeed, freedom tokens are cheap, the readiest to and of all currencies. Not so tokens of legitimacy-cum-liberty, which are "free" (i.e. that cost no blood or money) to present-day citizens only because they were paid for (in blood or money) long ago by their ancestors: freedom of thought and speech, of assembly and association, of worship and of geographical movement, freedom to use or dispose of our property as we see fit, freedom to enter into legal contracts, and so on.

Can one enjoy freedom without liberty? Only outside of the law and when unable to exercise any rights. As I remarked earlier, liberty is foundational to freedom. And so the answer is: probably: but not for long.

John Dewey commented thus "What men have esteemed and fought for in the name of liberty is varied and complex—but certainly it has never been metaphysical freedom of the will." (*Human Nature and Conduct* [New York: Henry Holt, 1922] 303, cited in Daniel C. Dennett, *Elbow Room* [Cambridge: MIT Press, 1984), 5.] Dennett himself here distinguishes between metaphysical freedom and political freedom as a matter of course, almost dismissively, but I hestitate to call what I mean by freedom "metaphysical." What I mean by freedom could just as easily be called "existential freedom" or "phenomenological freedom," which exists for us as the ongoing feeling of possibility for choosing, acting, doing, saying, moving...in any of a variety of ways...within the liberties offered and protected by law.

A prisoner has some small amount of freedom in this sense—freedom to think what he pleases, to move back and forth in his cell, to sleep or read or write. The Stoic dog tied to the moving cart has a small amount of freedom, too. Cherished in both cases, is it not fair to say that both prisoner and dog, you and I, exaggerate their freedom's importance?

Certainly, the boundary between liberty and freedom is not at all a settled matter for libertarian separatists.

Nor was it a forgone conclusion for the writer perhaps most revered for investigating the concept of freedom in the twentieth century, Sir Isaiah Berlin. Berlin often prepared his lectures by dictating onto a Dictabelt.

Composing his most famous lecture, "Two Concepts of Liberty," in the summer of 1957 or 1958, Michael Ignatief reports, "one can hear him intone over the crackly and hiss: 'Two Concepts of Freedom—no,...of Liberty.'" Michael Ignatief, *Isaiah Berlin: A Life* (Toronto: Penguin Bookd 2000 [1998]), 222.

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[lxi] Humanity *and* the animal world: A Zen master was asked, while walking through the monastery vegetable garden with a disciple, why a rabbit had just scampered off so alarmedly. After all, offered the disciple, the Master was a man of peace and a life-long vegetarian! The master replied: "Why did the rabbit run off? Because I like to eat rabbits!"

The last of the "Ten Cow Herding Pictures" which depicts the stages of Zen enlightenment as the search for a lost cow, has our now-fully-enlightened Zen monk returning to the world—to the *marketplace,* in fact—happily chatting and arguing over this and that, the cow let go of, forgotten.

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[lxii] Romans 15: "We who are strong ought to bear with the failings of the weak, and not to please ourselves; let each of us please his neighbor for his good, to edify him. For Christ did not please himself;..."

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[lxiii] Jean Baudrillard goes further and asks us to consider a need for the lack itself, the need, one might say, for *dis*satisfaction:

> What comes to light in this inability to just grab consumer goods, as in the case of the slackening athlete, is that the official imperative, orchestrated as individual need (the need to win, etc.) displaces something else, which is precisely the contrary demand: to lose, misplace, dispossess oneself, or give up. And this isn't some masochistic reversal of a more fundamental economy aimed towards value, performance and achievement, but the inverse and radical necessity of lack (*manque*)… *Taking* has never been a sufficient condition for enjoyment. It is necessary to be able to receive, to give, to return, to destroy—if possible all at once.
>
> Jean Baudrillard, *For a Critique of the Political Economy of the Sign*, transl. Charles Levin (St. Louis. Mo.: Telos Press Ltd., 1981), 207.

We may sometimes even shrink from simply taking freely available goods, *not* because we distrust their free-ness (thinking we are being tricked into some kind of transgression), *not* because they lack the value induced by unavailability itself, and *not* because others may need them more—although these are all good reasons—but because having the thing might mean *having to live up to it*, i.e., being the kind of person that *deserves* to have it.

Robert Kane discusses the importance of deservingness also in *Through the Moral Maze* (pp. 67–99). There he posits the reality of *objective worth*. To be *objectively* worthy of whatever recognition or reward (or even punishment) one receives, rather than only subjectively worthy *even if one could not tell the difference*, argues Kane, is still the natural goal of all who seek approval, legitimacy.

See also Elster,*The Multiple Self*, 43–49, on Marx's reasons why self-actualization and self-expression (varieties of freedom) may not be realizable by the vast majority of people.

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[lxiv] Cf. Note 8 above.

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When someone says "I need love" what they are really saying is "I need to be in happiness-producing, sadness-preventing relationship with another individual, across all my needs and theirs, where accounting is flexible and fairness is 'averaged' over the long term."

And what if A loves B but B does not love A? Does my diagram not imply reciprocity? As it stands, yes. But no, if we look into the possibility that one of parties is denying or deceiving themselves as to the meaning of the other's behavior, or holding out greater hope for eventual reciprocation. Indeed, there are many permutations in the strengths, numbers, directions, frequencies, etc., of the exchange linkages in the above diagrams—each permutation being a "signature" description of a type of relationship. I will not pursue them here. So great is the number of permutations and so fine are the inner structures of exchange that we can begin to see why, on the one hand, a loving relationship is the more exclusive as it is more complete, and why, on the other, the feeling of love is "different every time," unique with every person one loves and has loved.

Note also that the complexity-and-organization, Ω, of the love relationship is apt to be much greater than the Ω of the dependency relationship, this unless the bit-rate (the internal complexity) of the single link in the dependency relationship is exceptionally high.

[lxvi] Two substantial issues arise in this connection: the conception of Christian (agape) love, which has been prevalent in the West for the past two millennia, and the nature of sexual love, which has been prevalent everywhere since deep prehistory.

Christian love, of course, would tolerate no tallying or comparison of satisfactions *at all,* as the accounts of Jesus's Sermon on the Mount contained in the gospels of Matthew and Luke make abundantly clear (See Matthew 5:43–48 and Luke 6:27–36 on "the law of love.") Likewise Paul, in the famous passage from I Corinthians 13: "Love is patient; love is kind...it bears all things, believes all things, hopes all things, endures all things." (vv. 4, 7). Love should characterize not only relationships between friends and family members, but between perfect strangers. It should be a quality not just of actions but of thoughts about actions.

I do not pretend to be a Bible scholar, and acknowledge that the authorship of the canonical gospel accounts is a vexed issue for scholars. Ideas have a life of their own, though, so let's follow the perhaps naive assumption that men named Matther and Luke wrote the accounts that bear their name. In this context, it becomes interesting to note that before they became disciples of Jesus, Matthew was a tax collector, and Luke a doctor. The difference in their recollection of the Sermon on the Mount is marked. Matthew was by far the better writer. His phrases ring; his zeal is obvious; his views are radical. Luke's gospel, by contrast, is academic. His recall and rendition of Jesus' words is softer and less radical. His phrases do not ring. He is also less denunciatory of economic relationships. Why the difference on this latter issue? So universally reviled must Matthew have been in his life as a tax collector, that one wonders whether he had more at stake, and more to prove in the matter of his own reform, by insisting on the evils of economics. By contrast Luke, as a doctor, was surely already a quite beloved man before he became a disciple. Whose recollection, then, was truer to Jesus's meaning? Certainly Matthew is quoted far more often than Luke.

Be this at it may, perfect Christian love—agapic love—stands as an ideal, as an impossible extreme for most people. And it was posited, I believe, chiefly as an antidote to any overly-precise calculation of gain, loss, and fairness-as-equity in this world. It stands as a warning against creating a global, no-credit, and usurious correctness between people of the sort that would make social life unbearably brittle and, in its own way, brutal.

But note the proviso "in *this* world," for it leaves open another venue for balancing the books. The doctrine of an afterlife—specifically of a Heaven for those who do not keep books *and are generous* in this life—still holds out the promise of ultimate equity: recompense in the next life for one's suffering, forbearance, and generosity in this one.

Sometimes, however, this patience is not called for in the New Testament. Here, for example Luke seems to promise rewards to agapic love in *this* life:

> But love your enemies, do good, and lend, expecting nothing in return. Your reward will be great, and you will be children of the Most High.... A good measure...will be put in your lap; for the measure you give will be the measure you get back. (Luke 6:35, 38)

So ingrained in us, and so attractive, is this narrative—which encourages guilelessness and trust, which mollifies the poor in their suffering—that we forget how often and how well it has served the exploiting classes, be they capitalists or colonialists, pharoahs or the Church. We forget also the tremendous amount of hypocrisy that is generated by the guilt, both cast and felt, at not living up to the ideal of perfect Christian love. It was, in part, William Shakespeare's, Jane Austen's, and Charles Dickens's aim to show that it is better to ply the middle ground between fastidious psychic book-keeping on the one hand and abandonment of all accountability (in this life) on the other hand. If Heaven is not possible in this life, many would add, then it is not possible at all.

And how does my description of love shed light on the love that is fueled by, if not based upon, sexual congress?

"Sex is for procreation" is the biologist's answer. Sex is most interesting and urgent at that stage in human life when procreation is a biological possibility, and this would seem to clinch the biologist's case. Moreover, the love and loyalty that comes with mutually enjoyable sex, like the sex that follows on expressions of mutual love and loyalty, serves the interest of raising children, and hence the survival of the species. Love is a meme that replicates itself.

But this explanation, although clearly not *wrong*, has limited power. It does not shed any light on how sexual love *feels*, on how it functions between adults to keep them "in love" with each other. I think my loose-accounting theory fills in the picture. I would suggest that the immense pleasure given and taken during the act of "making love" (the French expression *faire l'amour* contains the same productive/economic metaphor) re-fills the bank accounts of satisfaction, as it were, of each party. When one is regularly sexually fulfilled by another, one has psychic "money in the bank," and when one can reasonably expect to get more, it is much easier to absorb small insults from one's partner, to extend credit, to be generous, forgiving, and even be moderately wasteful of value in the myriad exchanges that constitute a life together. To be sure, many married couples stay *together* "for the sake of the kids," to avoid community censure, to have a friend and confidant in the other, or to keep a circle of these. But they stay *in love*, I suggest, because of their ability to provide each other, periodically, with massive infusions of pleasure/satisfaction "capital." This is what makes both parties feel free and easy with each other—in love with each otheer—often inexplicably to outsiders who see only the surface injustices between them, not the whole picture. Whatever equals sex in in periodically providing "massive infusions of pleasure/satisfaction capital" would work as well.

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lxvii I use the phrase "*amount* of love" with reservations, since love is not a substance. Much less is it a substance available or producible in only finite quantities, such that if a mother, say, gives more love to one child, it follows that the other child(ren) will get less of it. To use the language of physics: love is not *conserved*. No: "giving love" and "getting love" are figures of speech. Love is a statistical characteristic, in principle empirically measurable, of a set of exchanges, and that is why more love *here* does not necessarily mean less love *there*. Love does not dilute as it is spread around. There can be people who are *too loving* with each other for their own good. There can be groups in which love is in general "short supply." But there is nothing—no stuff, no love-substance—that can be transferred from one person or group to another other at the first's expense, or whose greater supply can be secured from depletable sources elsewhere.

But I doubt that this little lesson, even if widely understood, will ever reduce our natural inclination to reify love as that infinitely desirable, never-to-be-gotten-tired-of substance in always insufficient supply. So where, we might ask, does this habit of thought come from? From two places, I think.

(1) If "the-amount-of-love-A-gives-to-B" is thought to correlate highly with "the-amount -of *time*(attention)-A-gives-exclusively-to-B," then, since the latter is indeed in fixed and finite supply to A, the more that is spent on B *does* mean that less is spent on C, D, or F. This is the time-and-attention type of love that infants want. So we should ask: *is* there a positive correlation, objectively, among adults, between the amount of time/attention people spend with/on each other and the "amount of love" between them? This is an empirical question. Very likely there is a positive correlation; but many more variables enter into the picture, and I doubt that the correlation is strong.

(2) The other source of the idea that love is a finite good in short supply are the "preachers of love." Preachers of love often authorize themselves with religious or spiritual affiliations. Some are best-selling pop psychologists. But most are just people you know: mothers, fathers, siblings, friends. Note how often preachers of love portray *themselves* as the best or sole suppliers of it—or if not sole sources exactly, then the skilled diviners of water of love from the dry rock, the hostile world, of strangers on your behalf. Unfortunately, preachers of love (also of hope, loyalty, and forgiveness...) often seek only to take advantage of the ones they entrance. So too do those who continually profess their own actual lovingness, loyalty, and forgivingness, while reminding you always of your past hurts and of your constant deservingness of greater reward (probably from them or from God-through-them). Far from altruistic or genuinely concerned for you, such people encourage self-pity and "give" only to earn their own redemption.

More to the point in all this, however, is that abuses of love are all predicated on the idea that love's value lies in its short supply relative to demand. Is it not ironic that economic thinking infects most those who are most apt to make strong claims that love is "anti-economic"?

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lxviii In his enormously popular *The Road Less Travelled* (New York: Simon and Schuster, 1978), M. Scott Peck attributes to *love* the entire responsibility for defeating cosmic entropy on earth: "Love, the extension of the self, is the very act of evolution. ...The evolutionary force, present in all of life, manifests itself in mankind as human love." Stephen Jay Gould in *Full House* (New York: Random House, 1996, p. 27), heaps scorn upon this idea, not because love is insufficient to the deed but because Gould, as we saw in the Chapter Two, does not believe that evolution has a direction at all other than towards generating variety—which is, to him, a purely mathematical thrust. Certainly, evolution is not mindful; nor does it "culminate" in any way in Man and his love. This last opinion Gould finds hopelessly anthropocentric and arrogant.

I go this far with Gould: if evolutionary success is defined by reproductive success, then bacteria "win." Peck may or may not be wrong in privileging humans as evolution's most complex product (so far), but certainly Peck is wrong is laying all wreaths of praise for our "elevation" at love's feet. No less needed for evolution—and not just human evolution—is death, difficulty, accident, memory, and, in humans, the search for justice. Indeed, all system-wide, inter-individual relational qualities that promote the life of all are apt to manifest themselves as *moral values* (in the plural) which correspond roughly to the Aristotelean *virtues*. *Honesty*, for example, like love, loyalty, courage, kindness, and moderation, is *necessary* for the human social system to work, but is not itself a need that must be satisfied by individuals except insofar as individual actions guided by "honesty," "loyalty," "courage," "kindness," etc., tend to win approval, legitimacy, and so on from others.

For a brilliant and dry-eyed investigation (via computer modeling) of the social benefits of loose accounting in trading relationships, see Peter Kollock "'An Eye for an Eye Leaves Everyone Blind': Cooperation and Accounting Systems," *American Sociological Review* 58 (1993): 768–786. For an investigation using human experimentation, see also Kollock's "The Emergence of Exchange Structures: An Experimental Study of Uncertainty, Commitment, and Trust," *American Journal of Sociology* 100, no. 2 (1994): 313-345.

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lxix Act IV, Scene 1. In citing Shakespeare here and immediately below, I do not claim to be referring to any "theory of love" which Shakespeare might or might not have had. His sonnets cover a lot of ground. Here, anyway, in *The Merchant of Venice*, Portia saves Antonio from Shylock precisely by invoking justice's precision. Pleas for mercy ignored, Shylock insists on his pound of flesh. Portia (masquerading, note, as a "doctor of laws") finally accedes:

> Therefore, prepare thee to cut off the flesh.
> Shed thou no blood; nor cut thou less nor more
> But just a pound of flesh: if thou tak'st more
> Or less than just a pound,—be it but so much
> As makes it light or heavy in the substance,
> Or the division of the twentieth part
> Of one poor scruple: nay if the scale do turn
> But in the estimation of a hair,—
> Thou diest, and all thy goods are confiscate.

Ha! The demand for justice hoisted on its own petard! Shakespeare impugns economics with the same gesture, of course, through construing a dramatic situation which crosses two strata of exchange together, life (survival) and money (freedom). (That money "is" freedom—I have yet to show.) In other words, Shylock's mistake was to miscegenate a properly economic exchange—a "loan," money-now-for-money-later—with the exchange of bodily harms appropriate to violence and war, one indeed commensurate with the vile physical treatment he had suffered as a Jew.

For a masterful account of Shakespeare's understanding of what we are calling the psychological economy, see Frederick Turner, *Shakespeare's Economics* (New York: Oxford University Press, 1999), and "The Meaning of Value" in his *Tempest, Flute, & Oz* (New York: Persea Books, 1991), especially pp. 52–54.

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[lxx] In Chapter Eight, "Markets and the Meaning of Money, Part I," I offer a formulation of "expensive" that takes into account the income and assets of the buyer. After all, what is expensive to me may not be expensive to you.

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[lxxi] "Circles of friends" are an example; cf. my description of the drinking party on p.. 46. Note that no *one* of the friends in a circle need satisfy more than a few of the needs of any others; each satisfies different needs or the same needs in different ways. Circles of friends thus often substitute for a single very good friend or loving spouse.

We say: "A friend in need is a friend indeed." This homily has at least four interpetations consistent with our model. First: that a friend, who is himself in need and is now drawing closer to you for help, becomes a better friend than he was. Second: that any friend who stands by you or draws closer to you when *you* are in need is better friend than one who does not—or who, worse, abandons you. Third: that friends (collectively) who *draw closer* to each other *in times of need* rather than disband during such times—"every man for himself"—are better friends. And fourth: that "friends" *are* those people who significantly help fulfill each other's needs, where mere acquaintances, peers, neighbors, fans, colleagues, etc. do not. (Here "drawing closer" means increasing the number of needs interacting, the "number of eyelets connected," forgiving or extending credit for past debts, trading reassurances, hopes, confidences, etc.)

Thomas Lewis, Fari Armini, and Richard Lannan in *A General Theory of Love* (New York: Random House, 2000) report that love is formed in limbic part of brain, a part "cuddled between the reptilian brain and the neocortex...repository of emotions, instincts and hormones, and of implicit memories of nurturance, grievance, and deep preference," to quote Liesl Schillinger (*New York Times Book Review*, February 27, 2000: 11) Associations formed in the limbic area are hard to reprogram, and that is why love defies logic, rational self-interest, etc.

Lewis et. al.'s claims square nicely with traditional, Romantic views of love. Do they present a different theory of love from ours? Not if one sees the deeply *economic* nature of "memories of nurturance, grievance, and deep preference." There is nothing shallowly rational (i.e., purely neocortical) about economic life or economic consciousness. Children *trade* and *deal* before they can speak or count; fairness, revenge, trust, quid-pro-quo, patience, and investment, are all ancient human behaviors, bordering on instinctive. Moreover, as we will see in Chapter Seven, memories of obligation, anticipation of redress, attitudes toward fairness per se, and so forth, fully form part of all social exchange to this day. That we learn Economics in Econ 101 does not mean that we have not been economists—or at least, evaluators and traders—since infancy. Do we not learn the rules of grammar *after* we have spoken grammatically for a long time? "The neocortex does the thinking, the reptilian brain does the breathing, but love is defintely limbic," reports Schillinger. If this is true, then limbic too, I would claim, are the rudiments of economic "calculation."

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[lxxii] The question of balance is eloquently explored by Donald (now Dierdre) McCloskey in *The Rhetoric of Economics* (Madison, Wis.: University of Wisconsin Press, 1985). "Writing resembles mathematics: if mathematics is a language, an instrument of communication, so too is language a mathematics, an instrument of thought" (176). "Economics is both literary and mathematical. An unreflective narrowing of its conversations to one or the other does not serve the science well" (p. 180). (See also his *Knowledge and Persuasion in Economics* [Cambridge: Cambridge University Press, 1994]. See also Appendix One of this book.)

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[lxxiii] Once again, the reader may recognize in this the fundamental stance of the Austrian school of political economy.

To be complete here, we would have to make note of the kinds of psychological economies that go on between all those units of sociality that lie between "individuals" and "nations" in scale and complexity: such as between *intimate groups* such as families, between *institutions*, between *cities*, and so on.

[lxxiv] The idea that men are constrained by seeking the approval of others is to be found throughout *The Theory of Moral Sentiments*, but here, for example, Smith goes one step deeper, to the idea that consciousness of self is itself, to use a postmodern phrase, "Other-given":

> Were it possible that a human creature could grow up to manhood in some solitary place, without any communication with his own species, he could no more think of his character, of the propriety or demerit of his own sentiments and conduct, of the beauty or deformity of his own mind, than of the beauty or deformity of his own face. All these are objects which he cannot easily see, which naturally he does not look at, and with regard to which he is provided no mirror which can present them to his view. Bring him into society, and he is immediately provided with the mirror... It is placed in the countenance and behaviour of those he lives with, which always mark when they enter into and when they disapprove of his sentiments; and it is here that he first views the propriety and impropriety of his own passions, the beauty and deformity of his own mind. To a man who from his birth was a stranger to society, the objects of his passion, the external bodies which either pleased him or hurt him, would occupy his whole attention. The passions themselves...which those objects excited, though...the most immediately present to him, could scarce ever be the objects of his thoughts. The idea of them could never interest him...
>
> Our first ideas of personal beauty and deformity are drawn from the shape and appearance of others... We examine our persons by placing ourselves before a looking glass...(by viewing) ourselves at a distance and with the eyes of other people.
>
> Adam Smith, *The Theory of Moral Sentiments* (New York: Oxford University Press, 1976 [1759]), 110-112.

[lxxv] It follows that any basic, introductory text in Economics is "always already" also a basic, introductory text in Individual Psychology wherein "only the names have been changed to protect the innocent." And vice versa. In a sense, all I am doing here is applying the (hopefully) right kinds of translation and misreading in both directions.

[lxxvi] For all its faults, the merit of a free-market economy lies not just in the price-moderating competition it elicits between producers, but in the fact that, with open and accessible market*places*, new products and services are set before us. In the perpetual exhibition that is the marketplace we can *recognize* our needs being addressed—even being elicited—by what we see. For better or worse, we see products and services that we would not of ourselves have imagined as objects of desire before we saw them. We also see others' desires in action.

[lxxvii] R. G. Collingwood, "Economics as a philosophical science," *International Journal of Ethics* , XXXV(1925): 169–170, cited in R. M. Ebeling, "What is Price," in D. Lavoie, ed. *Economics and Hermeneutics* (New York: Routledge, 1990), p. 183.

[lxxviii] Here is the distinction I make between *ratios* and *rates*. By analogy to currency markets: let X be the number of dollars traded for Y lire in the time period ΔT. Then $(X/Y)_{\Delta T} = R_{X:Y,\Delta T} = 1/R_{Y:X,\,\Delta T}$ is properly the exchange *ratio* of dollars for lire obtaining during that time. What we read in papers each day about that day's currency "exchange rates," then, are really of exchange *ratios*. Whether a billion dollars was actually traded for ten billion lire the previous day, or a million dollars was actually traded for ten million lire the previous day, $X/Y = 10$, and your ten dollars in Rome will fetch you (around) 100 lire. The exchange *rate*, however, properly keeps the volume-traded information intact. It is like a rate of flow, a "gallons per hour," of intake or output per unit time in a particular direction *for* a period of time. Thus $(X_Y/\Delta T)_{\Delta T}$ is the (average "volume") rate of exchange of dollars for lire for that period, and $(Y_X/\Delta T)_{\Delta T}$ is the rate of exchange of lire for dollars. Note that $X_Y/Y_X = X/Y = R_{X:Y}$. Exchange ratios can be completely derived from two exchange rates, but not the other way around. (All this, of course, reflects the non-invertibility of non-constant functions of two or more independent variables, i.e., if $z = F(x,y)$, given values for x and y we can derive a unique value for z, given z we cannot derive unique values for x and y, only a set of possible pairs of values.)

[lxxix] And what, one might wonder, is *conscience* if not an internal representation of the external economy's moral deontology and axiology? This is how Freud describes the "superego." In her World War II novel *The*

Chysanthemum and the Sword, Ruth Benedict famously observed that the morals of Judeo-Christian societies are perpetuated by privately acknowledged *guilt*, whereas those of Confucian societies are perpetuated by *shame*, which depends on public knowledge of the offending deed. Guilt is internalized shame, to be sure, and no culture could operate without some blend of the two. But those that emphasize shame are able to provide their adherents the possiblity of feeling neither shame nor guilt if the offense is known to no one or it is successfully denied. But lest this make us—who are Westerners—too proud of our moral burden, let us remember how easily one can talk oneself into beliefs and actions that one cannot talk others into. With God at one's side one can also forgive oneself for actions that others would never forgive. Having to explain oneself to others imposes a certain discipline. Self-expiation is morally no prettier than escape from public judgement.

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[lxxx] In this sense, tokens are "selective information," by Colin Cherry's definition of information, and exert influence on those who accept them by the very constraint put upon them about what the tokens can mean/warrant. See Colin Cherry, *On Human Communication* (Cambridge: MIT Press, 1966). In Chapter Nine we shall see that *budgeting* money is how this kind of freedom token—i.e. "money"—is marked in order to resist its free conversion.

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[lxxxi] The "fractal" reappearance of the stratigraphy here will be discussed later, on p. .....

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[lxxxii] Cf. Hans Abbing, "The Artistic Consience and the Production of Value," in Arjo Klamer, ed., *The Value of Culture* (Amsterdam, Amsterdam University Press, 1996), pp. 142-143.

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[lxxxiii] In 1992, the Branch Davidian sect, under the leadership of David Koresh, destroyed itself in Waco, Texas rather than accommodate to the common law. One might also refer to the tragic mass suicide of the followers of Jim Jones in Jonestown, Guyana or to the cult surrounding Robert Matthews, aka Matthias, in New York in the 1830's which wound up the same way. The "tradition" continued, if less catastrophically, with the civil revolt and self-isolation of the Freemen in Montana in 1996.

For a more extensive analysis of the dangers of self-reward at the individual level, and the necessity for tying it to other people's behavior and to external consequences, see George Ainslee, "Beyond Microeconomics" in John Elster, ed., *The Multiple Self* (Cambridge: Cambridge University Press, 1985), pp. 149–156. I make no claim to special or new insight into these matters; I merely offer a explanatory narrative in slightly less familiar terms, those of a fledgling psychological economics.

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[lxxxiv] For an account of how the idea of an internal and external economy might help reconcile virtue-ethical and utilitarian views, see Appendix Five, "In Defence of Utilitarianism," Section 6.

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[lxxxv] Cf. Dan Sperber "Apparently Irrational Beliefs" (in M. Hollis, and S. Lukes, eds. *Rationality and Relativism* [Cambridge: MIT Press, 1982], pp. 149–180). Sperber discusses the prevalence in everyday life of what he calls "provisional beliefs," i.e. (1) beliefs that are socially or psychologically—i.e. psychoeconomically—efficacious to hold and which are, at the same time, neither completely proved nor disproved even to one's own satisfaction, and (2) beliefs that are largely dependent on other provisionally held beliefs, and held for coherence' sake until such time as the whole system is demonstrated to be untenable. Cf. also Dan Sperber, *Rethinking Symbolism* (Cambridge: Cambridge University Press, 1975).

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[lxxxvi] Of some interest here is the exclamation "I swear!" or "I swear to God!" provided as a token of the utterer's sincerity or commitment. What the offerer is saying, of course, is that the token he offers is convertible all the way down to survival, by an agency of impeccable morality and wisdom. Since God has complete power over life and death, exercisable at any moment and for any reason, "May God *strike me dead* if this is not true or I am not sincere" is the implicit assurance—"on my (mother's) life", or "cross my heart and hope to die," etc.

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[lxxxvii] Some definitions: Any exchange that results in a dramatic move *up* the stratigraphy deserves and sometimes gets *congratulations* from others; and any move down, *consolations*. *Embarrassment* is being discovered trading in tokens one cannot warrant or cannot reconcile with other tokens which one is trading. This constitutes a sort of fraud which results in an erosion in the exchange value of one's tokens, starting at upper layers and descending, depending on the severity of the fraud.

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[lxxxviii] In Chapter Five we will discuss the idea of *force* in the psychoeconomy and how warranting is implicated in its application.

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[lxxxix] For a modern systematic study of the role of trust in the general economy see Mark Casson, *The Economics of Business Culture* (Oxford: Clarendon Press, 1991). More recent (and broader but less systematic) is Francis Fukayama's *Trust: the Social Virtues and the Creation of Prosperity* (New York: The Free Press, 1995).

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[xc] When material goods, with their inherent work and scarcity dynamics, are no longer scarce in their primary usage and *become widely used as* tokens, then a "political economy of signs" proliferates. This is true too when, conversely, tokens become widely exchanged according to the logic of goods and services in the materio-energic economy.

This observation is one of Jean Baudrillard's major points in his book *For a Critique of the Political Economy of the Sign* (as noted by his translator/editor Charles Levin's Introduction, page 9) and Baudrillard is not happy about the resultant situation. For Baudrillard, who was writing in his early Marxist-revisionist mode, the exchange of signifiers (read: "tokens") is *not* properly predicated on the exchange of the real goods they may seem to represent, and, *ipso facto,* on the value contained in such goods. To claim that signifiers depend for their value on signifieds—at least in the economic realm—is a positivist/structuralist *alibi*, legitimating the sign economy as a perfectly acceptable sort of "virtual stock market" in the Real. Rather, says Baudrillard, the *exchange of signifiers itself is what gives value to that which the exchange "merely represents*", and whoever (disproportionately) controls the flow and legitimation of such signifiers has both political and real economic power over the disposition of real goods and services as well.

It is no accident, for example, that for thousands of years colonialism has been effected by the colonizer's altering of the legitimacy-token economy of the colonized. Typically, the colonized population's cheap labor and raw materials are traded for coloniz*er*'s stories, religious and official icons, beads, and semi-precious stones, the very need for which is fueled by the colonizer's establishment of new status hierarchies or by the intensification of existing ones, both processes founded on the ever-present threat to the *security* of the colonized.

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