

Scarcity, Preferences and Cooperation: A Mimetic Analysis

In “The Ambivalence of Scarcity” which is my contribution to *L’Enfer des choses. René Girard et la logique de l’économie*, written by Jean-Pierre Dupuy and originally published in French in 1978,¹ I attempt to apply mimetic theory to modern economics and to economic phenomena, and also to explain why economic issues and economics as a discipline occupy such an important place in the modern world.² The “ambivalence” in the title refers to the fact that in many social and economic discourses, both political and academic, scarcity plays, or can play, a double role. First, scarcity, in the form of want and deprivation, is viewed as a cause of violence and conflicts and as a problem to be solved. We spontaneously tend to see poor neighbourhoods as dangerous neighbourhoods and assume that high levels of poverty and unemployment lead to social unrest. However, want, lack and needs are also considered as central, indispensable economic incentives that should be harnessed judiciously for economic growth. This constitutes the second opposite value of the ambivalence. Scarcity is viewed then both as a threat, as a danger to social order, and as one of its foundations, perhaps as its most important and solid basis, for it is scarcity, understood as an “incentive,” that underpins economic growth, and economic growth is simultaneously seen as our best defence against social unrest and disorder.

Furthermore, this ambivalence is not only explanatory, in the sense that we only use scarcity to explain different and opposite social phenomena: economic growth on one hand, violence and social conflict on the other. It also has a moral dimension. We judge in a different manner, more leniently, violence which we believe was caused by dire deprivation rather than by greed or the desire to satisfy an addiction. Simultaneously, we consider that even extreme

1 Paul Dumouchel & Jean-Pierre Dupuy, *L’enfer des choses, René Girard et la logique de l’économie* (Paris : Seuil, 1979), pp. 137-254.

2 English translation, Paul Dumouchel, *The Ambivalence of Scarcity and Other Essays*, Michigan State University Press, 2013 (forthcoming).

hardships, if they are imposed to encourage economic activity or to ensure financial recovery, are justified in spite of the bitter pain and distress they may bring.

This muddle in our thinking is indicative of more than a mere intellectual confusion. It suggests, I believe, something true about the way scarcity functions in our societies. Economists and others have, in fact, a simple way of disentangling the two contradictory values of scarcity: they do this by appealing to the real quantity of goods and resources available. If goods are so rare that the basic needs of large portions of the population cannot be satisfied, then, they argue, unrest and disorder are likely to ensue. If, however, goods are more plentiful, though not excessively abundant, agents will be motivated to work, to invest the necessary time and effort to better their situation. It is therefore the size of the set of goods and resources available that separates the good from the bad aspect of scarcity. However, given that, whatever its size, a limited set of goods and resources that is unable to satisfy the needs of all is nothing but the definition of scarcity itself, we must conclude that it is scarcity that divides scarcity from scarcity and that disconnects its positive from its negative value. The problem with this way of thinking is not only that it is circular and imprecise (for exactly what is the level of deprivation at which wants and needs act as incentives rather than as occasions of disorder is far from clear). Indeed, since economists recognize and claim that higher levels of production bring greater needs and more diverse desires, it follows that scarcity, and therefore levels of scarcity, cannot be identified with any definite amount of goods and resources. Neither extreme nor moderate scarcity can be associated with any real quantity of goods and resources; it is not possible to disentangle the two sides of the ambivalence. In consequence of this circular relationship between levels of production and the size and extent of needs and desires, *it follows that scarcity, the "fact" that goods and resources are insufficient to satisfy the needs of all, should not simply be identified with the inevitable, real limits on goods and resources.* Scarcity cannot be reduced to the "parsimony of nature."

What is scarcity then, and how should we understand its role and function? Interestingly enough, it is only at a certain point in time and in one particular social and cultural area that the "fact" that goods and resources are insufficient to satisfy the needs of every member of the community came to be seen as the fundamental issue around which the entire social organization was progressively made to revolve. Furthermore, this society later, paradoxically, reached general levels of abundance never before seen in the world. My claim is that this "fact," namely, that goods and resources are insufficient to satisfy the needs of everyone, independent of whatever quantity of goods and resources are actually available, is *socially instituted* rather than

"discovered." For this "fact" is a question of distribution, access and responsibility. All of which are important issues in economics, but none of which is naturally given.

The central thesis of this essay, which makes it essentially Girardian, is that the means through which scarcity is instituted (and therefore modern economy made possible) also protects us against our own violence. Further it is that function of scarcity as a means of production against violence that explain the extraordinary place economic issues came to occupy in our societies.

Scarcity is thus a means of protection against violence, and, like the sacred according to Girard, it is a violent means of protection against violence. *Scarcity came about through a transformation of the moral ecology of human relations.* More precisely, scarcity was socially instituted by the progressive abandon of traditional obligations of solidarity, obligations that constrained agents to shoulder duties to help and support specific individuals among those in need. As many anthropologists have noted, in principle, as long as such obligations are binding, no member of the group is in danger of dying of hunger unless all are.³ Of course, historically there has been many occasions where this ideal of solidarity was not achieved. However, in such cases it was not scarcity that was seen as the problem and blamed, but the failure of various individuals to fulfil their obligations. It is only when many individuals start to take distance from their reciprocal obligations of solidarity in general, when they become sufficiently detached from the duties those obligations entail, that scarcity, want, lack of resources can come to be seen as the problem. The more these obligations are abandoned, the more scarcity is viewed as the "real" cause of the difficulties so many agents face.

These duties of help however are also obligations of violence. They force agents to take part in the conflicts of others, of their brothers, uncles, cousins, lords and vassals, conflicts which originally did not necessarily concern them in any way whatsoever. These obligations, which in normal times protect agents from violence, in times of crises, can easily fuel the conflagration. Because they burden individuals and groups with responsibilities to help and take revenge, they tend to spread violence and extend conflicts. Abandoning, giving up these obligations can prevent conflicts from extending to others. The strategy of protection against violence involved here is the inverse of what is at work in the sacred. The sacred is organized around rituals which seek to restore the troubled social order, prohibitions that forbid actions leading to conflicts and violence, and obligations that tie agents and groups to one another for their own protection while

3 See for example: E.E. Evans-Pritchard, *Kinship and Marriage Among the Nuer* (Oxford: Clarendon Press, 1951), p. 132 or R. Firth, *Economics of the New Zealand Maori*, 2nd ed. (Wellington: R.E. Owen, 1959), p. 162.

simultaneously providing an outlet of permissible violence which they can exert outside of the group.

Scarcity, on the contrary, has neither rituals nor obligations; each individual is simply sent back to his or her own "initiatives" and interests. Scarcity does not seek to protect agents from violence or hardship by making them reciprocally responsible, but to prevent the spread of violence by removing each person's incentive to participate in the conflicts of others. Instead of protecting agents from violence and prohibiting violence among them, the abandon of obligations of solidarity, reduces the contagious dimension of violence, which in traditional societies is reinforced by the obligations that draw agents into conflicts even when they were neither present at the triggering events, nor concerned by them.

Scarcity is nonetheless 'like the sacred' in that it protects us against our own violence violently, though that violence takes a different form. It is indirect rather than direct, and tends to be impersonal. Abandoning reciprocal obligations of solidarity is equivalent to abandoning others to whom we were previously attached by these obligations, allowing the evil which they face, whatever it is, to befall them. Consequently, if one fails or loses in a conflict or is in need for whatever reason, he or she is unlikely to be helped by anyone because if those who have obligations fail to fulfil them, it is hardly to be expected that others who do not have any specific obligations will step forward, especially given that they are reticent to fulfil the obligations of solidarity which they do have. Once abandoned by their group of solidarity, individuals simply fall through the net of protection offered by reciprocal duties and obligations. They are left to fend for themselves alone. It follows that the victims of scarcity are in many cases not the victims of anyone in particular; often no one has threatened or attacked them. They are just in need, but no one will help them; mainly, they are the victims of everyone's indifference. Sometimes other agents may think that what happens to them is unfortunate, but each also rightly feels that he or she has no particular obligations towards them, rightly at least in terms of reciprocal obligations of solidarity, which are now being abandoned. Often these victims are best seen as "collateral damage" in conflicts of which others are the principals, the rivals. These others do not feel any particular hate or animosity towards the (indirect) victims of their conflict, just indifference. Finally because scarcity, unlike the sacred, does not have any ritualized outlet that periodically purges the community of its violence, these anonymous victims of indifference tend to become the victims of everyone. They are held to be personally responsible for the evil that befalls them and therefore undeserving of the help which in any case we do not provide them! They can and actually do serve everyone as surrogate victims of our own violence. Therefore, the same violent

process that protects us against violence also allows scarcity to appear, and thus produces its victims.

This transformation in the moral ecology of human relations structures our societies and determines the forms which violent conflicts take among us. It is important to insist on the fact that this is a *real transformation*. This change in the moral ecology of human relations does not primarily concern the way people think about or view their obligations towards one another; it mainly concerns the obligations that there are and the way in which they exist, that is to say, which obligations people have towards one another; which obligations they are held responsible for, which are they expected to discharge and which they are allowed to ignore. What makes scarcity arise and become real in our social life does not depend on what people think but on what they do. It is in consequence of these changes in action that goods and resources in whatever quantity they may exist become insufficient to satisfy the needs of all. This abandon of reciprocal obligations of solidarity also creates between social agents a form of "exteriority" that protects them from their own violence, not by reducing the number of conflicts among them, but by curtailing the conflicts' ability to propagate and invade the whole community.

Because the changes in question are real, the economic discourse on want and scarcity is founded and justified to the extent that it corresponds to a real situation, even if it fails to describe it adequately. The problems it raises are real and need to be addressed. The same applies to the moral issue of social justice. In a world where scarcity constitutes the basic arrangement, such a question cannot be avoided. It is thus both scarcity and the knowledge that bears on it that are socially instituted by the abandon of reciprocal obligations of solidarity; both the reality of want and the economic, social, political and moral discourses that try to deal with the challenges it raises are "made real," instituted, by this transformation in the moral ecology of human relations. Note however that it is not these discourses which "construct" the social reality of scarcity. Scarcity is instituted. It is not "socially constructed," at least not in the sense that peoples' beliefs concerning the "parsimony of nature" or the importance of economic activity "create" scarcity. What comes first here is action, not discourse or beliefs: innumerable acts of fulfilling or abandoning one's obligations. These actions do not mainly or essentially concern the "economic domain." They relate to the total range of human behaviour. Historically, the subsequent arrival of scarcity on the social scene is in every sense an unintended, unforeseen consequence: the result of human actions, but not of human design. Scarcity does not come from people having certain beliefs concerning wealth and poverty; on the contrary, it is because scarcity has been instituted by the transformation of the moral ecology of human relations that people come to have the particular beliefs that they have about wealth and poverty.

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So far what I have talked about is not quite economy, but the type of social conditions that are necessary for something like a modern market economy to be possible. In “The Ambivalence of Scarcity’ also the focus was not so much economics as such, but the social transformations which underlie the apparition of modern economies in the Western world. In the present context I wish to attempt something slightly different. Taking for granted that the model sketched above is approximately correct, what does the type of explanation it provides change as far as economic science is concerned? What if anything does it imply for economics? Given that the social institution of scarcity is to be conceived as a real social transformation, rather than as a mere symbolic process, what economist talk about when they refer to the limitation of resources is real, it is not imaginary or false, and there is in consequence no particular reason to suppose that their entire enterprise is fatally flawed. Of course if my explanation of scarcity as a social construct is correct it can provide interesting suggestions regarding economic history and help explain the disruptive effects of modern economy on traditional societies. However what consequence does it have on economics itself, on the way we understand and explain economic behavior? There are I think two closely related issues relative to which we can try to measure these consequences, one is the scope of economic discipline and explanations, the other concerns its basic conceptual structure.

At the heart of this model of scarcity we find *homo mimeticus*, a mimetic agent, how does he compare to *homo economicus*? I take *homo economicus* to be a most standard and simple agent in a classical economic model. He is rational and his rationality can generally be reduced to maximizing a utility function. Furthermore, *homo economicus* has a complete and well ordered set of preferences that are revealed through his actions. His rationality thus consists in acting consistently with regard to his self-centered preferences. The fact is, however, that since Sen's seminal article “Rational Fools” in 1977 – that is more than 30 years ago – *homo economicus* has been quite sick.⁴ Numerous authors have argued that this model of economic agents as only guided by self-interest maximization is not only absurdly simplified, but clearly false. Efforts have been made to remedy this difficulty, by giving this rational egoist for example, a more complex utility function or social preferences, which interest him in the interest of others. Furthermore, entire (and new) disciplines like experimental economics, behavioral economics, neuro-economics and evolutionary game theory applied to economics are trying to bridge the gap between this simplified model and how real economic agents behave. *Homo economicus* is now

4 Amartya Sen, « Rational Fools : A Critique of the Behavioural Foundations of Economic Theory », *Philosophy and Public Affairs*, 6:317-344 (1977).

seen by many economists as a very imperfect model that needs to be profoundly modified in order to be able to explain the behavior of real economic agents. Simultaneously, these new 'economic disciplines' have turned their attention to phenomena which, until recently would have been considered as non-economic, for example, the origin of cooperation and its relation to warfare. In the process such researches have simultaneously extended the scope of 'economic' explanations, or if you prefer the explanatory ambitions of economics, and ushered a new understanding of what is an economic explanation. It is in relation to this incomplete and uncertain transformation of *homo economicus* that we should consider the possible contribution of mimetic theory.

Central to this growing domain of research has been the question of the evolution of cooperation. How is cooperation possible in a population of interacting self-interested agents? How can rational egoists come to act altruistically? How are social preferences or other regarding preferences established? How can they be stable? Interest in these questions has favored the development of a convergence between economics and some aspects of evolutionary biology where the question of the evolution of cooperation is also central. Interestingly enough, the problems of cooperation and of altruism tend to take more or less the same form in both disciplines. Organisms, alternatively economic agents, are viewed as primarily searching to promote their own self-interest over that of others, and therefore, in theory at least, they will not normally engage in behaviors which are costly to them and that profit to others. Furthermore, in both disciplines there is a strong tendency to associate cooperation with altruistic behavior, and for ideological reasons, the possibility of *true altruism* is viewed as an important issue.⁵ In consequence, both economics and evolutionary biology consider that in theory cooperation is unlikely to exist, and that if it does exist, it will only be in certain very particular circumstances.

However, in nature cooperation among organisms is frequent⁶ and it also constitutes a fundamental dimension of social life. The difficulty then is to explain the frequency of cooperative and altruistic behaviors in both nature and in society in the context of theories which *prima facie* suggest that it should not be there. In other words, in both biology and economics cooperation and altruism constitute anomalies that need to be explained, or explained away.

Homo mimeticus unlike a classical economic agent is immediately interested in others, not because he is altruistic or naturally enjoys cooperation, but because he does not know what he wants, does not know what he prefers. More precisely, it is because what (some) others want and

5 'True altruism' can be defined as an altruistic behavior that cannot ultimately be reduced to a form direct of indirect self-interest and therefore that is more than just 'apparent altruism'.

6 See Joan Roughgarden *The Genial Gene Deconstructing Darwinian Selfishness* (Berkeley: University of California Press, 2009).

prefer constitute for each one of us the paradigm of what we want and prefer. The main difference between *homo economicus* and *homo mimeticus* is that *homo mimeticus* is a lot less individualized than *homo economicus*, neither his rule of behavior nor his preferences are fixed and determined once and for all, from the outside and from the outset, rather they depend on the behavior and preferences of others. What is given to *homo mimeticus* is mimesis, which could be described as a 'rule' or 'function of dependence' on other. This 'function of dependence' is what leads the agents to form some preferences or others and to adopt this or that rule of behavior. Furthermore, this 'function of dependence' is itself subject to endogenous change as a result of the history of dependence between agents as well as their past behaviors and preferences.

Mimesis is often construed as a synonym of imitation however *homo mimeticus* is not an imitating agent, at least not in the sense in which we usually understand the term imitation. Mimesis can give rise to behaviors which are very different from what we normally conceive as imitation. For example, what Girard calls 'negative imitation', where an agent always chooses or adopts a behavior which is in opposition to the behavior or preferences of another. So that if you vote liberal I will vote communist, if you play golf, I will hate it and prefer tennis, if you support one sport's team I will support their opponent, if you dress casually I will dress formally, and so on... In consequence, though I am not properly 'imitating' you, my behavior is nonetheless as rigidly determined by yours as if I were. *Homo mimeticus* then should be understood as a hypothesis concerning the extent to which our choices are not autonomous, but depend on the choices of others. What we spontaneously and usually recognize as 'imitation' is only one of the forms that this reciprocal dependence can take. Rivalry, opposition and violence are also paradigm examples of types of behavior where the action of one agent is strictly dependent on the action of another. The behavior of *Homo mimeticus* then can only be understood in relation to this 'function of dependence' on others. It is however a complex function that can take many different forms.

In consequence, mimetic theory throws a very different light on the issues of conflict and cooperation or of selfishness and altruism. Biological models and models in economics tend to view conflict and cooperation as polar opposites. That is to say, they tend to consider that conflict excludes cooperation and vice versa. This is implicit, for example in biology in William Hamilton's theory of inclusive fitness⁷ and explicit in economics, for example, in Samuel Bowles's models of 'parochial altruism'.⁸ However, mimesis, understood as a function of

7 W. Hamilton, "Innate social aptitudes of man : an approach from evolutionary genetics" in R. Fox (ed.) *ASA Studies 4: Biosocial Anthropology* (London: Malaby Press, 1975) reprinted in *Narrow Roads of Gene Land* Vol. 1, pp. 329-351.

8 J.-K. Choi & S. Bowles, "The Coevolution of Parochial Altruism and War", *Science* 318:626-640; S. Bowles, "Group Competition, Reproductive Leveling and the Evolution of Human Altruism", *Science*

dependence between individuals suggests, to the opposite, that violence and cooperation, conflicts and consensus are not polar opposites, but will tend to grow together. This may seem paradoxical, but think about it a second, most of the conflicts we have are with those with whom we most closely collaborate. The more individuals' choices and preferences are related to each other, a pre-condition for cooperation, and the more occasions of conflicts will grow. The central issue therefore is not "How is cooperation (or altruism) possible?" but "How can we manage the conflicts that inevitably arise out of cooperation?" The interdependence of conflicts and cooperation is an explosive mix, as groups become bigger and more complex managing this difficulty becomes more and more of a problem. According to Girard, this is our central predicament.

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While *homo economicus* has a well ordered complete set of preferences, *homo mimeticus* has a model.

Behind our desires, there is always a *model* or *mediator* who most often is not recognized by others and not even recognized by the imitator of the model. In general we desire what other people around us desire. Our models can be real as well as imaginary, collective as well as individual. We imitate the desires of those we admire. We want to "become like them" and to appropriate their being.⁹

Having a model means among other things, that one's 'function of dependence' on others is not the same in relation to all others. There are in this respect 'privileged others' who exert a greater influence on the agent's preferences and behavior. Agents are therefore always interested in other people's interest but more in some than in others, hence the mixture of passion and indifference which we all manifest. This interest which we take in each others' interest, according to Girard, leads to conflict as it leads to cooperation, and at a more general social level it is through the management of conflict that cooperation is established, more precisely it is the mechanism that limits violence, for example the sacred or scarcity, that underlies the particular forms of cooperation which we find in different societies. Depending on whether the model is real or imaginary, collective or individual the 'function of dependence' that relates agents will be different. Is also fundamental the ease or difficulty with which in a given culture individuals can change from one model to another, and the extent to which anyone can become a model for anyone, or for some only. In consequence, according to mimetic theory, it is always impossible to

314:1569-1572, (2006); S. Bowles, « Conflict, Altruism's Midwife », *Nature* 456:326-327, (2008), p. 326.

9 René Girard "Preface" in Mark Anspach *Oedipe mimétique* (Paris: l'Herne, 2010), p. 7. My translation.

explain the behavior of one agent taken individually. Agents may at time behave as if they were autonomous, perhaps even act 'as if' there were classic economic agents and satisfy the predictions of economic models. However, mimetic theory suggests that when this is the case, this particular reduction of mimetic agents to apparent *homo economicus* is itself to be explained in terms of mimetic relations between agents.

It is never individually and autonomously that an agent determines his or her preferences. An agent's preferences are always under the influence of other agents' preferences. Interestingly enough, revealed preferences theory is agnostic as to the origin of an agent's preferences. An agent simply has the preferences that she has as revealed by her choices and actions. In that sense it is quite compatible with mimetic theory. However, and according to me the main difficulty for economic theory as it exists lies in dealing with situations where agents' preferences undergo changes or agents act inconsistently. It does not follow from mimetic theory, from the fact that agents preferences are determined through a 'function of dependence' that as a consequence an agent's preferences will always be in flux or that she will necessarily act inconsistently. To the contrary, mimetic rivalry, as suggested above, can lead to a situation where an agent may appear to have the same order of preferences all her life and act to maximize her self-interest. Thus mimetic theory offers a general framework to analyze circumstances when such 'classic economic behavior' will be the 'normal' outcome of interactions between agents and circumstances which will lead to changes in preferences and from the classical point of view to inconsistent behavior. Finally it also provides a tool to determine when such changes and inconsistency should be viewed as irrational and when they constitute a progress and gain in rationality on the part of the agent.

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