

## A Propensity to Self-Subversion by Albert Hirschman

(The immediate past is but rarely the object of our interest. Either the present takes hold of us forcefully or we lose ourselves in the remote past and attempt . . . to re-create what has been wholly lost.)

- Goethe, *Die Wahlverwandtschaften* (The Elective Affinities)

{The German translation of that book was published in 1974, under a title that means, literally, "outmigration and contradicting." This was a daringly free, though apt, translation of the terms exit and voice, and it may have been chosen by the translator because even then migration and would-be migration were characteristic alternatives to actual resistance in the German Democratic Republic. So the title, with its accent on migration as a primary form of exit, may have contributed to making the book appear particularly relevant to the commotion of 1989. In any event, only six days after the spectacular opening of the Berlin Wall on November 9, 1989, the *Frankfurter Allgemeine Zeitung*, Germany's most respected daily newspaper, published an article by Henning Ritter, director of the social science and humanities section, with the title "Abwandern, Widersprechen: Zur aktuellen Bedeutung einer Theorie von A. O. Hirschman" (To exit, to voice: On the current relevance of a theory of A. O. Hirschman).

{To set the stage for my inquiry it is useful to present and reformulate as briefly as possible the concepts of exit and voice as they will be used here. They are two contrasting responses of consumers or members of organizations to what they sense as deterioration in the quality of the goods they buy or the services and benefits they receive. Exit is the act of simply leaving, generally because a better good or service or benefit is believed to be provided by another firm or organization. Indirectly and unintentionally exit can cause the deteriorating organization to improve its performance. Voice is the act of complaining or of organizing to complain or to protest, with the intention of achieving directly a recuperation of the quality that has been impaired. Much of my book and of my subsequent writings on this subject dealt with the conditions under which exit or voice or both are activated.

{This inverse relationship between exit and voice was confirmed by numerous examples from economic and social life. Thus the fact that shares can be readily sold in the stock market makes it difficult for shareholders to have any real influence on management through voice; when exit from a marriage by divorce is easy, less effort will be made at repairing the relationship through voice, that is, through communication and efforts at reconciliation; and, as was affirmed by the influential "Turner thesis," the absence of a strong workers' movement in the United States can be explained in part by the possibility, real or imagined, of "going West"—in the United States mobility was greater, or was widely believed to be greater, than in Europe during the period of rapid industrialization.

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It rather looks as if the brutal repression of exit signaled by the erection of the Wall were also understood as a further repression of voice. Formulated in these terms, the absence of the seesaw in this instance has a certain plausibility. The decision to tear the city of Berlin asunder with a 165-kilometer-long wall, turning it into two noncommunicating halves, was an extraordinary affirmation of state power that signaled the GDR's general readiness to be more aggressive against "state enemies." In other words, not only did the building of the Wall restrain exit, but it also projected an enhanced willingness to rein in voice. Under the conditions, the increase in voice that might normally be expected when exit alone is curtailed did not and could not occur.

Nobody can exit for you, however: the fact that others exit may influence one's decision to do likewise, but it can never substitute for that decision. Thus exit is not only a private decision; it is also a private good in that it cannot be had through the exertions of others, as a result of some sort of free ride.)

The characteristics of voice could not be more different. Voice is typically a *public* activity. Though it does not indispensably require organization, action in concert with others, delegation, and all the other features of collective action, voice thrives on it. Voice activities such as petitions and demonstrations are therefore subject to the well-known liabilities of free riding—even though, as I have amply argued elsewhere, these liabilities can on occasion turn into assets.

What happens here is that the newly won right to exit actually *changes* the human agents involved. Being allowed more choice, they become more aware of and more willing to explore the whole range of choices at their disposal. Once men and women have won the right to move about as they please, they may well start behaving in general as adult and hence as *vocal* members of their community.)

First, unlike the Poles, Czechs, or Hungarians, the citizens of the East German rump state could not look back on a sheltering history or national tradition of their own, nor did they have any established, more or less independent institutions (like the Catholic church of Poland) that would sustain them in a struggle for some autonomy from the all-powerful Communist Party and state. Only at a fairly late stage did the Protestant church in East Germany take on that function to some extent.<sup>8</sup>)

As the well-known dissident Bärbel Bohley said as late as mid-1989, in comparing the GDR and Czech situations: "Here change from below is out of the question. . . . Too many of those who would be in a position to take on political responsibility have left."<sup>13</sup> The resulting exit-induced vacuum of leadership and of political life explains a good deal about the eventual collapse of the GDR as an independent entity and its easy absorption by the Federal Republic.

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[First, the 1989 upheaval in the GDR represents a reversal of a movement that has been held to be characteristic—disastrously characteristic—of German history. A great deal has been written about the propensity of Germans in various historical circumstances to retreat from the public domain to the strictly private—to the famous (or infamous)

*Innerlichkeit*. This movement is supposed to have come all too easily to Germans, particularly when they were confronted with distasteful and repugnant events in the public domain. The idea, often traced to Luther, that the inner, private sphere is something infinitely precious, pristine, and inviolable may indeed have undercut the emergence of the public citizen who assumes responsibility for the political life of his or her community. From this point of view, the story that has been told here provides a welcome counterpoint: it essentially chronicles how many East Germans found the road back from exit and apathy to voice, from withdrawal and purely private reaction to public action. However unintended this movement was initially, it became nevertheless a powerful and successful citizen movement. Thus it stands in contrast to the many failed revolutions as well as failures to resist tyranny that have marked German history since the Reformation. It is therefore perhaps to be regretted that language downgraded the movement from “peaceful revolution” to *Wende* (turn) soon after it was over.]

Strangely, once Germans had finally succeeded in toppling, at considerable risk but without major bloodshed, an oppressive and ruinous regime, they designated the event with a term that almost deliberately understated it. In this they resemble people who, on the basis of past missteps, have a poor self-image—when confronted by success in some new endeavor, they will strain to reinterpret that unfamiliar experience as yet another failure or, at best, as “nothing to write home about.” By contrast, Richard von Weizsäcker, Germany’s Federal President, showed a better appreciation of the 1989 events when he said in a recent speech: “With their nonviolent actions, the revolutionaries of the year 1989 have given all Germans a new awareness of liberty. The past is not extinguished in consequence. But a decisive new chapter has been added to our history.”<sup>36</sup> 7

In the writings of Pascal, Nicole, Vico, Mandeville, Adam Smith, and up to Goethe's *Faust*, the principal form taken by the idea was that individual actions, motivated by greed and other sinful or deplorable passions, can have a benign, a positive social outcome. These situations are therefore similar to what is often called "blessings in disguise." It was only with the experience of the French Revolution that the idea of unintended consequences, applied to a very different underlying situation, came to stand for a process in the course of which well-intentioned human actions have an undesirable or disastrous social outcome. The very term "perverse effect" is of course born out of that modern interpretation of the concept of unintended consequences. Perhaps it is not an accident that the term (*effet pervers*) has become particularly popular in the country whose revolutionary history is responsible for the reversal in the concept's earlier meaning of blessings in disguise. >

The discovery of these beneficent processes represented a considerable achievement which made progress emerge happily from ferocious struggle, but it entailed, as Sen shows, not only an understandable fondness for these processes, but a hostility to other conceivable forms of bringing about progressive change. Such alternative forms, consisting, for example, in changing the conditions under which the "struggle for life" is taking place, were decried as "meddling," "tampering," "interfering," and were automatically but unjustifiedly viewed as likely to be ineffective and worse, that is, "perverse." ]

It is not for me to claim that the discovery of this null effect ranks with the famous invention of the zero concept by the Indians and Arabs, but the sharp distinction between the perversity and futility thesis did make it possible to delineate two very different styles of thinking about the resistance of the social order to human action and planning: in the case of the perverse effect, the social world is seen as highly volatile, with every move leading to numerous unpredictable countermoves; in the case of the futility effect, to the contrary, the social world is viewed as remarkably stable and as being structured in accordance with laws that human action is impotent to modify.<sup>5</sup> As a result of their sharp differences the two arguments, while frequently used concurrently, are often logically incompatible; in any event, they have very different polemical postures and bites, with the futility thesis being often more insulting to the advocates of change and reform than the perversity thesis. >

Writing this chapter made me explore the fascinating history of the two principal electoral Reform Bills adopted by England in the course of the nineteenth century (in 1832 and 1867)—the two bills that transformed the English political system from an oligarchy to a democracy. In the parliamentary debates around these bills and in particular in the speeches of their opponents, I found remarkable evidence for the prominence of the jeopardy argument. Time and again it was argued that adoption of these bills would gravely jeopardize England's ancient and unique achievement—its Liberty, or the individual liberties of its citizens. >

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[I return to the original situation which made me formulate the getting-stuck concept, that is, to the passage from T. H. Marshall's second stage of citizenship, where individual liberties and universal manhood suffrage have both been secured, to the third stage, where the rights of citizens to education, health, minimal well-being, and economic security would also be guaranteed or widely respected. With regard to this particular transition or intended but uncertain sequence, I had written that "a society which has pioneered in securing these [individual] liberties is likely to experience special difficulties in subsequently establishing comprehensive social welfare policies. The very values that serve such a society well in one phase—the belief in the supreme value of individuality, the insistence on individual achievement and individual responsibility—may be something of an embarrassment later on when a communitarian, solidaristic ethos needs to be stressed" (p. 131). ]

[The jeopardy thesis argues that an existing reform is likely to be endangered by a proposed new reform. In the case just discussed it is, rather similarly, the profitability of existing firms that might be threatened by domestic production of inputs which are currently imported. It is the self-interest of these firms that makes them lukewarm or outright opposed to new members joining the club.<sup>9</sup> ]

[This topic has called forth a vast literature, but one component of the "penalty of an early start" (Veblen) is widely agreed to have been the unwillingness of British industrialists to adapt or respond to certain new financial and organizational patterns that were proving successful elsewhere.<sup>10</sup> In other words, they were unwilling to risk jeopardizing their existing way of life. ]

[ It was clearly a "self-subversive" enterprise—to adapt a term Nietzsche used when he set out to write his virulent anti-Wagner tract after having long been an ardent admirer and close friend of the composer.<sup>18</sup> I did hesitate a bit as I realized the risks involved—the possible accusations of inconsistency and of weakening the case against reactionary rhetoric which I had made so far. Nevertheless, I proceeded to write that chapter for various reasons I found compelling. ]

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Over the years I have collected aphorisms and other pronouncements that I find particularly insightful or congenial. Sometimes they come in contrasting pairs. An outstanding example consists of, on the one hand, the famous proto-Romantic pronouncement of Vauvenargues: "Les grandes idées viennent du coeur" (Great ideas come from the heart) and, on the other, Paul Valéry's striking counteraffirmation: "Nos plus importantes pensées sont celles qui contredisent nos sentiments" (Our most important ideas are those that contradict our feelings). As Niels Bohr once noted, there are two kinds of truth: the truth of "simple and clear" statements whose opposite is obviously wrong, and the "deep truths" whose "opposite also contains deep truth."<sup>19</sup> The Vauvenargues-Valéry pair is a particularly good illustration of such deep truths. In retrospect I might say that writing my book gave me a chance to demonstrate my fondness for both aphorisms: Vauvenargues presides over the first chapters and then gives way to Valéry as patron-saint of the last two. ]

[Social scientists are of course forever (and properly) eager to detect unintended effects of social actions and policies. But are they similarly looking out for unintended consequences of their own thoughts, that is, for thoughts they did not initially expect or intend to come up with? ]

[Only the works of the most creative, expansive, and innovative thinkers are allowed to be full of unresolved contradictions. To get on with their work these thinkers seem to agree with Emerson that "consistency is the hobgoblin of little minds"; they leave it to their critics to expose the contradictions and to their interpreters to labor at reconciling them. ]

[At that point, an interesting memorandum was circulated to the participants in the discussion.<sup>23</sup> It attempted to list all the conceivable "unintended repercussions" that might flow from the proposed scheme. The list was surprisingly long and diverse. If future fathers who are unmarried face an assured long-term drain on their incomes, how might they react? They may insist that the woman they impregnate have an abortion; or they may be attracted to "off-the-book" jobs whose wages could not be attached; or they might "disappear," move to another state, and assume a new identity and social security number; and so forth. The strategies open to individuals intent on evading the proposed measure are obviously extremely varied. It is no doubt important to think in advance about such strategies and about the likelihood that they will be widely adopted, with the result that the proposed policy would be thwarted and would generate perverse results, such as a widespread increase in crime, abortions, and other ills. ]

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[The point can be generalized: while the new fashion to look out in advance for dangers that may lurk in reform proposals is to be welcomed, reformers should be aware of the elementary economic principle that a search is not to be pushed beyond the point where the marginal cost of the search begins to exceed its marginal benefit.<sup>24</sup>]

Two observations can make this principle a bit less abstract (and less tautological). In the first place, a thorough search for negative repercussions has a psychological cost: overconfidence. The relentless prospecting for perverse effects may itself have a perverse effect; it is apt to make the reformer insufficiently alert to newly emerging dangers. More important, reformers must realize that it is impossible to guard in advance against all possible risks and dangers. The most thorough prospecting will miss out on some negative effects that will appear only as events unfold. [This inability to foresee future trouble will strike us as less disturbing once we realize that we are similarly unable to think in advance of the remedial measures that may become available or that we may devise once trouble occurs.]<sup>25</sup> [As Racine sums up the matter in *Andromaque*:

... tant de prudence entraîne trop de soin  
Je ne sais point prévoir les malheurs de si loin  
(So much prudence requires too much care  
I am unable to foresee misfortunes from so far). ]

[As Gunnar Myrdal argued long ago, progressives can and should make a convincing case for the policies they advocate on the ground that they are *right and just*, rather than by alleging that they are needed to stave off some imaginary disaster. ]

[Things are rather different in the case of yet another typical progressive argument which I implicitly ask my friends to use sparingly. It is the argument that a proposed reform is not only compatible with previous progressive achievements but will actually strengthen them and will be strengthened by them. Similarly, progressives will often argue that "all good things go together" or that there is no conceivable area of conflict between two desirable objectives (for example, "the choice between environmental protection and economic growth is a false one"). In itself, this is an attractive and seemingly innocuous way of arguing and my advice to reformers cannot be never to use this argument. Given their considerable interest in arguing along mutual support rather than jeopardy lines, reformers may actually come upon, and will obviously then want to invoke, various obvious and not obvious reasons why synergy between two reforms exists or can be expected to come into being. ]

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A further example of arguing against my own propositions is my recent attempt—see Chapter 1, above—to understand the events that led to the downfall of the German Democratic Republic in 1989 with the help of the concepts of my 1970 book *Exit, Voice, and Loyalty*. In the book I had explained at length how exit undermines voice and how the inability to exit can strengthen voice. What happened in the German Democratic Republic in the course of 1989 seemed to contradict this model: here the massive flight toward the West contributed powerfully to the mass demonstrations against the Communist regime, which was brought down by the combined blows inflicted by exit and voice. It was this unexpected and effective collaboration of exit and voice that excited my interest and made me examine closely the sequence of events. In the process I came upon some complications of the original model that, once being introduced, made it quite easy to understand how exit and voice could work in unison rather than at cross purposes. But, as I wrote above, the inventiveness of history was needed to suggest the complication and to reveal its importance. ]

[Here lies also the reason why my exercises in self-subversion, while often experienced at first as traumatic, are eventually rewarding and enriching. The new dynamics I come upon in matters of dependence, linkages, exit-voice, and so on, do not in the end cancel out or refute the earlier findings: rather, they define domains of the social world where the originally postulated relationships do not hold. Far from having to hang my head in shame on account of some egregious error that needs to be recanted, I can still land on my feet and in fact come out on top as I celebrate the new complexities I have uncovered. ]