POLITICAL INSTITUTIONS AND PRACTICAL WISDOM

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MAXWELL A. CAMERON

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BETWEEN RULES AND PRACTICE

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PREFACE

This book took shape in dialogue with my friend Ken Sharpe, with whom I team-taught a seminar on practical wisdom at the University of British Columbia (UBC) in 2012. His book with Barry Schwartz, entitled *Practical Wisdom: The Right Way to Do the Right Thing*, inspired a colloquium series at UBC's Peter Wall Institute for Advanced Studies (PWIAS) during my appointment as Distinguished Scholar in Residence in 2011–2012, and he returned to the PWIAS as an International Visiting Research Scholar in 2017 to organize a series of workshops on the topic of "designing for wisdom." Ken has been more than an inspiration: His detailed and thoughtful comments on this manuscript have improved it immensely.

My mother, Catherine Ann Cameron, always a source of sage advice and support, carefully read and commented on earlier drafts of this book. She also helped me formulate the proposal that resulted in the 2011–2012 colloquium series, and together we convened an extraordinary lineup of speakers: Patricia Churchland, Barry Schwartz, Franz De Waal, David Olson, and Jane Jaquette. Sylvia Berryman led off the colloquium series. She also read the entire manuscript and her insightful comments significantly improved the book. Her participation in a seminar on phronesis pushed me to sharpen my thinking

as I made final revisions. As Principal of Green College, Mark Vessey facilitated the visit of Patricia Churchland as Cecil H. and Ida Green Visiting Professor. I am grateful to three directors of the PWIAS (Dianne Newell, Janis Sara, and Philippe Tortell) as well as excellent staff, especially Emma MacEntee, and a stimulating cohort of distinguished scholars.

I have benefited from the experience of directing the Centre for the Study of Democratic Institutions (CSDI). The Centre has created a space for dialogue between academics and practitioners from which I have learned a great deal. At the suggestion of Stephen Jarislowsky—whose generous philanthropy made the creation of CSDI possible—and our Advisory Board, we convened a conference on "Why Don't (More) Good People Enter Politics?" Afterwards, Preston Manning approached UBC with the idea of establishing a "model parliament for Canada" (Manning 2011). Soon a pilot program, the Summer Institute for Future Legislators, was in full swing. With a team of exemplary former politicians—including Joy MacPhail, Anne McLellan, Larry Campbell, Dawn Black, Chuck Strahl, George Abbott, Mike Harcourt, and many others—this program provides training for aspiring legislators in the hope that they will enter politics for the right reasons and with the necessary skills and know-how to be effective. CSDI has also organized many workshops, including one for the Task Force on Negotiating Agreement in Politics of the American Political Science Association, led by Jane Mansbridge. The idea of displacement of deliberation in Chapter 6 emerged from that workshop, which was held on March 23, 2013. I am fortunate at CSDI to have the support of an enthusiastic and extraordinarily competent and effective project manager, Rebecca Monnerat.

Numerous conversations with colleagues, friends, and students have helped shape my ideas. I am particularly grateful to Michael Griffin, Jon Beasley-Murray, Liz Evans, David Moscrop, Jan Boesten, Jason Tockman, Alirio Rosales, Leonie Sandercock, Rena Sharon, Michael Chandler, Kiley Hamlin, Daniel Vokey, André Mazawi, Laura Janara, Philip Resnick, Arjun Chowdhury, and Mark Warren. Agustín Goenaga has been more than a superb research assistant. In addition to scouring every page of the manuscript in search of errors and gaps, he provided astute criticism and advice on ways to sharpen the argument. Dominique

Rumeau and Nojang Khatami also provided feedback on parts of the manuscript. Funding from a Social Sciences and Humanities Research Council of Canada Insight Grant (435-2014-0464) made this book possible, largely by enabling me to hire such talent. I am responsible for the content of this book and any errors it may contain.

A much-needed opportunity to write was provided by a sabbatical leave from UBC, which I spent in Lima, Peru, between January and August 2014. The Grupo de Analisis de Desarrollo (GRADE) generously provided an office, secretarial staff, and basic infrastructure for writing. Most of the writing was done between my office in GRADE and the Manuel Beingolea Library at the Municipality of Barranco. Manuel Glave not only facilitated my involvement in GRADE but also organized a seminar in which I was able to present my work. I am particularly grateful to Elsa Bardalez and Pedro Grández for reading and commenting on earlier drafts of parts of this book, as well as Rolando Ames, Carmen Ilizarbe, Fernando Tuesta, Nicolás Lynch, Paula Muñoz, Jorge Aragón, Eduardo Zegara, and Santiago Mariani for comments in the seminar. Another seminar organized by the Canadian Embassy in December 2015 gave me the benefit of comments from Alicia del Águila, Juan de la Puente, and others. Bruce Campbell provided feedback on my analysis of the Lac-Mégantic disaster. The reviewers at Oxford University Press offered excellent advice and constructive criticism, and David McBride stuck with the manuscript through thick and thin. Although all of these institutions and individuals have made important contributions to this book, none are responsible for its content, much less its limitations.

I have learned more about the sources of agency and morality by watching Gabriel, my son, grow up than I could from a hundred books. Finally, this book is dedicated to my wife of almost three decades. Fabiola Bazo brings joyful excess and happy immoderation into my life, for which I am truly fortunate.

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INTRODUCTION

We are all institutionalists now.
—Paul Pierson and Theda Skocpol

The study of institutions has become a mainstay of research in the social sciences, yet political institutions, in particular, are failing to respond to many of the biggest collective challenges of our times. The consequences of these failings are felt in the retreat to the banalities of private life and consumption; in the despair and anguish that come from helplessly watching the unfolding of the multiple human tragedies of overpopulation, reckless growth, resource depletion, environmental waste, war, and violence; and in the corrosive cynicism that has become so pervasive in politics. "Everybody knows that the dice are loaded," growls the poet and songwriter Leonard Cohen, "everybody rolls with their fingers crossed."

It would be unrealistic to expect the choices of individuals, uncoordinated by institutions, to lead to the resolution of entrenched conflicts, bring human activity into balance with the natural environment, redress social inequalities, empower the vulnerable, restore trust in politics, or improve the performance of institutions. Charity and private initiative are not enough to meet the difficult challenges facing humanity; good public institutions are also necessary. Institutions are powerful forces in our lives because they exert significant influence over our choices and actions, and they do so, in part, by giving them

meaning and significance. However, to exert a positive influence, institutions require people with the will and skill to serve the common good, and we seem to have lost the ability to even articulate what it is we think we are talking about when we speak of goods or the common good.

Whereas contemporary political discourse is deeply suffused with the language of interests and rights, the good seems frustratingly elusive. With regard to institutions, it comes naturally to ask such questions as: Whose interests do they serve? What rights do they specify and enforce? We rarely ask: What is good for us as social beings, such that institutions might serve our purposes (Heclo 2008: 153)?. And yet such questions matter because they concern the kind of society in which we wish to live, and the qualities of character and judgment we value in ourselves and others.

The notion that we should concern ourselves with the character and judgment of our fellow citizens is viewed in some quarters with suspicion or hostility, but character and judgment matter because they affect how our institutions work. All institutions, insofar as they uphold values and give meaning to action, are, to use Philip Selznick's (1992) phrase, *moral* institutions. Indeed, Selznick (1992: 233) goes so far as to define institutionalization as a process of infusing value in an activity "beyond the technical requirements of the task at hand." Likewise, Hugh Heclo (2008: 107) stresses the importance of "valued purpose and moral obligation" in institutions. These scholars have grasped that institutions do not just provide rules and incentives, as important as those may be; they also define roles and offices; supply justifications for action, norms of appropriateness, principles of right and duty; and provide meaningful narrative frames that guide collective decision-making. Institutions are involved in making meaning; they form "webs of significance" in which agents are suspended (Geertz 1973: 5). To understand them from the inside requires an interpretive attitude (Taylor 1985; Rabinow and Sullivan 1987; Schwartz-Shea and Yanow 2012; Schaffer 2016).

"An institution," write James G. March and Johan P. Olsen (2006: 3), "is a relatively enduring collection of rules and organized practices, embedded in structures of meaning and resources that are relatively invariant in the face of turnover of individuals and relatively

resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstances." Institutional analysis helps us to understand the "common purposes and accounts that give direction and meaning to behavior, and explain, justify, and legitimate behavioral codes" (March and Olsen 2006: 3). An interpretive approach to institutions demands an interest in the viewpoint of the agent, understood as a person endowed with a capacity for practical reason and moral judgment. Such a person is not merely an egoistic utility-seeking individual. "Interpretivist approaches," as Lisa Wedeen (2002: 717) has put it, "frequently invoke an agentive individual, but they do not assume a maximizing, cost-benefit calculator who is unproblematically divorced from actual historical processes." For Wedeen, meaning-making practices are part of agency, and since institutions involve rule-governed practices embedded in structures of meaning, institutions and agents are reciprocally constituted. An institution is more likely to become a powerful engine of meaning-making when the agents that inhabit it understand and value the goals or aims that are intrinsic to the institution, and when practitioners understand not only the rules and incentives that reward and punish them, but also the reasons, values, and beliefs that support these rules and incentives.

To perform well, institutions need practitioners with practical reason and moral judgment. To explore the sources of character and virtue necessary to make institutions work, this book taps into a tradition, often called "virtue ethics," that can be traced from Aristotle to contemporary moral philosophers and political theorists like G.E.M. Anscombe (1958), Alasdair MacIntyre (1984), Martha Nussbaum (1995, 1999), Philippa Foot (2001), Rosalind Hursthouse (1999, 2007), Julia Annas (2005), Linda Trinkaus Zagzebski (1996), Sylvia Berryman (2011, 2017), Bernard Yack (2006), Roger Crisp (1996), and Stephen Gardiner (2005). Like Nussbaum (1999), I am not fond of the label "virtue ethics." To modern ears, the word "virtue" has the ring of Christian piety rather than Greek excellence (or arete), but it is a term of art and it describes a school of thought whose influence has spread beyond moral philosophy into areas like psychology, business, jurisprudence, neuroscience, and even engineering. The capabilities approach to human development, pioneered by Amartya Sen (1999) and Martha Nussbaum (2011), draws on this tradition.

Under the influence of Bent Flyvbjerg (2001), the Aristotelian idea of practical wisdom or phronesis—the moral skill and will to deliberate and act with respect to what is good for oneself and others in particular situations—has become more familiar to political scientists (see Schram and Caterino 2006; Flyvbjerg, Landman, and Schram 2013). Barry Schwartz and Kenneth Sharpe's (2010) book, entitled *Practical Wisdom: The Right Way to Do the Right Thing*, creatively applies Aristotelian thinking to activities as diverse as judging, janitoring, lawyering, policing, soldiering, nursing, and doctoring. My goal is to suggest the relevance of practical wisdom to political institutions. To date, scholars advocating a more explicit awareness and cultivation of phronesis in political science have not devoted much attention to political institutions, yet the fit seems natural. Many scholars working on institutions—James G. March and Johan P. Olsen (2006), Philip Selznick (1957, 1992), Karl Weick (2001), Hugh Heclo (2008), Mark Bevir and R.A.W. Rhodes (2006), Colin Hay (2006), Chris Thornhill (2011), James Scott (1998, 2012), and Vivien Schmidt (2008, 2010, 2012), to mention but a few of the authors I have found helpful—have emphasized the centrality of meaning and practice in their work. This opens up the possibility of seeing institutions from the perspective of the practitioner, and thereby connecting the substantial literature on political institutions with virtue ethics. That is the prospect that motivates this book.

Chapter 1 analyzes the train derailment in Lac-Mégantic, Quebec, through the prism of three ethical theories. This provides the basis for thinking about the goods that institutions provide, and why practical wisdom is necessary for institutions to perform well. Chapter 2 looks at how competitive utility-maximizing undermines institutions. Maximizing is incompatible with balancing, and yet balancing is essential to wise practice. Chapter 3 outlines an alternative to competitive utility-maximizing. It offers a view of agency based on practical reason and moral judgment; such agency, I argue, enables the kind of balancing that makes institutions work well. Chapter 4 examines practitioners in politics, and asks: What kind of practical wisdom is necessary to be good citizens and statespersons?

The next two chapters address political and economic sources of competitive utility-maximizing. Chapter 5 examines the ways in which

neoliberalism has unleashed pressures to achieve competitiveness globally, and how this undermines the practical wisdom needed to ensure institutions serve the common good by directing the attention of policymakers to the wrong goals while neglecting more important ones. Chapter 6 examines how the ethos of competitiveness has crept into politics, undermining deliberative institutions, and promoting excessive partisanship.

Chapter 7 integrates two distinct strands of social science theory, research, and policy analysis. The first is the United Nations Development Programme's (UNDP) human development or capabilities approach, pioneered by Amartya Sen and Martha C. Nussbaum. The second is Guillermo O'Donnell's work on the quality of democracy that led to the UNDP's "citizens' democracy" reports. Both start with agency and identify capabilities necessary for the flourishing of human activities, whether in the context of democracy or development. The book concludes by emphasizing the need for practical wisdom in the social sciences, both to perform the practice of research, but also to understand practitioners and their activities within institutions.

This book, a footnote to Aristotle, provides a defense of good institutions and a call to action for the wise practitioner. It eschews both poststructuralist critiques of institutions that offer little or no place for human agency, and positivist approaches that neglect the normative character of institutions. It is motivated less by a fear of the overweening power of institutions than by a desire to prevent institutions from being corrupted and undermined in ways that hinder the attainment of important collective goals. There are good reasons to mistrust and criticize many contemporary institutions, but we should not be indifferent to variation among them (Selznick 1992: 257–258). The weakening, corrupting, and hollowing-out of good institutions can be as serious a blight on the human condition as the oppressiveness of bad ones. To paraphrase John Forester (1999: 9): Let us stop rediscovering that institutions are failing, and let's start figuring out what to do about their failures.

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RUNAWAY

As for the life of the businessman, it does not give him much freedom of action. Besides, wealth is obviously not the good that we are seeking because it serves only as a means; i.e. for getting something else.

—Aristotle, *The Nichomachean Ethics*

Shortly after midnight on July 6, 2013, a freight train pulling 72 tank cars, many of them carrying crude oil, that had been parked unattended east of Montreal began to roll downhill toward the small town of Lac-Mégantic, 7 miles away. By the time it reached the town 15 minutes later, it was moving at 65 miles per hour. At a bend in the tracks the train derailed, spilling 6 million liters of crude oil into the center of town. The fuel ignited and a hellish fireball consumed 40 buildings and 53 cars and trucks and killed 47 people.[1]

Earlier, around 11 p.m., when he parked the train, the railway engineer had noticed that the lead locomotive was spewing smoke and oil particles. The engine had been surging, making it hard to sustain a consistent pace, and he had "worked it hard" to get to the top of the hill. After speaking with a rail traffic controller in Bangor, Maine, it was agreed that the mechanical problems with the engine could be addressed in the morning. Before taking a cab to a hotel in Lac-Mégantic, the engineer applied hand brakes to seven cars (the five locomotives and a boxcar). When he tested the effectiveness of the hand brakes he did not shut off the independent brakes system—the air brakes that apply to the locomotive. The engineer left the train unattended, with the main locomotive running.

Around 11:30 p.m. the locomotive caught fire. Firefighters, responding to a 911 call, put out the fire by shutting off the engine. The engineer was called in his hotel room by the rail traffic controller and told about the fire on the train, but it was agreed that he should go back to bed, while a track foreman was dispatched to the scene. The foreman and the firefighters reported back to the rail traffic controller that they had extinguished the fire, and then left the scene. The train was left unattended again. Nobody foresaw the looming catastrophe.[2] Without power to the independent brakes, the air pressure gradually fell, leaving only the hand brakes to hold the train in place. The seven hand brakes applied by the engineer were insufficient to hold a train that was almost a mile long and parked on a descending grade. Even the nine brakes set out on the company's operating chart as a necessary minimum would have been insufficient; investigators found that between 18 and 26 hand brakes would have been required. Just before 1 a.m. the train began to roll toward the town.

Investigators would later conclude that the railway did not provide its staff with adequate training and that the company, the Montreal, Maine, and Atlantic Railway (MM&A), lacked a safety culture. The train, which was carrying highly volatile fuel, should not have been parked on the main track rather than in a siding where it could not have rolled into the town. The company's safety management system was only good "on paper," according to investigators. The federal government of Canada, in an effort to deregulate the industry, had handed over responsibility for safety to the company and then failed to monitor and enforce safety regulations. The Transport Minister, Lisa Raitt, accepted no blame, however, saying, "The fact is there are rules in this country when it comes to . . . the transport of dangerous goods. And in this case, the rules were not followed."[3]

It is correct that the engineer should have applied more hand brakes and should have tested them without the independent brake system in operation, but the disaster was the result of a concatenation of events that created a situation the dimensions of which were not grasped by any of the participants. Neither the engineer, nor the rail traffic controller, nor the track foreman, had sufficient knowledge and foresight to anticipate the disaster that would follow once the main engine was shut off. One could imagine a hypothetical situation in

which a conscientious engineer did a proper brake test and applied the minimum nine hand brakes. We know this probably would not have been sufficient. Perhaps such an engineer, having noticed that nine brakes were still insufficient, would have applied more brakes, but how would he have figured out that as many as 18 to 26 brakes were necessary? Alternatively, the engineer—in consultation with the traffic controller, or track foreman—might have suggested that more brakes would be needed if the firefighters turned off the main engine.[4]

What was missing was the kind of deliberation necessary to understand the full meaning of the situation. Understanding a problem and finding a solution demands a set of skills. Some of these skills transcend "the technical requirements of the task at hand" (Selznick 1992: 233), particularly when they form part of the performance of roles and practices within a social context. One skill that is a necessary part of any social practice is deliberation—the ability to engage in collective reflection aimed at reaching a decision on a course of action. For example, we can presume that the firefighters would not have left the main locomotive without the engine running had they known the hand brakes alone were insufficient to hold the train in place, and that the engineer would have tested the hand brakes without the air brakes had he known the engine would be turned off by the firefighters. Yet these crucial insights were not conjoined. Like the blind men and the elephant, each grasped only an aspect of the phenomenon.

Although a better process of collective deliberation might have averted the tragedy, it would have been better yet had the situation never arisen. That it did points to larger systemic problems: MM&A was not a company that encouraged a high standard of operation and safety. In fact, the reason the main engine malfunctioned in the first place was because a low-cost, nonstandard repair had used materials that were weak and caused problems with the turbocharger and exhaust manifold. It also transported mislabeled oil in substandard, easily punctured cars. It did not maintain its tracks well and, to keep costs down, it routed oil through major population centers. The public was given a glimpse of MM&A's corporate culture when its chief executive officer complained that he was "also a victim" of the disaster: "It's reduced me from being a fairly well-off guy to one that's just getting by," he said.[5]

In identifying 18 separate factors that contributed to the disaster, the Transportation Safety Board concluded that much of the blame lay squarely at the feet of federal government regulators—and most of its recommendations were also directed at regulators. In an effort to increase oil exports, the federal government had slashed the budget and personnel responsible for overseeing the transportation of dangerous goods at a time when the amount of oil transported by rail was rapidly increasingly. The amount of oil exported by rail between Canada and the United States increased 900 percent between 2009 and 2012, and the number of rail cars carrying oil on Canadian trains grew from 500 in 2009 to 160,000 in 2013. In the same period the number of inspectors fell from one per 14 carloads of crude to one per 4,500 car loads.[6] Nor surprisingly, the Transportation Safety Board called for a more hands-on approach to safety management, better emergency response, more strategic route-planning, and better standards for tank cars. In the words of the board's chair, Wendy Tadros, "Who was the guardian of public safety? That is the role of government. To provide checks and balances—oversight."[7]

Three Prisms

The Lac-Mégantic tragedy may be viewed through the prism of three ethical theories. The first school of ethics, which grounds a good deal of contemporary social science, focuses on utility and welfare, and goes by the name of utilitarianism. Much of contemporary economic theory builds on this approach, pioneered by Jeremy Bentham and later developed by John Stuart Mill. The second, associated with the philosopher Immanuel Kant, emphasizes rights and duties. A third approach, which traces its roots to the philosophy of Aristotle, focuses on character and virtue in public life, and is sometimes called "virtue ethics."[8] In this book I will draw most heavily on the third approach. By outlining these theories I hope to explain what is most distinctive about the approach I take in this book, and to explore how it might help us to think about institutions.

In *An Introduction to the Principles of Morals and Legislation*, Jeremy Bentham (1748–1832) developed the "principle of utility": that every action may be judged in terms of whether it augments or

diminishes utility, which he defined as "benefit, advantage, pleasure, good, or happiness," as opposed to "mischief, pain, evil, or unhappiness" (Bentham 1970: 2). In this view, the role of government should be to maximize utility (Sandel 2009: 34). Bentham contributed to a subtle shift in thinking about the role of government. The shift was motivated by skepticism about the possibility of reaching agreement over apparently irreconcilable conceptions of the good. In Bentham's utilitarian argot, the good is one among a number of properties of utility—along with benefits, advantage, pleasure, and happiness. It is not separate from utility, and there is nothing to the notion of the good outside of utility (Bentham 1970: 4). Moreover, utility belongs to individuals. When applied to groups, it means only the sum of individual utilities. The idea that right and wrong can be understood in terms of maximizing individual utility underpins one of the most influential ways of thinking about morality and law: the weighing of costs and benefits. Judgments about the morality and legality of actions are, ultimately, in the Benthamite view, a matter of analyzing how much utility is produced, and (what amounts to the same) disutility is reduced, by a given policy or action.

With respect to the tragedy in Lac-Mégantic, the point of departure for utilitarian analysis would be the costly, painful, indeed deadly, effects of the disaster. The loss of life and property represents a significant loss of utility. Yet transporting oil by rail also has advantages. Although the costs massively outweighed the benefits in this instance, some level of risk is inescapable in any hazardous activity, and transporting oil is an essential part of the economy. The challenge, from a utilitarian perspective, is to maximize the benefits and minimize the costly side effects. How can this be done?

Since human nature is governed by "two sovereign masters, pain and pleasure" (Bentham 1970: 1), the key to designing good institutions is to encourage people to maximize their utility through actions that promote the general happiness of all—or at least do not diminish it. This is often done through better rules and incentives. The goal of rules and incentives should be to align individual and collective returns. In other words, well-designed institutions will provide benefits to individuals who perform in ways that maximize aggregate utility, and disincentives to cheat, shirk, or neglect their tasks.

We can see a utilitarian framing of the debate over whether the tragedy should be addressed by better regulation. This was dismissed by one corporate chief executive who complained that the Transportation Safety Board's recommendations would not have prevented the disaster, which occurred "because of one person's behavior."[9] By blaming the disaster on the negligence of one person, the CEO hoped to avoid the conclusion that new rules and incentives were necessary to avoid future disasters. Human error could not be corrected by new rules, he said. Those who favored regulation, however, suggested that corporate CEOs had made profits by slashing costs and cutting jobs, in an effort to move trains more quickly and efficiently. The result was huge increases in profits—which were threatened by new regulations. Some of these profits could be reinvested in safety measures that would minimize future suffering. A good utilitarian argument could be made for re-regulating the industry.

Utilitarianism seeks to aid the lawmaker by offering a way of weighing, measuring, and aggregating costs and benefits. It purports to bring scientific rationality and rigor to moral and legal reasoning by replacing fuzzier ideas about the good with the more neutral concept of utility. It also provides a powerful starting point for thinking about institutions. But weighing costs and benefits is not the only way to think about law and morals.

Another approach focuses on the protection of rights and freedoms. Immanuel Kant (1724–1804) spoke of something that utilitarianism seems to neglect: a sense of duty, and the need for good intentions, not just calculation of utility, to promote the right course of action. In the *Groundwork of the Metaphysics of Morals*, Kant (2012) rejected utilitarianism and provided the foundation of much of contemporary thinking about human rights. He proposed the categorical imperative, the principle that moral agents should "act only according to that maxim through which you can at the same time will that it become a universal law" (2012: 34). Whereas utilitarians believe that people seek to maximize their pleasure and minimize pain, Kant argued that any person who helps another from motives of pleasure or natural sympathy displays no moral worth (Korsgaard 2008: 205). What makes an action good is not that it increases utility but that it qualifies to be a moral law and that the action is freely taken.

For Kant, what matters is not that the benefits of an action outweigh the costs but that the action conforms to the principle that all people should be treated as valued ends in themselves—as agents entitled to consideration for their moral worth. Kant's moral theory is a demanding one. It does not accept simply satisfying one's appetites, even if these are generally altruistic or pro-social. Real freedom involves rising above biologically driven or socially constructed action and achieving the moral autonomy to act always in accordance with good laws. The task of the legislator is not to maximize the happiness of as many people as possible but to create a framework within which people can achieve this more demanding conception of freedom.

In this view, the tragedy at Lac-Mégantic was not only costly—it was a violation of human rights. The question Kant would ask is not just whether the costs outweighed the benefits of an action, but whether a dereliction of duty occurred. Could we describe the events in terms of criminal negligence leading to harm? If so, we can speak not only of ill effects, but also of the violation of rights. The people of Lac-Mégantic were entitled to expect that those operating dangerous cargo passing through their town did so in a manner consistent with what they would want were they themselves inhabitants of that town.

One of the merits of a Kantian or rights-based perspective is that it acknowledges the fundamental moral worth of all persons as agents. The monetary cost of a train wreck in a small town where property values are low, and incomes are below average would be lower than in an affluent neighborhood in a city like Montreal, and yet we would not—or should not, according to Kant—conclude that safety standards should therefore be lower in a place like Lac-Mégantic. Thus Kant's view—that policy and law should respect the moral worth of all citizens equally—appeals to our sense of fairness.

In one respect, however, a Kantian perspective is problematic. It is highly abstract in ways that potentially limit its value to the social sciences. Kantian ethics are often called "deontological" because they are not based on a theory of what the world is like or how it works. Such a theory "stands at a certain distance from the world," says Michael Sandel (2009: 129). Whereas utilitarians believe that their fundamental assumption that people are motivated to avoid pain and seek pleasure is a useful one for understanding the world, at least most of the time,

Kantians argue that science and morality are entirely separate realms. The demands of morality are directed toward the person as an agent endowed with reason and will, not as claims about how people actually behave.

The third approach is often called virtue ethics, and in recent years it has reached beyond the confines of moral philosophy to find applications in fields of study as diverse as planning, law, business, economics, environmentalism, engineering, neuroscience, psychology, education, law enforcement, and political science.[10] Much of the work within this neo-Aristotelian perspective opposes the rigid positivist distinction between morality and science. For Aristotle, the cultivation of virtues or excellences—what he called arete—was part of what it meant to be human (Hursthouse 1999: 192–216). In line with this thinking, a central goal of this book will be to reinforce the idea that morals originate in the world of sense and perception—that is, embodied sentiments, beliefs, and intuitions that arise from experience—and that it is through being and doing things in the world that we acquire the skill and will to make wise decisions.

Although there is a sense in which such an approach to ethics is naturalistic (Annas 2005)—that is, it is grounded in the world of experience and it depends on human capabilities—there is an equally important sense in which it is constructivist. Agents make meaning of their social and natural worlds—and this includes making decisions about what is good or bad, right or wrong—through the practices they acquire by interacting with them. Among these practices are the exercise of language and reason, through which institutions (including rules, mores, laws) are created. It should be evident that the standpoint I take is that there are few dichotomies as false and pernicious as those that oppose facts and values, is and ought, for they consign the moral domain to abstractions unmoored from experience. I will develop this position further in subsequent chapters, but for the present purposes the key insight to be taken from Aristotle is that practices demand virtues and dispositions that are learned through experience.

The moral agent who has such virtues as good judgment, discernment, reason, empathy, and the capacity to deliberate and act in ways that bring about the right ends for herself and her community, is

regarded as practically wise (the Greek term was phronesis, which can be translated as practical wisdom). Practical wisdom comes from experience. For example, being a good engineer, track foreman, CEO, or government regulator demands more than a set of techniques. In addition to technical competence practical wisdom demands the know-how and foresight to anticipate problems and improvise solutions. This comes from experience. Good practice demands moral as well as technical competence—the motivation to discern morally significant problems, the ability to exercise wise judgment, the capacity to deliberate with others, and the perceptiveness to make the right choice in a given situation. For Aristotle, these character traits were considered virtues. The word "virtue" in this context implies not piety but excellence or skill. It is not a distinctive trait (Kamtekar 2016: 187–191) attained only by a rarefied elite, but it is always already a feature of any social practice to the degree that the practice is mastered. Virtue and virtuosity share a common etymological root—the Latin *virtut*, which means to possess the excellences associated with being fully human.[11] To be virtuous in Aristotle's sense meant to possess the excellences necessary to perform a valuable practice well.[12]

The Aristotelian would not be satisfied to inquire into the relative costs and benefits of an activity; moreover, she would be skeptical that the best way to ensure that people perform their duties is by appealing to their self-interest through incentives and punishments. Nor would she limit the role of ethics to external evaluations of action in the light of abstract rules like the categorical imperative that take us rather far from the world of everyday experience. Instead, she would want to know more about the people and practices involved: What were the agents trying to do, and were they trying to do it in the right way and for the right reasons? Did they deliberate well so that they could grasp the full meaning of the situation? Did they have the right experience, knowledge, and motivation for the task? Were they guided by a concern for the common good? These questions are relevant even in technical activities, whenever they occur in the context of social practices. Being a good engineer, track foreman, manager, or regulator involves, in addition to technical competence, moral skill and will. For example, decisions about the routes to be taken by dangerous cargo, the maintenance of machinery and other infrastructure, and

the concern to cultivate excellence in staff and employees, involve judgments about what is good or bad, right or wrong. Even more importantly, those who exercise decision-making power within an organization can create conditions that enable or discourage wise conduct among subordinates.

Having stressed the distinctiveness of the three approaches to ethics, it is worth recognizing their commonalities. It should come as no surprise that different ethical theories will often recommend similar choices and actions, albeit in different ways and for different reasons. Nor should we be surprised that Aristotelians sometimes occupy a middle ground between the rationalism of Kantian ethics and the consequentialism of Benthamite utilitarianism. Virtue ethics blends the down-to-earth focus of utilitarianism with the appeal to higher reason of deontology.

Utilitarianism shares with Aristotelian virtue ethics an interest in how people really behave, not abstract wills motivated only by doing what is right for its own sake. They both tend to naturalize the discussion of ethics: Their ethical principles are derived from the sensual realm of pleasure, pain, sympathy, and other emotions, as well as reason and logic. For Adam Smith, who straddles utilitarianism and virtue ethics, we become virtuous by holding our actions up to the critical judgment of what he calls the "impartial spectator."[13] By making virtue that which is approved by the disinterested other, Smith hits upon a way of thinking about virtue that tends in the same direction as the maxim that actions should serve the greatest good for the greatest number. And, of course, both utilitarians and Aristotelians share an interest in the provision of common goods.

Aristotle and Kant share a concern for moral autonomy and agency.[14] Both think it is important to do the right thing for the right reasons. Just as Kant believed that moral action involved willing the self to do what is right, Aristotle also argued that a rational will was essential to agency (Korsgaard 2008: 226). Reason is necessary to be authentically virtuous in both accounts; the difference lies in whether there is a natural inclination to be virtuous upon which rationally autonomous agency is built. There are many other similarities among these various schools of thought, but it is not my purpose to explore them.

Political theorists have debated the relative merits of utilitarian, rights-based, and virtue-based ethics.[15] Those debates are beyond the scope of this book, which seeks instead to integrate virtue ethics with the study of institutions. Suffusing the study of political institutions with an appreciation of what virtue ethics has to offer may encourage an interest in the moral dimensions of institutions among political scientists. The connection between virtue ethics and institutions is not difficult to make. After all, Aristotle was one of the first theorists to write systematically about institutions. But he also believed that good constitutions and laws were not enough: a well-governed city needed citizens of good character (Aristotle 1962; Miller 2009: 63). He believed that, as social beings, humans are born with the capacity to acquire the social skills and knowledge that we need to flourish, but the cultivation of these capacities depends on the early development of good habits as well as good institutions (Churchland 2011: 116, 164).

Good (and Bad) Institutions

The importance of institutions has been widely recognized by social scientists, and yet there is little agreement on how they should be understood; and while there are many schools of thought regarding institutions, certain questions are still neglected.[16] In his marvelous book *On Thinking Institutionally*, Hugh Heclo (2008: 153) poses a question that deserves more attention. "What," he asks, "is good for us as human beings, that institutions might be judged in serving such purposes?" His answer is clear: "Human beings flourish in seeking conditions of justice, freedom, equality, and community with each other." He goes on to insist that institutions serve human purposes, and should be judged accordingly (Heclo 2008: 154).

In a similar vein, James G. March and Johan P. Olsen (2006: 10) argue that "institutions and forms of government are assessed partly according to their ability to foster the virtue and intelligence of the community. That is, how they impact citizens' identities, character, and preferences—the kind of person they are and want to be." When juxtaposed against the (notably circular) claim that the "public interest is the interest of public institutions" (Huntington 1968: 25), the stakes

of the debate are revealed: We neglect defining what counts as a good institution at the risk of reifying existing ones.

Institutions, as March and Olsen stress, structure and give value and meaning to activities that become "relatively resilient to the idiosyncratic preferences and expectations of individuals and changing external circumstances" (March and Olsen 2006: 3). The activities or practices they institutionalize may be good or bad. As Philip Selznick put it, from a moral standpoint, "institutionalization may be positive or negative. Much depends on *what* is institutionalized" (Selznick 1992: 234, italics in original). Patricia Churchland offers trial by ordeal as an example of a bad institution, and trial by jury as a good one. Trial by ordeal was based on the unverifiable idea that "with God's intervention, innocence would plainly reveal itself, as the accused thief sank to the bottom of the pond, or the accused adulterer remained unburned by the red hot poker placed in his hand" (Churchland 2011: 1–2). Not only did trial by ordeal inflict great pain on the innocent, it was notoriously unreliable. Furthermore, it did not cultivate good habits or dispositions. Trial by jury, while not without problems, is more reliable and provides an opportunity for citizens to acquire civic virtue.

In this book I am concerned with *democratic* political institutions, like elections, legislatures, and the separation of powers. The institutions are of interest less for their own sake, however, than for the sake of what they allow individuals and societies to do and be. Institutions organize and regulate practices necessary for human freedom and agency: They enable human flourishing. As Martha Nussbaum (2011: 17–45) has argued, agency demands a set of capabilities including life, health, bodily integrity, imagination, emotions, practical reason, freedom to assemble and to participate in politics, that are part of what it means to live a fully human life. Cultivating these capabilities is what good public institutions are all about; their functioning involves practices that invariably aim at common goods associated with human flourishing.

For example, health and bodily integrity requires the practice of medicine, which is provided by involving nurses, doctors, and pharmacists. Preventing bodily harm is also the goal of first responders, including firefighters, paramedics, and soldiers. The cultivation of imagination, emotions, and practical reason demands education and

training, which is provided by teachers, daycare workers, and professors. Freedom to assemble and participate in civil life requires a free press, with independent journalists and media organizations. We can think about democratic politics, and the role of politicians, legislators, and judges, in the same terms, by asking what common goods they serve. The answer to this question will be explored throughout this book; suffice it to say, at this point, that politicians manage the most complex organizations and the largest budgets, and are responsible for the web of rules and regulations that govern the most minute details of the lives of citizens in any society. The goods they supply are among the most important that there can be, as I argue in Chapter 6.

This book has a bias in favor of public institutions. Although markets also contribute to human flourishing, they pale by comparison with the power and importance of public institutions. This is both because markets cannot function well except within the framework of public institutions, and because public institutions are necessary to provide common goods where markets fail. More importantly, it is crucial that activities necessary for the provision of common goods be insulated from the competitive pressures of the market. The danger that markets pose to the moral bonds of society has been acknowledged since the early stages of capitalist modernization. The tension is often framed in terms of market competition versus professional responsibility. Émile Durkheim observed that, as participants in shared activities, practitioners tend to develop a collegial sense of duty and responsibility (Durkheim 1958: 4–5). He also noted that market competition exerts a continuous pressure to cut corners, or find efficiencies, and this is why the logic of competition threatens practices aimed at common goods whenever it is allowed to penetrate non-economic spheres of activity. Whereas firms can justify their behavior by pointing to competition, this is inappropriate for professionals.

Today, the market economy "continues its work of dissolving institutional loyalties"—and, I would add, professional responsibilities—by teaching "a short-term, self-centered ethic of personal gratification" (Heclo 2008: 167). However, the corrosive effects of market competition only reinforce the need for institutions. Given the scale of modern societies, we are "thoroughly dependent on the competence and dutifulness of strangers in far-flung institutional settings" (Heclo 2008: 37).

What we need these "strangers" (what I am calling practitioners) to do is to "think institutionally," which is not the same as thinking about institutions. Thinking institutionally means sharing the "ethos" of an institution, a term Heclo (2008: 81) draws from anthropologist Clifford Geertz (1973). This means understanding an institution from the inside out, which includes assuming the moral commitments and values of the institution—the appropriate ways of doing things that it embodies (Heclo 2008: 82–85). The practitioner sees herself as the faithful recipient of institutional values from the past, infuses (a term Heclo takes from Selznick) her work with these values, and projects them into the future (Heclo 2008: 98, 101, 109).

The hero of Heclo's book is the agent who thinks institutionally; the hero of mine is the wise practitioner.[17] We agree that good agents are necessary to make institutions work well. An agent may be understood as an autonomous person, capable of purposive activities involving deliberation and judgment. Such a person can set goals and find means to attain them, and can judge actions and goals in terms of moral criteria. Agency demands the use of practical reason and moral judgment. These virtues or excellences are necessary to know what is the right thing to do in a particular situation, to know how to do it, and to do it in the right way, at the right time, and for the right reasons. Practical wisdom involves understanding the proper aim of an activity and the ability to perform the practices normally associated with it.[18]

In an institutional setting, practically wise agents must know how to perform the duties and exercise the powers conferred upon them by their institutional roles and offices. This means, among other things, the ability to deliberate over and select among diverse goals. The wise practitioner must be able to place limits on the pursuit of some ends in order to achieve others. Judgment has a central place in decision-making with respect to such balancing acts. This is especially true in politics, where politicians routinely confront trade-offs and the need to make compromises across different goods.

To attain collective ends, agents must coordinate their plans and decisions with other agents. This demands the capacity to take more than one perspective, to see beyond one's own choices and goals. The ability to think and see the world through the eyes of another is a powerful foundation of all institutions.[19] It is one of the abilities that

enables agents to negotiate compromises. Negotiating compromises may involve power-based bargaining, but often it also requires the exercise of discretion to balance the provision of multiple and diverse goods. Institutions form complicated ecologies, such that incumbents always occupy multiple roles and offices, the performance of which compels them to balance competing demands (March and Olsen 1989: 170).

Wise practitioners take an active interest in the aims of the practices in which they are engaged (Flyvbjerg 2001). They are necessary for institutions to work well. Institutions work well when people know the rules and follow them, but that is never enough: Practitioners must understand what it is that rules aim to achieve. Even minimally competent rule-following demands a set of cognitive and ethical skills. Knowing how a rule is applied presupposes an appreciation for its meaning, validity in a particular context, and the appropriateness of its use (Searle 1969; Taylor 1995). Rules are, at best, rough guidelines for action, and they are often insufficient because no general rule can anticipate every contingency. They provide a framework within which good practices can flourish. But external enforcement is rarely sufficient to generate good practices: for that, practitioners must care about the aims of the activity. As Aristotle said, we need to keep our eyes on the right goal if we want to hit the target.[20]

The best political science on institutions in recent years, especially historically minded and context-sensitive work, has been attentive to the importance of agency and the limits of utility-maximizing. March and Olsen stress the importance of institutions in "the interpretation of life and the development of meaning" (2006: 6). Rules, they note, are often indeterminate, conflicting, and open-ended, and thus the impact of institutions is often in how they shape actors' interpretations of choices and events. They contrast utility-maximizing with "logics of appropriateness," which produce "truth-telling, fairness, honesty, trust and generosity" (March and Olsen 2006: 7). Kathleen Thelen and Sven Steinmo quote the assertion by Gabriel Almond and Stephen Genco (1977: 493) that "a simple search for regularities and lawful relationships among variables—a strategy that has led to tremendous successes in the physical sciences—will not explain social outcomes, but only some of the conditions affecting those outcomes." They argue

that institutional analysis should be attentive to "how humans shape the constraints in which they interact through institutional choice and design." In their view, "what makes political evolution different from physical evolution is that the former is influenced by the intentions of its subjects" (1992: 27). Thelen and Steinmo reject utility-maximizing, saying that "people don't stop at every choice they make in their lives and think to themselves, 'Now what will maximize my self-interest?'" (Thelen and Steinmo 1992: 8).[21]

Sociological institutionalism is probably the research tradition most open to a focus on practical wisdom. I agree with scholars who have argued that political science could benefit from engagement with sociological approaches to institutions. Sociologists have tended to emphasize the importance of agency, meaningful action, and the emergence of institutions from practices. Peter A. Hall and Rosemary C.R. Taylor (1996: 948–949) make the case well:

> . . . sociological institutionalists insist that, when faced with a situation, the individual must find a way of recognizing it as well as of responding to it, and the scripts or templates implicit in the institutional world provide the means for accomplishing both of these tasks, often more or less simultaneously. The relationship between the individual and the institution, then, is built on a kind of "practical reasoning" whereby the individual works with and reworks the available institutional templates to devise a course of action.

Greater attention to practice and agency may help explain institutional dynamics and change rooted in contestation over the meaning and aims of institutions (see Schmidt 2010).

Practical wisdom is inimical to positivist approaches to institutions. Some new institutionalists express frustration with the failure of more interpretive scholars to clearly "formulate universal generalizations and lawlike propositions." It is, they say, "difficult to conduct any kind of social science analysis without at least implicitly making causal claims" (Mahoney and Rueschemeyer 2003: 22, 23). It is true that causality is the coin of the realm in the social sciences, but there are many ways of thinking about causes. One way—the pursuit of

generalizable laws—can be a trap if it deflects attention from the role of the practitioner (Forester 1999: 19). To support this claim requires a brief detour through some basic questions of epistemology.

To generalize is to stand back from the concrete and observe patterns in the world that occur with regularity. If every time an agent, under the influence of some force, performs an act, we can say, *ceteris paribus*, that the force caused the agent to perform the act. If any agent under the influence of that force will perform the same act, then we can simply say the force is the cause of the act. The identity of the agent drops out of the equation—it only adds useless information. The more events occur with something approaching statistical regularity, the less occasion there is to discuss the agent's role. The observer who generalizes abstracts from the perspective of the agent. The focus on nomothetic regularities, rather than context-sensitive appreciation of particularities, eliminates the practitioner from view.

How much should political scientists strive for generalization? Politics, Aristotle insisted, is "not an exact science." It is "the mark of a trained mind," he said, "never to expect more precision in the treatment of any subject than the nature of that subject permits" (Aristotle 2004a: 5). It is worth unpacking this observation. It would be unwise for social scientists to model themselves on the physical sciences and ignore not only the complexity of social life but also human experience and subjectivity. As an activity, politics requires reflection, deliberation, and judgment, and these demand knowledge of particulars, awareness of context, and the use of narrative frames to make meaning of choices. Aristotle argued that politicians do not deliberate or exercise judgment over that which is necessary and invariant, but only over those matters that are within their control. There are both law-like regularities and context-specific contingencies in politics.

Knowledge of politics therefore must encompass both the general and the particular. For example, the political scientist may be interested in the causes of war generally, but the policymaker trying to decide whether to go to war must know the particulars of the conflict at hand. Since knowledge of what causes an outcome in general may not explain a particular case, and knowledge of particular cases may not reflect a general pattern, knowing what kind of knowledge is relevant, and for what purposes, is itself a matter of judgment. By describing

how the "trained mind" works with respect to the nature of its subject, Aristotle reminds us that practical wisdom is not just the stuff of politics—it is also present in the study of politics as well. Both the politician as practitioner in politics and the political scientist as practitioner of the study of politics must have the capacity to move back and forth between the general and the particular. For the political scientist this means knowing when general theories explain a particular case, and when knowledge of the particulars of a case can be generalized.

I have described phronesis or practical wisdom as involving the virtues or excellences—like discernment, judgment, or the capacity to deliberate—necessary to act in pursuit of the right aims (one could also say *goods*) of an activity. The scientific or academic community requires practical wisdom because, like any practice, research aims at a good—knowledge or truth. Achieving this good not only takes judgment, reflection, deliberation, and other capabilities, it also takes the right motivation—what Aristotle called character. Before returning to the question of institutions, it is important to consider the relationship between science and ethics.

By arguing that practical wisdom is intrinsic to the social sciences, I am not claiming that ethics is a science or has a scientific foundation. My claim is precisely the reverse: The sciences (especially social sciences) have an ethical foundation. On this point I must take issue with the way that the problem has at times been formulated in the past. John Dewey and James H. Tufts (1936: 3), for example, defined ethics as "the science that deals with conduct, in so far as this is considered as right or wrong, good or bad." There is a good intuition here, but the problem is not properly formulated. The good intuition is that matters of right or wrong, good or bad, are an intrinsic part of the ontological world with which the social sciences must be concerned. But precisely for this reason, judgments of good or bad, right or wrong, are broader than science: They are constitutive of the social world, including all scientific enterprises.

Rather than claim that ethics itself is a science, I would argue that ethical values give rise to science as a way of knowing the world that is useful and necessary for human flourishing. To claim that ethics is a science suggests greater precision in ethical reflection than the subject permits—and a properly trained mind should not seek scientific

solutions to problems that are not of a scientific nature. This does not mean that the study of ethics is unscientific or anti-scientific. The conscious and deliberate integration of ethics into the study of human affairs in no way diminishes its scientific character—quite the contrary. Practical wisdom is part of the process through which experiential knowledge arises from activity in the world, so that the scientific study of agents demands attention to the ethical dimension of action—that is, to the way that agents figure out what is right or wrong, good or bad.

Practical wisdom offers a fundamentally different (albeit somewhat unfamiliar) way to think about ethics. According to conventional wisdom, ethics concerns subjective evaluations of what goes on in the objective world. This assumes a radical separation between the agent and the world, between subject and object. Practical wisdom, by contrast, is involved in the way agents encounter and make meaning of the world, and in the practices that are constitutive of that world. The arbitrary exclusion of whole dimensions of human experience has proven a hindrance to the development of political science. This exclusion happens, often, because of an impatience to generalize (a variation on what Albert O. Hirschman, quoting Flaubert, called "*la rage de vouloir conclure*"). It occurs when scholars over-rely on abstract models, with little attention to how they are applied, thereby bleaching out the role of the agent.

We can now return to the discussion of institutions. I want to conclude this chapter by arguing that positivist approaches to institutions are fatally flawed. Sadly, positivist political scientists consider the exclusion of ethical considerations to be the very hallmark of science. Among such scholars the assumption that individuals are rational utility-maximizers has gained widespread acceptance. This assumption is a powerful simplification that serves to generate what are intended to be value-neutral models of behavior—models that abstract from issues of meaning and interpretation and seek to explain action in terms of rational choices shaped by incentives and rules. The work of the practitioner becomes invisible, however, when we dismiss the idea that agents are always trying to work out what is right or wrong, good or bad, in favor of the generic actor who only does one thing—maximize utility.

In contrast to the definition given by March and Olsen, with its emphasis on the value and meaning of activities, and the importance of interpretation, economist Douglass C. North (1990: 3) defines institutions as "the rules of the game in a society or, more formally . . . the humanly devised constraints that shape human interaction." They "structure incentives in human exchange, whether political, social, or economic." In this view, institutions do not encourage deliberation, for that would complicate the view that individuals are simply efficient utility-maximizers who choose the states of affairs that give them the greatest utility (satisfaction or pleasure).[22] Since the agent is a utility-maximizing rule-follower, the performance of institutions depends on creating efficient rules and incentives. Individuals should receive the greatest payoffs when they act in ways that enhance overall social welfare—the greatest good for the greatest number. The most reliable way to influence the choices of individuals, in this view, is to create rules and incentives that directly affect their calculus of gain and loss.

In this view rules and incentives are not just important—they are everything. At a high level of abstraction, it is difficult to disagree with the importance of rules and incentives. As a general rule, efficient and well-specified rules and enforcement mechanisms are undoubtedly desirable. But getting institutions right is not the same as getting practices right. And when a theory relies on competitive utility-maximizing to achieve its aims, there is a risk that rules and incentives will be designed in ways that squeeze the judgment and deliberation out of practices. When we zero in on particular cases, it becomes clear that rules and incentives are blunt instruments. Practices demand good judgment (Vickers 1965), ongoing reflection (Schön 1991), and meaningful deliberation (Forester 1999). These capabilities are critical to the way in which rules and incentives are, in practice, created, interpreted, applied, enforced . . . and sometimes honored in the breach. What is more, over-reliance on rules and incentives, without cultivating good practice, may actually corrupt institutions.

Drawing on Aristotle, Barry Schwartz and Kenneth Sharpe (2010: 197–232) argue that rules and incentives can focus the attention of practitioners on rewards and punishments to the detriment of the intrinsic aims of the activities in which they are involved. The pursuit of profit and the avoidance of penalties are not only insufficient

to motivate wise practice, they may undermine it. For example, the causes of the Lac-Mégantic derailment were deeper and more systemic than noncompliance with rules, or lack of good incentives. It was not just that too few brakes were applied; too few brakes were applied to a heavy train, parked on a sloping main line, with puncturable cars carrying combustible cargo, and an overheated engine supplying power to the air brakes. A whole ensemble of bad practices combined as a result of the actions of a company that was under pressure to cut corners in order to be competitive while regulators were looking the other way. The Lac-Mégantic disaster was the result of deregulation motivated by the desire to improve efficiency without a corresponding investment in improvements in regulation and compliance and little commitment to excellence on the part of the company.

Similarly, although incentives are important to get right, they too are insufficient, and are often overused. Incentives can have perverse effects because they encourage agents to focus on the extrinsic rewards of their activities. In fact, this very feature is what rational choice institutionalists celebrate: the tendency of agents to seek to maximize individual rewards for their efforts. The single-minded pursuit of competitive advantage by individuals can tear an organization apart—yet this pursuit is what over-reliance on rules and incentives is designed to encourage. By responding to incentives to cut corners on safety, the MM&A undercut the very good that the railroad was designed to produce.

In short, institutional failures are often due less to the absence of well-specified or enforced rules and incentives than to the erosion of the capacity to perform the practices or activities associated with occupational roles and offices—and this erosion of capacity is, in some cases, linked to over-reliance on rules and incentives, which encourage maximizing, in an effort to achieve competitiveness. There has been a disturbing erosion of collective capacities to deliberate well, to exercise judgment, and to balance democratic goods, particularly since the onset of neoliberalism (discussed in Chapter 5). Little headway can be made in understanding collective action failures within a framework that focuses exclusively on the rational choices of instrumental actors engaged in competitive utility-maximizing behavior. It is precisely competitive utility-maximizing that is the source of these failures.

Rational choice theorists have begun to acknowledge the limitations of the assumption of individual rationality. The failure of institutions to converge on efficient outcomes has led North (1998: 24–25) to call for greater attention to the mental models rational actors use to make sense of their environment. An "exploration of the information the mind receives and how the mind interprets this information" is necessary because, as North (1998: 24) notes, "while cognitive science research reveals that the mind is an extraordinarily adaptive and creative instrument, its computational powers are severely limited." Nevertheless, North remains firmly committed to the view that the theory of institutions should "be built on the foundation of individual choices," and he argues that the strength of microeconomic theory is that it supplies "assumptions about human behavior" (North 1990: 5). I will argue that these assumptions are flawed, and that institutional failures go far beyond inefficiencies due to the limits of human computational powers. Indeed, the assumption that people are utility-maximizers, when embraced as a strategy of governance, contributes to the corruption of institutions.

To limit all action to instrumental choices and strategies is to miss the inescapable moral dimension of institutions. Although it is true that in many contexts agents can be modeled as instrumentally rational actors, institutions would often collapse in the absence of agents capable of deliberation over the best means to achieve the aims intrinsic to the institution, and the capacity to judiciously balance goods as circumstances require. Institutions emerge as the result of purposive efforts to supply collectively desired goods, and they provide a mechanism to ensure that contributions to collective goals are rewarded while shirking is punished. Overcoming institutional failures sometimes demands not more—or even better—rules and incentives but rather less maximizing behavior to ensure that extrinsic motivations do not crowd out intrinsic ones. The capacity of agents to fully function within institutions, and the degree to which institutions enable them to perform the tasks to which they are assigned by the roles and offices they occupy, is critical to institutional performance.

2

COMPETITIVE UTILITY-MAXIMIZING

In the race for wealth, and honours, and preferments, he may run as hard as he can, and strain every nerve and every muscle, in order to outstrip all his competitors. But if he should jostle, or throw down any of them, the indulgence of the spectator is entirely at an end. It is a violation of fair play, which they cannot admit of.

—Adam Smith, *The Theory of Moral Sentiments*

The idea behind maximizing utility is deceptively simple. This chapter examines the idea; discusses the way it excludes the knowledge, feelings, and skills that are necessary for the construction of the common good; and presents an alternative view of how morals emerge not just from reason and rules alone but also from pro-social sentiments. We can begin with the seemingly innocuous word "utility," which denotes the satisfaction or subjective value we receive from a state of affairs—the pleasure or happiness it gives us.

Maximizing utility means choosing the goods that give us the greatest possible satisfaction or well-being.[1] In the simplest binary choice situation, given a choice between two states, A or B, the utility-maximizing individual will select the option that provides the greatest subjective satisfaction. For example, suppose Adam is shopping for ice cream at the grocery store. He will choose chocolate ice cream if that is his favorite flavor. This is utility maximization, and it seems commonsensical enough. Suppose, however, that Adam is shopping for ice cream for a dinner party. He has to think about what would be the best choice for the occasion. He may prefer chocolate, but that may not be the flavor his guests prefer, or it may not complement the cake Adam is preparing, or perhaps he offered chocolate to the same

guests the last time they came to dinner. Can Adam still maximize? Many social scientists would say yes, without hesitation. Adam is just maximizing something different. His ends have changed. His subjective utility depends on pulling off a pleasant dinner party, and his own preference for chocolate ice cream is secondary to pleasing his guests. Adam derives utility from pleasing his guests more than satisfying his own gustatory preferences.

The story can be complicated, however. Although it is true that Adam's subjective utility may be derived from satisfying his own craving for chocolate or pleasing his dinner guests—two quite different ends—in either case we are assuming that Adam has a clear objective in mind when he makes his decision. He wants one thing or another. We might suppose, for example, that Adam is mainly concerned with flavor; or we might suppose social bonding over food trumps his individual taste preference. But what if Adam is torn between these ends? He may have both goals at the same time, and may not know how to balance them. He may be both a chocoholic and eager to please his guests. For people to maximize, they need to know what they are maximizing: They need to know in what their utility consists. It is not mathematically possible to maximize two or more variables at the same time.[2] For the utility-maximizer, this means a choice must be made, or a trade-off must occur.

To know of what our utility consists may involve activities in which maximizing is suspended, at least temporarily. For example, Adam might pause and make a phone call to find out more about the preferences of his guests, or to consult with his partner. This is deliberation.[3] It involves communication to gain the perspectives of others in order to act in ways that bring about individually and collectively desirable results. Adam may pause to simply reflect, use his imagination, and consider all angles before making a decision. This is judgment. Judgment and deliberation are critical ingredients of social action in situations where more than one person's wants or needs must be considered.

My argument is not about self-interest, strictly speaking.[4] The standard response to the objection that individual utility-maximization assumes people are self-interested is that utility is subjective and can be defined in many ways. One may derive utility from activities that are

selfish or altruistic, hedonistic or ascetic. I do not dispute the power of selfish motives, but insofar as people are engaged in any practical activity they need to deliberate and act in concert with others. Doing so demands more than maximizing utility. It demands skills—namely, listening, empathizing, persuading, judging, balancing—that a ruthlessly single-minded maximizing individual would lack.

Even maximizing utility in a social setting presupposes that the agents involved can define the ends they wish to pursue collectively, and to do this often requires finding the right balance between different goods. Maximizing can be done appropriately or inappropriately. A child who wants chocolate ice cream might try to persuade others that they all want chocolate. This is not really deliberation. When we recognize that people are pretending to deliberate to advance their own preferences, we rightly feel betrayed. We want the participants in deliberative processes to be able to suspend their own maximizing tendencies long enough to gain the insight that we need in order to reach the best collective decision. A lot of effort goes into gaining insight into the perspective of others, and maximizing can undermine this effort.

Defining our aims or ends is part of action. Action involves the intentions of an agent, intentions that include aims or ends as well as means. Far from being a given, the selection of ends is a critical part of action—often the most critical part. A theory that takes ends as given misses much of what action is, and will always be an incomplete or partial theory. There are, however, situations in which maximizing intensifies to such an extent that the choice of ends is essentially imposed on the agent. Competitive situations foster maximizing, and discourage balancing, in ways that impose structure on the actions of agents.[5] Competition tends to discourage deliberation. It quickens the agent's resolve, promotes energetic action, and heightens concern for results. Competition may clarify goals and arouse enthusiasm. The emotions generated by competitive sports reveal the powerful effect of competition on the human spirit. To win, to be the best, to set a new standard—these are often seen as worthy goals. To compete demands singleness of purpose, decisiveness, and an achievement orientation. One may deliberate about whether to compete, or how, but once the decision is made, there is generally little doubt about the objective. The objective is to win.

A competitive approach to social interaction, not surprisingly, focuses on "games." Game theory, for example, is an approach to modeling in the social sciences that takes competitive maximization as a core principle. It is by no means the only theory to do so—competition also plays a role in evolutionary theory, for example—but game theory is perhaps the most rigorous about squeezing out other considerations and emphasizing utility-maximizing. It focuses entirely on the instrumental dimension of social action, at the expense of deliberation, empathy, and judgment. It presents social agents as full-time maximizers with no time or capacity for balancing. And yet, if we stand back from the strategic games that competitive maximization fosters, it becomes immediately clear that competition itself rests on something else: rules and incentives. Indeed, without rules and incentives, competitive utility-maximizing breaks down.

Companies often use rules and incentives to foster competition for merit increments and bonuses. In some companies, top-tier performers receive rewards and bottom-tier performers are released.[6] The competition between companies in the market place is also structured by rules. Without rules guaranteeing competition, monopolies would replace markets, and without rules ensuring that competition is fair, many firms would compete in ways that would actually destroy markets. Elections are another example of competition that is created by a system of rules. Winning votes to hold public office is very much like a competitive game.

Some activities are inherently competitive; they are competitive by virtue of the rules by which they are constituted. Chess is a game with competition built into it by the rules. In other cases, rules may turn activities that are not inherently competitive into contests. For example, teaching is not an inherently competitive activity, but when schools are ranked against each other teachers are forced to compete against each other, especially if there are resource implications.[7] By determining the level of competition within a particular activity, rules alter the propensity of agents to maximize. Teachers may focus on activities that improve their school's ranking rather than activities that are not captured in the rankings.

Competition is different from conflict. Conflict implies treating other agents as foes, not just adversaries. In a conflict, the goal is to

vanquish the enemy and thereby end the threat posed to the agent; in competition, like in sports, the goal is to win, not to prevent the other team from playing. It is conflict domesticated, rule-bound, and harnessed to social ends. In this sense, sports illustrate the dependence of competition on rules and cooperation. Without rules and cooperation there would be no competition because it would degenerate into conflict. A comparison of ice hockey and soccer illustrates how variation in levels of permissible conflict is directly linked to the rules of the game and their enforcement. In hockey, the rules allow considerable brutality.[8] Behavior on ice that would be criminal in the streets is not only tolerated but celebrated. Yet players rarely focus their aggression on the referee. In soccer, violence is minimal but disagreeing with the referee is routinely observed (and often penalized).

Using maximizing as a framework for analyzing social action has many benefits. For the analyst, it is a fair assumption that, *ceteris paribus*, people want to get ahead. The appeal to social scientists seeking micro-foundations for their theories is, therefore, obvious: The assumption that people respond to incentives is a reliable and useful one across a wide range of contexts. Social scientists seeking predictability and generalizability are drawn to this assumption. Furthermore, it is quite reassuring to think that the propensity to truck and trade, and the restless energy that motivates industry and commerce, advances the human condition. Coordinated schemes for the advancement of the human condition have often resulted in spectacular failures, while spontaneous, decentralized, and anarchic efforts by individuals have advanced social conditions in incremental ways.[9] Finally, the emphasis on competitive utility-maximizing generates arguments for enhancing institutional performance that appeal to entrepreneurs and policymakers alike.

Organizations benefit, to a degree, from the maximizing behavior of individuals. What enterprise does not want employees motivated by a desire for advancement? The cumbersomeness of command structures can scarcely compete in efficiency with organizations that tap into the desire of individuals to get ahead. This provides a powerful instrument for motivating pro-social behavior and harnessing the energies of individuals. Adam Smith's "invisible hand" of the market depends on maximizing individuals. In general, the assumption that

individuals maximize enables the design of institutions that bring individual and collective rates of returns into line (that is, institutions in which individuals are rewarded for doing what is socially desirable). The assumption of maximizing behavior is often necessary for holding both individuals and organizations accountable. There are also good normative grounds for positive appraisals of maximizing behavior. Interference in the attempts by others to get ahead may be motivated by envy, jealousy, the "tall poppy" syndrome, and other negative emotions. Limits on maximizing should not be based on the desire to constrain the ability of others to get ahead.

And yet there are often very good reasons for limiting maximizing—and for caution before applying theories based exclusively on it. Competitive utility-maximizing can crowd out action based on reciprocity, undermine collective action, and stifle intrinsic motivations (Gintis et al. 2006; Ostrom 2006). Consider the way that competitive utility-maximizing results in the overuse of resources. When too much is taken from a shared resource, or too much waste put into it, the outcome can be the "tragedy of freedom in a commons." The biologist Garrett Hardin (1968) used this phrase to describe the effects of overpopulation. He gave the example of an open pasture used by many shepherds. As long as the commons are abundant and the shepherds few, the arrangement can be in equilibrium. But each shepherd may keep adding cattle to the commons until reaching the limit of the system's capacity to sustain life. Even at this point, however, each shepherd will receive a positive utility for adding another animal while imposing a small negative utility from overgrazing on everyone. But since the overall utility remains clearly positive for the individual shepherd, all will behave the same way and the equilibrium will no longer be sustainable.

Hardin saw the tragedy of the commons in overfishing, deforestation, pollution, and the explosion of the human population—and we may add climate change to the list. His example of the shepherds is often used to illustrate a problem of rational choice: The rational behavior of individuals leads to collectively irrational outcomes. What is less well appreciated about his widely cited article is that he argued that there were no technical or scientific solutions to these problems. His one-sentence abstract said: "The population problem has no technical solution; it requires a fundamental extension in morality"

(Hardin 1968: 1243). The limited morality Hardin wanted us to question was based on the idea of maximizing behavior, which he saw as incompatible with a biological understanding of human behavior: "Ruin is the destination toward which all men rush, each pursuing his own best interest in a society that believes in the freedom of the commons. Freedom in a commons brings ruin to all" (1968: 1244).

Hardin was right that a problem of morality could not be solved by technology. In the language of the Greeks, problems involving phronesis are not solved by *techne*. Hardin recognized that the root problem of the tragedy of the commons was maximizing behavior: We have to abandon maximizing in order to live within the limits imposed by the physical and biological universe. The morality that Hardin wanted us to embrace was one in which we balance different goods. Balancing goods can be understood in two senses. In the first place, balance can denote the mean between extremes. Aristotle argued that a good can be destroyed through deficiency or excess. Too much and too little exercise can have harmful effects, whereas the right amount produces strength and health (Aristotle 2004a: 34). Balancing in this sense means finding the right mean.

For example, Aristotle says that it is

> by refraining from pleasures that we become temperate, and it is when we have become temperate that we are most able to abstain from pleasures. Similarly with courage; it is by habituating ourselves to make light of alarming situations and to face them that we become brave, and it is when we have become brave that we shall be most able to face an alarming situation. (2004a: 34–35)

When we are placed in an alarming situation we feel panic and confusion, partly because we don't know what is going on; we may react badly, focusing on the wrong things. But if we prepare for dangerous situations, and start with risks we understand and have prepared for, we learn to overcome our fears and we let our training take over. Once we have done this with small risks, we can confront larger risks. By becoming brave, we learn to face greater danger. This is a kind of iterative, self-reinforcing process.

At each iteration we may err on the side of becoming either too confident or too apprehensive. If we are overly confident, we become reckless and may harm ourselves or others; if overly apprehensive, we will not master our fears and become agents. Aristotle emphasizes that the mean is in relation to *us*, not to the thing we are doing. That is, the right mean depends on who is performing the action. But then Aristotle throws a curveball. Virtue is a mean with respect to two vices (excess and deficiency), but "in respect to what is right and best, it is an extreme." This means that with respect to what is right there is often a course of action that is exactly right. For example, in the face of danger a soldier can be reckless or a coward. These are examples of excess or deficiency. But courage, as a mean, implies knowing the right course of action, and so "the mean is in a sense an extreme" (2004a: 42–43). Courage is a virtue that does not require moderation—it is already the right balance between recklessness and apprehensiveness in a particular situation. The same can be said of vice. Adultery, Aristotle's other example, cannot be accepted even in moderation.

The tragedy of freedom in the commons is largely a consequence of the failure to find a prudent balance as human activity runs up against the constraints of the natural environment. To understand what balancing means in this context we can seek inspiration from the burgeoning of a new school of "environmental virtue ethics" (Hill 1983; Hursthouse 2007). Aristotle's principle of the mean offers one way to think about how to overcome the tragedy of freedom in the commons. We might imagine a system of resource use in which a particular community can flourish within the constraints of its physical and natural environment. The idea of sustainability goes a long way toward capturing this idea. Aristotle would argue that attaining such a state requires the avoidance of excess and deficiency. The principle of sustainability implies that a level of development sufficient for people to meet their basic human needs without depriving future generations of theirs is better than either a level of development so low that people cannot meet their needs, or one so high that future generations cannot meet theirs. We need practical wisdom to find the mean that allow us to attain the end of sustainability.

A good example of the kind of practical wisdom necessary to achieve sustainability is the Brundtland Report's "precautionary principle" (World Commission on Environment and Development 1987). This

principle implies the need to balance the level of scientific certainty that should be needed to prevent environmental damage against the seriousness and irreversibility of the damage done by development. Scientists can describe and explain the impact of human activity on the planet's ecosystems, but they cannot prescribe the best policies. Practical wisdom suggests that policymakers should be especially careful to avoid acting in ways that could have unpredictable but catastrophic effects. In addition to the knowledge that science offers, the wise practitioner will seek to learn from experience by monitoring and continuously assessing the effects of actions that alter the environment in particular situations. The practically wise policymaker would avoid patterns of development that fail to meet human needs but impose a high cost on the environment, and prefer those that meet human needs without damaging the environment. Such wisdom comes from experience, and from observing the effects of too much or too little development.

Elinor Ostrom's work on institutions for managing common pool resources provides a corrective to Hardin's pessimism by showing how institutions can be designed to prevent the overdevelopment of resources. Ostrom's recommendations—including the importance of local knowledge, flexible rules, graduated sanctions, respect for rights, mechanisms for conflict resolution, and careful monitoring of outcomes—all involve systems of governance within which practical wisdom is fostered or encouraged. She notes:

> Making one small change, however, in the structure of laboratory experiments, a change that is predicted by game theory to make no difference in the predicted outcome, has repeatedly had major impacts on interactions and outcomes . . . Simply enabling subjects to engage in face-to-face communication between decision rounds enables them to approach socially optimal harvesting levels rather than severely overharvesting the commons. In the face-to-face discussions, participants tend to discuss what they all should do and build norms . . . to encourage conformance. (2007: 15183)

There is another way of thinking about balancing, which is also essential to environmental stewardship. Sometimes practitioners—policymakers, resource users, voters, developers—must make choices

involving trade-offs across different goods. Whereas we often think of moral conflicts as arising when an individual is tempted to do something wrong, and seeks to resist the temptation, another kind of moral conflict occurs when individuals or groups are forced to choose between different goods. John Dewey and James Tufts (1936: 174–175) give the example of a conscientious objector. Such an individual may feel torn between loyalty and attachment to country and the belief that his nation's decision to enter a war is unjust. Which good is more important: love of country or sense of justice? When values collide, which they frequently do, which virtues matter most: loyalty, solidarity, bravery, or sense of justice?

In the case of the environment, we often have to choose between goods. Building a mine creates jobs and growth, but setting the land aside for a park preserves pristine nature. It may seem that goods are incommensurable, but Hardin noted that we make judgments across goods all the time, albeit often unconsciously: "Only a criterion of judgment and a system of weighting are needed" (1968: 1244). In the market, the price of goods often provides such a system of weighting. If different goods can be priced, then it is possible to maximize utility. For example, if a price is placed on environmental pollution, it may be possible to compensate people who suffer from the ill effects of pollution up to their indifference point (in this case, the point at which they are indifferent between a pollution with compensation and no pollution). This opens the door to market solutions in which economic agents efficiently maximize their payoffs. Even so, there are hard cases, such as sacred or ancestral sites of such meaning and importance to certain communities that no level of compensation would make their contamination or destruction acceptable.

In the hard cases, there may be no single criterion for judgment or system of weighting that captures the complexities of the choice. The choice of the conscientious objector described by Dewey and Tufts cannot be made on the basis of a cost–benefit calculation. The question is not what will maximize utility, but what is the right thing to do? And the answer revolves not around which good is objectively more valuable—both may be worth dying for—but which good is the more important in the particular context of that decision. What, in other words, is the right thing to do, what are the right reasons for

doing it, and how can it be done in the best possible way? Answering such questions demands practical wisdom because it involves understanding which virtues matter most in a particular situation.

Consider the dilemmas that all moral agents face in everyday life, like how to balance work and family. In such contexts, again, maximizing one value alone leads the agent astray. Parents need to be "good enough" (Winnicott 1964), not better than all other parents. Those who try to be the best are likely to become neurotic and overly invested in their children. The problem is compounded when parents are also extremely career-oriented. Doing both well can require restraining the impulse to compete with others. Fulfillment and excellence are admirable aspirations, but struggling competitively to be the best, in order to be better than others, rather than simply doing what is good for oneself and one's community, is actually counterproductive in terms of the production of common goods, and has the potential to inflict harm on the self and others. Becoming good is not a competition and "should be divorced from an interest in being better than others, or better than the norm" (Kamtekar 2016: 184, 188).

Hardin recognized that framing moral choices in terms of maximizing behavior can be a hindrance to achieving desired collective outcomes, and experimental research has supported his claim. One study found that the tragedy of freedom in the commons was made more acute by the presence of competitive, extrinsic reward-seeking individuals. People who were categorized as oriented to the rewards intrinsic to an activity were more able to exercise the self-restraint necessary to manage common resources, while those who were more interested in external rewards (money, fame, popularity) not only overused the resource, but because they did so they also enjoyed fewer overall benefits (Sheldon and McGregor 2000; Kasser 2002: 92–95).

Public goods tend to be undersupplied when all agents seek to maximize their utility. Public goods have two qualities: (1) one person's consumption does not diminish the availability of the good for others (it is "non-rival") and (2) individuals cannot be excluded from consumption of the good (it is "indivisible"). Such goods include clean air and water, national defense, markets, and public health and education. Public goods tend to be undersupplied because of the free-rider problem: Each individual can avoid contributing to the public good

without being excluded from its benefits. Those who do not pay taxes still enjoy the security provided by the military and police; those who do not use public transportation still benefit from the reduction of congestion.

The more people maximize their individual utility, the harder it is to supply public goods. Like the tragedy of freedom in the commons, the supply of public goods is not a problem that has a purely technical or scientific solution. It has a moral dimension. The more people rely on public goods, the higher the value of those goods; the more people withdraw their contribution to public goods, the less the value. A benefit of high-quality public schools is that they provide a means of social mobility based on merit. High-income earners can afford private school for their children; they do not need a high-quality public school system. The more affluent individuals withdraw from the public school system, the less it provides a vehicle for social mobility. And as the public school system declines, parents who want to give their children every advantage in life will place them in high-quality private schools rather than the public system.

Another way of making exactly the same argument is by considering the problem from the perspective of two hypothetical families in different, imaginary countries. The Smiths, who live in the Good Republic, receive half their total utility in the form of public goods (public health, education, benefits, childcare, parental leave, safe streets). The Joneses, who live in the State of Opportunity, receive the same overall level of utility, but 90 percent is consumed privately (private healthcare, schools, daycare, security guards, gated communities). Leaving aside the desirability of a society that provides more public goods, the two families will be very different in one critical way: A modest private wage increase for the Joneses will make a significant difference to their quality of life, but a comparable increase in the private wage of the Smiths will matter much less to them. In a world in which public goods are undersupplied, private income matters more and social conscience is weakened.

Since private income matters more when public goods are undersupplied, the Joneses will tend, on average, to be more competitive. They will struggle hard to get their kids in the best private schools so they can maximize their future income in the market.

They will spend considerable effort ranking institutions and people—from hospitals and doctors, to schools and teachers, to cities and neighbors—in terms of their monetary value, and they will be highly sensitive to tax increases. The Smiths, on the other hand, will be less competitive. They will find it easier to balance their public and private lives; they will spend less time worrying about marginal differences in the quality of the goods they get (and on average there will be less variation in the quality of these goods).

In short, the problem is not just that maximizing individuals undermine their supply; by eroding public goods, they also foster more competitive maximizing. A good reason to want high-quality public goods is to dampen the negative effects of competitive maximizing; for those who extol the benefits of competitiveness, public goods are a potential hindrance.

Cooperation for the Good

We have seen why it is important to limit competitive utility-maximizing, but it is important to understand the lineages of this approach and why it is so influential in the social sciences. Maximizing utility provides a convenient but, I argue, inadequate substitute for talking about the good. It is relatively easy, albeit vacuous, to say that everyone maximizes what gives them satisfaction, whatever their wants and needs may be, and then try to agree on rules and procedures by which we align individual maximizing with collective welfare. It is more difficult to reach agreement on what is right or good. Maximizing utility can be, in principle, modeled according to abstract principles, while the good, and notions of fairness, involves particular social experiences.

Political theorist C.B. Macpherson believed that the idea of maximizing utilities dated roughly to the 17th century, "when a new twist had been given to the traditional natural law idea. The traditional idea, which goes back as far as Aristotle, was that the human essence is activity in pursuit of a conscious, rational purpose. The new turn was to say that the essence of rational behaviour was maximization of individual satisfaction, or maximization of individual utilities. So the human essence was rational action which maximized utilities" (Macpherson 1965: 50). Hobbes was a major figure in this process.

Hobbes (1958: 3) attacked what he called "vain philosophy." In particular, he rejected the idea that our understanding of the world should begin with "that original knowledge called experience." Experience, according to Hobbes, was unreliable: It tells us that the world is flat, and that objects in motion tend to slow down of their own accord. Hobbes was deeply impressed by the early achievements of the scientific revolution, particularly Galileo's geometry, and he wanted to introduce a Cartesian revolution in political thought: He wanted reason to be the foundation of knowledge, not experience. He was particularly scathing in his rejection of Aristotle's emphasis on wisdom, prudence, and learning from experience because, he argued, these are "not attained by reasoning but found as well in brute beasts as in man." Any animal can learn from experience, and whether it learns well or not will depend on whether the same circumstances present themselves again. Moreover, people will never agree on the conclusions to be drawn from experience; much less will they agree that anyone has the right to impose their understanding of the good on another. Hobbes wrote during the English Civil War; he had reasons, based on personal experience, that support these views.

It stands to reason, Hobbes felt, that people will never agree on the good. Nature and experience will not lead us to the good, because nothing is good or bad in essence but only in terms of how it is experienced, and everyone draws different lessons from experience. How, then, might we agree on what is good or bad, right or wrong—at least enough to stop killing each other? For Hobbes, the answer lay in politics. He believed that competition was part of human nature and this tendency, along with diffidence and the pursuit of glory, would inevitably lead humans to fight. The only solution, in his view, was through the rational agreement by which we create the artificial device of government. For Hobbes, order is good because it lifts us out of the state of nature in which our lives are "mean, nasty, brutish and short." I will argue that the capacity for good is a natural endowment that must be cultivated, and that is why political order is desirable and is only good insofar as it allows for human flourishin.

Hobbes was right that people judge the good according to their passions. He was surely also right, at least in part, to insist that disagreements over ends are unlikely to be resolved except tentatively

and partially, and that rational deliberation plays an important role in overcoming such differences. But Hobbes underestimated the human capacity to reach agreement based on experience. We now know much more than Hobbes did about the most complex organ in the universe: the human brain. As a platform for deliberation, judgment, and communication, the brain enables humans not only to speak and use symbols (what the Greeks called *logos*), but also to share in the mental lives of others, to narrate and give meaning to action; through this combination of reason and experience, humans have managed to sustain complex social organizations (Churchland 2011).

In the remainder of this section, I want to complicate the Hobbesian understanding of the kind of subject that we are dealing with when engaged in social science investigations. It is not the simple-minded, rational, autonomous, competitive, utility-maximizing monad that Hobbes imagined, but rather an agentive, experiencing, social being, whose very self is a linguistically constructed artifact. Psychologist Michael Tomasello (1999) believes that the basis of the distinctively human capacity for advanced linguistic communication—and with it the cumulative development of complex social organization—lies in the ability of humans to postulate others as mental agents like ourselves, to see others as possessing the same mental faculties as we each have, and thus to engage our attention jointly upon objects of mutual interest. The capacity for collaboration and collective action is based on the ability to have a theory of mind. Human agents theorize that others have something we cannot directly observe—minds—but without which the actions of others would be incomprehensible. Tomasello's insight can be pushed a step further: Mind itself is social, not a property of the individual. That is one reason why humans are more social than Hobbes imagined.

In sharp contrast to the Hobbesian image of the individual as a person who owes nothing to society, George Herbert Mead (1934: 140) argued that the self is a social structure: "The self, as that which can be an object to itself, is essentially a social structure, and it arises in social experience."[10] The self is not a primitive fact, prior to social experience, as in Hobbes' theory; it is a social fact, a meaningful construction, that emerges from social experience. Methodological individualism, the assumption that the individual is prior to society

has, among other things, the unfortunate effect of cutting off further inquiry into the sources of the self. The effects are particularly limiting when methodological individualism is coupled with rationalism, as in Hobbes' case. An evidence-based discussion of human abilities and dispositions, whether cultural or biological, can be ignored, as if the assumption that people are rational individuals provides all we need to know in order to understand human behavior. Yet without a capacity for making meaning, there is no self, only the senses and perceptions of the organism.

What comes prior to the self, as a person with a life story and a set of dispositions, and makes the self possible is, on the one hand, a social existence—that is to say, the structure of a society—and, on the other, the organism's experiences and capabilities—for example, the experience of pain and pleasure, which as Mead (1934: 135) notes, do not require a self. To capture the social dimension of the self, Mead (1934: 173–178) distinguished between the "me" and the "I." The "me" is the sense of self that one internalizes through social interactions—how a person comes to sees herself through the eyes of others. The "I" is the active response of the self to the social attitudes reflected in the "me." The self is constituted through a conversation between the "me" and the "I." This conversation takes place within the framework of first-person experience. The self is not an ontologically primitive monad; it involves socially constructed narratives through which experience is filtered.

The foundation of the self is conscious experience, and consciousness, says philosopher John Searle, has a "first-person ontology" (1999: 57). Consciousness emerges from experience, and experience occurs in the first person. This does not mean we should push aside all mental phenomena as unobservable and thus irrelevant to a social scientific study. First-person experience is an essential source of insight into the minds of others, just as our sense of self derives in part from how we are perceived by others. In an essay entitled "What Is It Like to Be a Bat?" Thomas Nagel writes that phenomenological facts are, in some sense,

> perfectly objective: one person can know or say of another what the quality of the other's experience is. They are subjective, however, in the sense that even this objective ascription

> of experience is possible only for someone sufficiently similar to the object of ascription to be able to adopt his point of view—to understand the ascription in the first person as well as the third, so to speak. (1974: 442)

We can know what it is like to be someone else only by imagining it in our own first-person terms.

The point is not just that introspection is necessary for understanding human experience; more importantly, we cannot render conscious experience in third-person accounts without losing the essential character of first-person experience. Philosophers have come up with ingenious ways to think about this.[11] Suppose there is a color-blind neuroscientist who knows everything there is to know about color (Jackson 1986). Does she know what red is? The obvious answer would seem to be "no." Knowing about red is different from the experience of seeing the color red. There is an irreducibly first-person quality to experience that is essential to consciousness.[12] No amount of external knowledge—fMRI scans, personality tests, statistical profiles—can capture what it means to have the experience of being a particular individual, to have that individual's first-person experience, except by means of ascription to one's own first-person experience. In the interpretive tradition, this is called "emic analysis," Verstehen, or actor-oriented "thick description."[13]

The second-person perspective—the "you," which may become part of "me"—is built on imagination rather than direct experience. Since we have no immediate experience beyond our own particular existence, we can form an impression of the actions or mental states of others only by imagining ourselves in their situation (Smith 2009: 13). The second-person perspective is less reliable than the first-person perspective—one may never know another mind as well as one's own—but having a theory of mind lifts the individual from the world of immediate experience and opens the door to culture.[14] Agents who can see things through each other's eyes can direct joint attention at the objects of common interest. They can imagine one another's intentions and beliefs, and can plan actions accordingly. This kind of practical reason is critical to collaboration and sharing (Hamann et al. 2011).

The third-person perspective involves seeing, as it were, from a bird's-eye view. It is the perspective we assume when we imagine ourselves to be an impartial or judicious spectator, to use the words of Adam Smith (2009) or Martha Nussbaum (1995). The third-person perspective assumes the presence of a narrator above or outside the worlds of the agents, much as a reader of a novel is at once immersed in and separate from the story that unfolds in the pages of a book. A third-person perspective opens the possibility of abstract speculation into the nature of things beyond the scope of the imagination of the agents themselves, but it is still just that—another perspective. It is not, in truth, a view outside of human experience, nor is it in any way more objective than first-person experience. The judicious spectator may seek to gain a more comprehensive view of the multidimensional worlds that are created through social interaction, but this viewpoint is still grounded in experience—the experience of observation from an external standpoint—and its comprehensiveness depends on grasping imaginatively the meaning of experience for the agents involved.

That which is considered good arises initially from a first-person perspective. It arises, in other words, from the lived experience of an organism capable of harm or injury, pleasure or comfort. All animals seek nourishment, shelter, sources of sustenance, and means of survival and reproduction: "the first need of the organism is to live and grow" (Dewey and Tufts 1936: 8). Hunger motivates eating; pain motivates flight; lust motivates reproduction; disgust motivates avoidance of disease and illness. Living organisms avoid harm and seek conditions conducive to survival and flourishing. Philippa Foot's idea of "natural goodness" seems to capture this idea well. It is, as she defines it, "attributable only to living things themselves and to their parts, characteristics, and operations," and is intrinsic "in that it depends directly on the relation of the individual to the 'life form' of its species" (Foot 2001: 27).

The view of goodness as that which enables the flourishing of a form of life does seem to fit well with much of what science has to tell us about the nature of life and evolution. As Evan Thompson (2007: 13) observes, "living beings are autonomous agents that actively generate and maintain themselves." Life is self-producing, or autopoietic. Even individual cells are autopoietic in their organization: They are open

and dynamic systems that exchange matter and energy with their environment (Thompson 2007: 98). The same is true at higher levels of organizational complexity. There is evidently a biologically based tendency to interact with the environment in ways that serve the maintenance and reproduction of the living organism. It is consistent with the use of ordinary language to say that such things as enable the organism to flourish are good for it. Put differently, the idea of the good arises from what it takes to flourish as a living being.

In this sense, emotions are expressions of the autopoietic strivings of animals capable of sophisticated sociocognitive processes. The conscious mind is a highly developed, emergent effect of autopoiesis, and it confers upon humans the further capacity to feel concern for others. The origin of morals lies in this biological imperative of the organism and its life form. Mammals, including cetaceans, as well as birds, care for kith and kin. Self-care is built into mammalian neurological circuitry and into the organized life of the species. As Patricia Churchland (2011: 30) says, the desire to avoid pain is the source of our most basic values—our appreciation of life and well-being. These values have an evolutionary basis.

The idea that morals are found in nature is as old as evolutionary theory itself. Charles Darwin (1981: 166) argued that morality would confer an advantage on any human group that was able to sustain cohesion around a "spirit of patriotism, fidelity, obedience, courage, and sympathy." Research in neuroscience is enabling a better understanding of the biological as well as social, indeed epigenetic, forces at work. For example, there is evidence that in mammals the production of oxytocin during breastfeeding builds bonds between mother and offspring that cement their attachment (Churchland 2011). Strong attachments feel good, and this encourages pro-social behavior; pro-social behavior, in turn, ensures survival of the species.

Given the importance of attachment bonds, it is unsurprising that human babies express powerful pro-social biases. Even preverbal infants display a strong preference for pro-social others and express anger at antisocial behavior (Hamlin and Wynn 2011). There is evidence of the same pro-social bias in the early fossil record of human cultures. For example, in early human societies, hunting big game required cooperation in the division of the meat. There is evidence that

early hunter-gatherer societies punished antisocial behavior (like free riding or cheating) with exclusion from the group, which often meant death to the transgressor (Boehm 2012). In both ontogeny and phylogeny, the evidence seems to suggest that, far from being trapped by maximizing behavior in a competitive struggle for survival, humans and other mammals are well equipped to work collaboratively toward the common good.[15]

Evolutionary biology helps explain the foundations of prosociality, but how sociability is expressed depends on experiences that are shaped by social structures, culture, and institutions (Selznick 1992: 130–134). As we shift our focus from biology to society we move from natural goodness to goods that are the product of habit and custom. There is wide variation in moral dispositions across time and space, not only among humans but also among non-human mammals and birds (De Waal 1996, 2009). It is too early to establish a genetic basis for specific moral orientations (Suhler and Churchland 2011). There are clearly systematic differences across individuals and groups, particularly in terms of the values they attach to such goods as caring for others, loyalty, fairness, authority, and purity (Haidt 2012: 125, 183). Some of these differences appear to be connected to traits that are visceral, like disgust reactivity (Pizarro 2000; Inbar, Pizarro, and Bloom, 2009). There is remarkable plasticity in the human neurological system, however, so the constraints imposed by genes should not be overstated. As Suhler and Churchland (2011: 2111) observe, "our brains did not evolve to read books and ride bicycles, but read and ride we do."

There appears to be some evidence that gene–brain–environment interactions generate emergent features at the level of cultures that shape moral orientations. Such an interpretation would be consistent with Haidt's (2012: 212) claim that as humans became

> cumulatively cultural creatures, their genes began to coevolve with their cultural innovations. At least some of these innovations were directed at marking members of a moral community, fostering group cohesion, suppressing aggression and free riding within the group, and defending the territory shared by that moral community.

Moral sentiments are not genetically predetermined; they have a foundation in biology. But biology is only that—a foundation, not an edifice. What is made of human biological resources is a matter of culture.

Socialization is a key part of the cultural process of constructing moral agency because it is through socialization that moral sentiments are transformed into enduring dispositions that become essential to identity and community. A study of the development of cross-cultural differences in attitudes toward verbal deception found that Chinese children are more likely to approve of a lie told to protect a group (Dmytro et al. 2014). Chinese and Canadian children were read stories in which characters faced moral dilemmas involving lying and truth-telling. The stories involved balancing the virtue of honesty against the virtue of loyalty to the group or an individual. The Chinese children were more likely to see lying as acceptable in order to protect the group, while the Canadian children were more likely to accept lying to help a friend. The differences between the national groups increased with participants' ages, and the rationales offered by the Chinese youth were more contextual and nuanced. In their discussion Dmytro et al. (2014) suggest that Canadian schools encourage a more absolutist individualistic morality, while Chinese schools promote more collectivist and relativistic moral judgments. For example, moral education in Chinese secondary schools prioritizes considerations of collective cohesion, sacrifice of the self for the larger good, and patriotism.

Socialization involves the constitution of the self by means of the internalization of the viewpoint of others (Selznick 1992: 123–124). The child who is asked "How would you like it if someone did that to you?" is invited to exercise her capacity for perspective-taking—not only to see what it looks like, but to experience imaginatively what others feel. The parent is taking a third-person perspective, providing a narrative scaffold for encouraging the child to experience shame by virtue of seeing herself through another's eyes. It is an appeal to our conscience, or ability to take a third-person perspective on ourselves, and thus to be able to distinguish not only good or bad in the eyes of others, but also good or bad in the eyes of no one in particular.[16] George Herbert Mead (1934: 154–158) called this the perspective of the "generalized other."

This is similar to the perspective of Adam Smith, who argued that we need the "stronger power" of conscience to place events in a wider (that is, third person) perspective: "reason, principle, conscience, the inhabitant of the breast, the man within, the great judge and arbiter of our conduct" is what Smith calls the "impartial spectator" (2009: 159). It is the function of this faculty to enable us to distinguish between what is right and wrong for me or you, but also what an impartial observer would judge to be right or wrong. The agent who knows what is praiseworthy will recognize its value regardless of whether others do so. The capacity to make this distinction is what makes us feel ashamed by unwarranted praise, or mortified by misplaced blame; the motivation to do so arises from caring for the welfare of ourselves and others. At this point we are no longer speaking merely of natural goodness or culturally specific goodness, but of reflective goodness involving practical wisdom.

From Sentiments to Rules

Adam Smith said the praiseworthiness of an action depends on the approbation of his construct, the "impartial spectator." The idea of subjecting one's own actions to the judgment of an impartial spectator captures something of Mead's conversation between the "I" and the "me." The metaphor can be variously interpreted. Jules Evans sees the desire for public approval and success (2010; 2012: 158). The agent internalizes the opinions of others and uses them to generate a self-concept that wins their approval. If the impartial spectator amounts to the force of public opinion, then there does not appear to be much place for practical wisdom in this viewpoint.

Martha Nussbaum, however, reads Smith differently. She notes that Smith, like the ancient Greeks, recognizes the importance of emotions in beliefs and reasoning. What she calls the *judicious* spectator—the word judicious captures the importance of judgment rather than disinterestedness—is a device for "filtering out that portion of anger, fear, and so on, that focuses on the self." Through judicious and imaginative use of sympathy, the moral agent can shift perspectives from the viewpoint of the self absorbed in its own problems to a more encompassing self that has the capacity to care for others.

"Smith plainly believes that the cultivation of appropriate emotions is important for the life of the citizen" (Nussbaum 1995: 74). Crucially, the cultivation of appropriate emotions is not simply a matter of using reason to impose moral rules.

Rules are ordinarily understood as statements, for which reasons can be given, that enjoin or prohibit actions. The role of reason and criticism in the development of rules is plain enough: The prohibition of an action aims to avoid the ill consequences that are expected to follow, or that generally would follow, from that action. Likewise, by enjoining a particular course of action, we encourage the favorable results that we anticipate will follow. The justification for a rule is normally put in general terms: What would it be like if everyone acted that way? If the result is good, the action is sanctioned by a rule, and if bad, it is prohibited.

Because reasons can be given for rules, we tend to think of rules as the products of reasons, and as a consequence we exaggerate the role of reasons in accounting for rules. We make the mistake of thinking that it is enough to appreciate the good reason for a rule in order to explain its existence. Yet reasoning alone does not tell us what is good or bad, right or wrong. As Adam Smith (2009: 376) puts it:

> . . . though reason is undoubtedly the source of the general rules of morality, and of all the moral judgments which we form by means of them; it is altogether absurd and unintelligible to suppose that the first perceptions of right and wrong can be derived from reason, even in those particular cases upon the experience of which the general rules are formed.

Moral rules emerge reflexively, through practice, as pro-social sentiments are, first, experienced as effects of the agent's encounters in the world, and, second, verbalized and exposed to criticism, as agents narrate their experiences. For example, all organisms respond to pleasure and pain—they are capable of feeling good or bad. Concern for others has two pieces: awareness of the experiences of others (such as pleasure and pain), and awareness of our own and others' intentional states. Awareness of pain and pleasure in others is necessary for any organism to form the impression that it can injure or help another.

To inflict pain on another creature without reason to do so is cruel and capricious. Cruelty implies pleasure or indifference to the suffering of others. It therefore involves mental mindedness: pain on the part of the victim, intention to inflict pain by the tormentor. Inflicting injury without being aware of pain and suffering is not cruel, though it may be ignorant or grossly negligent. Plainly, this is not a disinterestedly rational process.

The first step in moving from pro-social sentiments to moral rules is seeing that others have good or bad experiences, and that our own actions can have harmful or beneficial effects on them.[17] All mature and normally developing humans have this capacity or potential, and no social order could be sustained without its continuous exercise and cultivation. Without it, neither benevolence nor malevolence would be possible, and the reward system that gets morality off the ground would never begin.

The rewards for obeying moral sentiments are both biological and cultural. The biological reward is the positive feelings that are derived from being helpful and avoiding harm. These are among the most powerful of all emotions, and they have an evolutionary basis. The cultural rewards involve the benefits conferred on pro-social behavior and the punishments given to antisocial behavior that are meted out by similarly disposed conspecifics. Thus, to the affective benefits of pro-social behavior we can add all the benefits that flow from a well-ordered collective coexistence.

A story illustrates the pro-social sentimental source of moral rules. Many years ago, before I became a parent, while walking through a park, I saw a child throwing stones directly in the air. I noticed my heart beat faster and my hands began to sweat as I realized there was a chance that one of these stones might fall back and strike the child. I looked around for the parents and wondered why they were not correcting this dangerous behavior, but I also thought about what the parents would say were I to correct their child. Would they object? Was it my business? I walked on. Moments later I saw the parents rush past carrying the child, blood streaming from her face. I resolved that in the future when a child was involved I would intervene to prevent harm. I realized that I did not act when I should have. I had not done a good job of balancing two goods: the desire to protect a child

and the concern to not to be meddlesome. I had worried too much about whether the parents would object to a stranger correcting their child when I should have worried more about the child. That is how I would want bystanders to behave with my child, I thought, invoking the judicious spectator. My inaction became an object for critical reflection, and it generated a new maxim: "When kids are in harm's way, err on the side of protecting them."

Moral rules are grounded in pro-social sentiments, not deduced logically from abstract principles; it is only to give coherence and consistency to our diverse beliefs and emotions that rules and logic enter the picture. "The general rules which determine what actions are, and what are not, the objects of each of these sentiments," says Adam Smith, "can be formed no other way than by observing what actions actually and in fact excite them" (Smith 2009: 184). He argues that it would be wrong to imagine that judgments about right and wrong were originally made as if in a court of law—by considering general rules and then applying them in particular cases. General rules are "fixed in our mind by habitual reflection" (2009: 185) as a result of the need to correct errors and misrepresentations arising from what he called "self-love." By this, Smith meant that we naturally exhibit far more concern for our own well-being and those of our close friends and family than for others.

Those who doubt the value of empathy in moral decision-making (e.g., Bloom 2016) make much of the fact that we cannot avoid caring more for ourselves, and our kith and kin, than for abstract or impersonal others. But this has always been well understood by those who emphasize the importance of empathy. In one famous passage in *The Theory of Moral Sentiments*, Adam Smith imagined that China was swallowed up by an earthquake. What effect would this have on a hypothetical 19th-century European? Great sorrow for the misfortune of so many people and thoughts about the precariousness of life would no doubt be occasioned, followed by speculation on the effects of such a terrible event on commerce and business. And then,

> . . . when all these humane sentiments had been once fairly expressed, he would pursue his business or his pleasure, taking his repose or his diversion, with the same ease and tranquility,

> as if no such accident had happened. The most frivolous disaster which could befall himself would occasion a more real disturbance. (Smith 2009: 158)

This is why sentiments alone are insufficient and must be supplemented by the work of conscience and judgment. The issue is not whether empathy is a reliable guide to action—it is never sufficient. Moral rules are necessary because they help bring conduct into line with what the judicious spectator in each person would expect of herself and others. But for these rules to serve their social purpose to coordinate collective action we need to draw upon a capacity for empathy.[18] We cannot free ourselves from the overwhelming primacy of first-person experience, which is the stuff of moral knowledge. The downside of the primacy of first-person experience is an inescapable solipsism that makes minor irritations that affect us personally more bothersome than endemic ills afflicting others, but this is compensated by an equally natural sociability. Sociability makes us curious, communicative, expressive, compassionate, imaginative, judgmental, discerning, and empathetic. It enables us to take a spectator's perspective on the affairs of ourselves and others, and to inquire into causes and effects of actions beyond our immediate experience.

Despite the particularity of our individual perspectives, or the limiting conditions of social existence, there is evidently, as Smith acknowledged, a human capacity for care for self and others that makes improvements in the human condition possible. That capacity lies not in the unfettered ambition to get ahead, but in the disposition to subject any activity, however grand or mundane, to the critical scrutiny of the human mind, and thereby to enable improvements that alleviate the human condition. Above all, criticism is a driver of social change because it is an indispensable part of any social steering mechanism. Criticism entails judging an activity in light of the aim or end—what Aristotle calls its "good" (2004a: 3)—that is intended, and whether it is achieved. It is because we are engaged in joint activities that we need to rise above our partial perspectives, not just negatively, to prevent harm, but, equally importantly, because our ability to accomplish our collective goals demands it.

3

ACTIVITY AND AGENCY

Every art and every investigation, and similarly every action and pursuit, is considered to aim at some good.
—Aristotle, *The Nicomachean Ethics*

Every action or activity involves the aims and intentions of purposive agents, each of whom desires a state of affairs in the world—or good—and acts to bring it about.[1] This is what Aristotle meant in the opening line in his exquisite treatise on ethics, quoted above. By returning to Aristotle, my goal is to suggest that utilitarian-inspired theories that assume competitive utility-maximizing place too much emphasis on the external features of institutions—above all, rules and incentives—and fail to capture the ways that the aims of agents are shaped by practices. Such theories impoverish our understanding of the moral dimension of politics.

I want to defend Aristotle's viewpoint against what Adam Smith called the lovers of systems who abstract from concrete experience and practice. Smith had in mind one of the theorists who powerfully influenced Bentham: Thomas Hobbes. We have seen that Hobbes doubted we could ever agree on the good. He understood the good not as something objective and external to human experience, but always a matter of individual perspective. The challenge he posed for himself was how to get individuals to agree that they shared a least some minimal, rationally defensible, common good. His answer was that individuals have a common interest in forming part of a commonwealth

because life in a civil society under the overawing power of the state was preferable to life in the state of nature.

Hobbes' view continues to be influential. How could the good be anything other than a subjective assessment or evaluation? I will argue that there are perfectly defensible—indeed essential—notions of the good that arise from how we understand and give meaning to actions in social contexts. Notions of the good are not simply subjective evaluations of objective facts; they are the product of the way in which the agent is constituted through action in the world. To make this argument, we are going to have to start with a discussion of what it means to be an agent.

An agent is a person capable of purposive activities involving deliberation and judgment. An agent can set goals, find the means to attain them, and judge actions and goals in terms of moral criteria. An action, in the social sense, cannot occur without the involvement of agents because, in the absence of intentions or purposes, meaning could not be attributed to actions, and social actions are always meaningful for the agents involved.[2] In other words, actions involve activities by agents, in the light of whose beliefs, goals, and wants they may be understood.[3] This includes beliefs about whether a choice is good or bad, right or wrong.

Phronesis, or practical wisdom, involves judging, acting, and feeling as one engages in an activity. To explain, we can begin with Aristotle's understanding of virtue:

> . . . virtue is a purposive disposition, lying in a mean that is relative to us and determined by a rational principle, and by that which a prudent man would use to determine it. It is a mean between two kinds of vice, one of excess and the other of deficiency; and also for this reason, that whereas these vices fall short of or exceed the right measure in both feelings and actions, virtue discovers the mean and chooses it. (Aristotle 2004a: 42)

This is a complicated idea, worth breaking down into several points. First, Aristotle is interested in *character*. That would be another way of translating "purposive disposition." Virtue is not a single act, but a

relatively fixed disposition to act in a certain way. Second, the virtuous act is what the "prudent man"—the person who possesses practical wisdom—would do. Third, the wise practitioner will choose the mean between too little and too much—relative to himself, that is, not in abstract or arithmetic terms. Let's consider these in turn.

Practical wisdom demands character, and character is important because without it the other virtues are lost. Aristotle considers practical wisdom to be a master virtue, the virtue that mediates the virtues; in fact, he felt it was impossible to have virtue without practical wisdom (Zagzebski 1996: 211). One might have the inclination to be kind, honest, or courageous, for example, but, without practical wisdom, it would be impossible to judge how and when these virtues are called for, to act on them in the right way, at the right time, and in the right place. Without practical wisdom, one would not act from the right disposition. The knowledge and skill that practical wisdom demands comes from both reason and experience. Virtue is found in the way that the person who possesses practical wisdom, engaged in a particular activity involving choices, would avoid too much or too little of an action (Aristotle 2004a: 42).

If we construe the term "activity" broadly, taking seriously the proposition that practical wisdom is involved in some sense in any activity, Aristotle's meaning comes into focus. For example, to see an object clearly we need light—but not too much or too little. To stay healthy we need exercise—but not too much or too little. To correct a child we need discipline—but not too much or too little. In each case, the right amount is determined in relation to the end or goal of the activity (what Aristotle calls its good), and there is always a course of action that is just right for the purposes of our activity. Wise practitioners, because they have knowledge and experience, will know the right choice in a given situation—the right choice, that is, with respect to their aims, not in a strict sense such as might be expressed in a decision rule or a formula, but in a practical or concrete sense.

Aristotle's point that virtue is determined by a rational principle and by the example of the wise practitioner is a subtle one. It is not the circular claim that wisdom is whatever the wise do, but the claim that the wise practitioner has mastered the activity and thus knows *in practice* the rational principles involved. The wise practitioner may not

know the reason why something is the case, only that it is—she knows "the *that*," not "the *because*" (Burnyeat 1980: 71; Aristotle 2004a: 8). In *Personal Knowledge*, Michael Polanyi offers an excellent example: riding a bicycle. He observes that the "aim of a skilful performance is achieved by the observance of a set of rules which are not known as such to the person following them" (Polanyi 1958: 49). The cyclist does not need to understand centrifugal force and the rotation of gyroscopes; she learns, by adjusting in the course of action, to pedal (not too fast or slow) and steer (not too far one way or the other) so as to maintain balance and forward motion. There is no abstract answer to the question "how fast?" or "how straight?" the cyclist should go, but there is a right answer relative to the aims of the cyclist, and it is learned through practice. Practically wise agents combine reason and judgment to pursue their aims.

It is through practice that the right course of action is found. This is what gives practical wisdom the quality of Neurathian bootstrapping: There is no correct procedure or decision rule to follow, based on a foundation of rational principles, according to which we can derive the right course of action, only a continuous process of improvisation and adaptation guided by the practical aim of achieving a particular good. Practice always involves improvisation, adjustment, and learning-by-doing. Adjustment in the course of action is a feature of what Geoffrey Vickers calls judgment. For example, Vickers stresses that a key feature of judgment is appreciation of a situation; judgments about reality and value judgments are both "inseparable constituents of appreciation" (1965: 40). To return to the cyclist, the practice of riding a bicycle involves a continuous process of assessment of facts in relation to goals, such as in the feeling "I'm going to have to slow down to make this turn."

The meaning of a situation is derived from judgments involving both what is and what should be done in order to achieve a desired result. According to Donald A. Schön, this involves reflection-in-action. Schön illustrates the idea with jazz musicians improvising together. They have a feel for the music and "make on-the-spot adjustments to the sounds they hear." "As the musicians feel the direction of the music that is developing out of their interwoven contributions, they make new sense of it and adjust their performance to the new sense

they have made" (1983: 55). Here again, judgments about fact and knowledge of the score are "interwoven," to use Schön's term, with assessments of what will produce the best artistic result. John Forester (1999: 241) argues that practitioners "learn about value as well as about fact as they explore what is at stake in any specific case."

Practical wisdom has epistemic properties—it generates a certain kind of knowledge. We learn about ourselves and the world as we become agents through our activities. Activity concerns meaningful action involving mental states and purposes. Agency emerges through the way the subject encounters the world and makes meaning of it, and interpretation is always part of the meaning-making through which agency emerges. Full agency implies the ability to bring about desired states of affairs by means of activities involving goals, purposes, or intentions. Just as the human mind is an emergent feature of the brain and nervous system, so too society is an emergent feature of social interactions among individuals and groups. Goods are emergent properties of the exercise of virtue.

In complex systems causal processes move in both upward and downward directions—from higher to lower, or conversely lower to higher, levels of organization. The brain shapes what the mind can do, while the mind directs activity of the brain; individuals organize themselves socially and are, in turn, socialized by humanly devised processes and institutions. Agency implies a role for intentions, purposes, goals—the elements of meaning—in social action regardless of whether the impetus to act comes from "inner necessity" or "external compulsion."[4] Agency implies the acquisition of habits over which the agent exercises some control.[5]

There are pragmatic rules that govern how agency is understood in institutional settings. For example, it may be important to make distinctions between actions that have unintentional effects or are carried out unintentionally.[6] These have different implications for agency in a way that brings into relief the role of consciousness or mental competence. In the first case, an agent may act in ways that produce states of affairs that were not intended. Actions that produce accidental consequences do not necessarily diminish the responsibility of the agents involved. An unintended consequence of speeding may be a car accident, and the fact that the goal was to get somewhere quickly,

not to cause a crash, does not diminish the responsibility of the agent. Actions brought about by unconscious states of mind, however, such as crimes committed while asleep, raise thornier questions about agency and responsibility. Drunkenness is not a defense because we assume people should know better than to drink to excess and lose their judgment. But justifications for behavior brought about by brain injuries or genetic dispositions are less easily dismissed because they presume an impairment of faculties—and hence a lack of full agency.[7]

The degree to which a person has agency can be assessed in terms of the capabilities involved in setting goals and bringing them about. We can call the results of activities directed by the goals of agents as goods, as they are the desired and intended effects of an action or activity.[8] When Aristotle says that every action aims at some good he certainly did not mean that every action is virtuous, nor that goal-directed activity only occurs toward intrinsically valuable ends.[9] The good I seek through an activity might well be your bad. Every action and pursuit involves seeking a state of affairs that the agent intends to bring about and has some reason to want. The act of eating eliminates hunger; studying eliminates ignorance. Both the ends and the means may be judged good or ill. If judged good, they correspond to our idea of what the aim should be and how it should be achieved—the arrow is aimed at the right target, and hits the mark, as Aristotle might say. If bad, it does not—it misses the mark, or the mark was wrong.

Notice the distinction that Aristotle makes between ends and actions: "Where there are ends distinct from the actions, the results are by nature superior to the activities," he says (2004a: 3). For example, making money is an activity; the end is possessing wealth. Possessing wealth is therefore better than making money. But possessing wealth might also be seen as a means to what Smith calls "preferment"; again, preferment is deemed more valuable than wealth. "The rich man glories in his riches," says Adam Smith, "because he feels that they naturally draw upon him the attention of the world, and that mankind are disposed to go along with him" (2009: 63). An advantage conferred by great wealth is the attention of others: "His actions are the objects of the public care. Scarce a word, scarce a gesture, can fall from him that is altogether neglected. In a great assembly he is the person upon who all direct their eyes" (2009: 64).

Of the ends people commonly set for themselves, Aristotle (2004a: 14) believed most were not self-sufficient in the sense of being completely satisfying on their own. Thus, if wealth is desired for the sake of preferment, then it would not be satisfying if obtained by dishonorable means. All the advantages of wealth described by Adam Smith would be denied to the rich criminal whose ill-gotten gains reflect not business acumen but unscrupulousness and dishonesty. Those who desire wealth for preferment will prefer to acquire a reputation for straight-dealing and sound judgment.

The same is true of those who are motivated by other ends, especially those that are less ostentatious. Honor means little unless conferred by a community capable of appreciating good work. The musician who cultivates a particular genre of music, and learns to perform it well, will be honored by those who know and appreciate the genre. But the musician interested in riches and fame may pander to the tastes of a larger audience and perform for the sake of its approval. The first is guided by the ends inherent in the activity, the second by gratification external to the activity.

When Aristotle refers to the good, it is often with reference to aims intrinsic to the activity itself. John Rawls (1971: 426) describes what he calls "the Aristotelian Principle" as follows: "other things equal, human beings enjoy the exercise of their realized capabilities (their innate and trained abilities), and this enjoyment increases the more the capacity is realized, or the greater its complexity." A proficient musician will enjoy mastering a wide repertoire of musical scores; a master carpenter will take pride in doing high-quality work with fine materials; a chess grandmaster will appreciate a brilliant new line of attack or defense. More advanced practices may be pursued because they are praised and appreciated, and seeking praise and appreciation is often a source motivation. But a good musician will cringe at missing a note, for the experience of playing poorly is frustrating rather than enjoyable; the carpenter will take less pride in shoddy construction than a finely crafted one; and a chess grandmaster will take more satisfaction from deploying brilliant moves against a worthy opponent than a tedious game with a beginner.

Intrinsic goods are often social, in that they confer benefits on both the individual and the community. Justice, for example, is evidently a

social good. A wise judge brings knowledge of the law together with an understanding of the particulars of each case to reach judgments that weigh the interests of individuals and the community. Education and health are also social goods. An effective teacher not only awakens the interest and imagination of her students, but also enables them to become wiser, more discerning, and more productive members of society. A doctor who knows and cares for her patients will not only diagnose and treat illness competently, but may also encourage healthy lifestyle choices that reduce the burden of illness on society.

Here we may anticipate an objection. What of making money? Is this not an activity in which the good (getting more money) is not internal to the activity, but rather purely instrumental? One answer might be: "Making money cannot be an end in itself . . . for the simple reason that there is nothing to do with money except spend it" (Skidelsky and Skidelsky 2012: 5). This seems to be quite close to Aristotle's view when he said that "wealth is obviously not the good that we are seeking, because it serves only as a means; i.e. for getting something else" (Aristotle 2004a: 9). This he said in relation to the question "what is the highest of all practical goods?" (Aristotle 2004a: 6). Yet we may admit making money is not the highest good while still recognizing the good that comes from it; in particular, the desire to make money encourages people to do socially useful things.

As Adam Smith (1983: 119) famously said, "It is not from the benevolence of the butcher, the brewer, or the baker, that we expect our dinner, but from their regard to their own self interest. We address ourselves, not to their humanity but to their self love." This quote, often taken to suggest that Smith was a hard-headed advocate of selfishness and unregulated markets, also seems to imply that he was of the view that agents were motivated only or mainly by the profit motive. Before jumping to this conclusion it is worth noting that Smith chose productive activities as his examples of market agents: He did not use what elsewhere he refers to as "prodigals and projectors." Smith had little patience with speculators and little admiration for greed. Moreover, as Sen notes (2009: xi), he was concerned, in this particular passage, only with exchange, not production or distribution. Exchange is one aspect of business, but not the only one. Most productive activities involve goods and services that have social value.

Exchange can have a socially useful function, as Smith rightly emphasized. But money-making can also be decoupled from socially valuable activity and the motivation to buy and sell can become an end of its own. There is always a risk that entrepreneurs will focus on making money at the expense of all other concerns, including whether the activities in which they are engage involve the production of goods and services that society wants and needs. This is a major part of the story of the 2008 banking crisis in the United States. Banks provide financial services, and to do so well they must care about their clients. As Schwartz and Sharpe (2010: 225) put it: "during the housing and mortgage boom of 2003–2006, IndyMac, like many other banks, stopped caring. And they stopped caring because, for the bankers who ran IndyMac, the aim of the practice was no longer serving clients or the community but rather only making money." The CEO of MM&A cared little for the communities through which his trains were routed. It is precisely for this reason that markets must operate within a framework of regulatory rules. Money-making can be conducive to prosperity but it can also be one of the most corrosive forces in any social order, especially when it fosters competitive maximizing at the expense of socially valuable activities.[10]

Goods can be social in another sense: They cannot be produced alone. The work of a judge is made easier by excellent lawyers, meticulous police, and knowledgeable clerks; the teacher has more success with good students, and works more effectively in a good school; doctors are more likely to help their patients if they can get to know them well, and if patients are conscientious about their health. Society works better when everyone is focused on their proper ends—that is, the aims appropriate to the activity they have been assigned by their roles and offices. Sometimes, however, agents allow extraneous considerations to interfere with their activities.

Judges may be more likely to impose harsh sentences when hungry, for example; knowing this, a lawyer may avoid scheduling hearings before lunch.[11] Knowing this, a lawyer's attention may be deflected from legal arguments to when to schedule a hearing. Similarly, a professor who plays favorites distracts students from learning. Students may spend more time trying to figure out what the professor wants than mastering the subject matter. By the same token, everyone

benefits when all agents are focused on the ends of their activities, and when they value those ends; and when agents work together, each playing their respective roles to the extent of their talent and abilities, the results for both individuals and the community are enhanced. But since there is no guarantee that others will play their part, rules are often necessary to ensure that the desired ends are attained.

Rules and Incentives

We can now return, better equipped, to a theme that occupied us in the last chapter: why the discussion of practices cannot be exhausted through the analysis of rules and incentives. We begin with some crucial distinctions. The difference between physical rules and social rules mirrors that between physical actions and social actions. Whereas events in the physical world can often be described in terms of law-like regularities, a rule in the social sense implies a statement of an "ought." An ought is not a statement about the world as it is, but how it should be. It implies right and wrong ways to act. Ought statements carry intentions that are expressed through language, and language implies interpretation. When oughts take the form of laws they are backed up, at least implicitly, by coercion. Laws are the conjunction of ought statements and force. This creates the problem of discretion.

Discretion arises because good reasons involve good interpretations. Rules don't apply themselves; they must be applied by someone. To do this well requires good judgment—knowing how to apply rules, and when to apply them, as well as when to bend them. This point was made by Aristotle, as Charles Taylor notes:

> Human situations arise in infinite varieties. Determining what a norm amounts to in any given situation can take a high degree of insightful understanding. Just being able to formulate rules will not be enough. The person of real practical wisdom is less marked by the ability to formulate rules than by knowing how to act in each particular situation. (Taylor 1995: 177)

For Taylor, the proper application of rules requires the kind of background understandings that arise from social practices. Even construed

in the narrowest sense, rules must be articulated, verbalized, written down, or transmitted, from the mind of one agent to another. They are, therefore, social. A rule involves more than reason alone. To understand a rule is to know how to apply it (Brandom 2000), but to know how to apply a rule requires more than a grasp of the reasons behind the rule. It requires "another kind of understanding" (Taylor 1995: 179)—namely, the knowledge that comes from experience, and which must be learned through practice. The more an agent becomes habituated to doing the right thing, the less important are the rules.

Conversely, rules are especially important for novices. Above all, this is because they provide a scaffold for learning. Psychologists rightly argue that the internalization of rules is part of the process of becoming a competent agent (Olson 2011). Rules are particularly useful for children as they learn to become responsible agents. The right kind of rules can provide rewards and punishments that encourage children to make appropriate choices. Rules guide behavior by offering pleasurable rewards or painful punishments. But the moral development of children can be measured in terms not of compliance but of their ability to understand and give reasons for rules, rather than merely avoiding punishment (Gilligan 1982). Over time, appropriate habits are inculcated and become second nature, and even pleasurable.

Serious problems arise when agents are motivated only by rule-following for its own sake—or even to avoid responsibility. In her discussion of the trial of Eichmann, Hannah Arendt showed how the rule-following excuse used by German officials to justify their participation in the Holocaust rested on the ability to divorce their actions from the ends of their activity. For Eichmann, once trains filled with Jews left the station, they were someone else's problem. The critical challenge for institutions is not just to secure compliance with the rules but to do so for the right reasons. Following rules, like disobeying them, demands judgment (Arendt 1963).

Another reason for not slavishly following rules is that every rule has exceptions. No rule could be more important to the preservation of tranquility and justice among members of a society than the injunction "Thou shalt not kill." And yet a moral code that demanded absolute observance of this rule would flounder in the many circumstances

in which killing is unavoidable—in self-defense, for example. To know how and when and in what ways to uphold the rule demands an understanding of the reasons for the actions the rule is intended to encourage or discourage. To kill a bomb-wielding fanatic before he harms innocent people would not be inconsistent with that aspect of the rule that discourages citizens from inflicting unjust harm on each other; on the contrary, the rule admits such action, and a bystander who did not come to the aid of his fellows might well be reproached for inaction.

A rule is not merely a command or order. Specific commands can more readily be understood by virtue of the context in which they are made and by grasping the intention of the agent who gives the command. Rules do not require the author of the rule to be present. What makes a rule a rule is that it applies generally, as suggested by the phrase "as a rule." A rule tells us what, as a rule, we should do when faced with a particular situation or dilemma. Rules tend to be impersonal in the sense that they suggest that like agents in like circumstances should act alike. Rules therefore counteract the natural tendency of all people to be more immediately concerned with themselves than others. They are designed, as Adam Smith liked to say, from the perspective of the "impartial spectator"—that is, according to a third-person perspective (Smith 2009: 100). Where the impartial spectator would agree that it was necessary to uphold justice or prevent injustice, Smith argued that coercion was justified (2009: 93–99).

To the reasons for action codified in a rule, coercion adds another basis of compliance: fear of punishment. There are no legal norms that are not backed by coercive sanctions: "Our concept of law would be incomplete, and perhaps undefined, without understanding that coercion constitutes at least part of it" (Yankah 2007–2008: 1198). There is more to law than sanctions, but they are a necessary and inherent feature. Since compliance cannot be taken for granted, laws imply something more than ought statements articulated in words: They also entail sanctions or punishments that follow failure to comply. Laws, however mild or implicit, are coercive. They are designed to bring about or avoid states of affairs by imposing conditions on the actions of agents. A law without coercion would cease to be a law for one of two reasons: Either nobody would comply and the law would cease to

be a material fact, or people would act voluntarily in accordance with the aim of the law, in which case it would be unnecessary.

Formal rules have value because they alter behavior by structuring incentives in positive ways. They provide external compulsion to perform activities that should be performed anyway—like driving at or below the speed limit even when in a hurry. By imposing limits on actions that violate the aims of an activity, we ensure that our interest in attaining its aims is not subverted by ourselves or others. Rules reconcile the immediate interests of the agent with her longer-term interest in achieving the aim of that activity in which she is engaged. Generally, the argument for rules is presented negatively. The justification of the use of coercion is to prevent us from acting toward others in ways that we would not approve if the same actions were directed at ourselves. Such arguments are extremely well known and widely accepted, but there is another argument for coercion, which is more positive: Rules encourage us to perform tasks in ways that ensure we are able to do things together (O'Donnell 2010: 99).

To illustrate this point, we must return to the argument with which we ended the last section: that we are happiest, most productive as individuals, and most likely to flourish as members of a society, when we perform our roles and responsibilities to the best of our abilities in accordance with the ends of our activities; and that to do this we must value these ends of the activity. Rules provide assurances that each agent involved in a larger division of tasks will focus as much as can properly be expected by the need to achieve the end of that activity; and, as a result, all agents are enabled to perform their activities. In every field of human endeavor, wherever the results of collective effort have a mandatory quality, rules are used to ensure that each agent performs her duties.

The level of compulsion used depends on the mandatory quality of the activity, but also on what can reasonably be expected of agents. In a military organization, a high level of compulsion is used to ensure that each soldier and officer performs his or her duties, and the failure to carry out those duties carries heavy penalties because the consequences of dereliction of duty are so severe. A sentinel who falls asleep on watch may put at risk the lives of many comrades, and such actions are harshly punished. Correspondingly, the high degree of solidarity

within military units is deliberately fostered and relied upon to ensure that collective actions are successful. Where collective efforts have a less mandatory quality, because they do not involve life-or-death situations, the penalties for failure to perform duties are more modest.

But there is another limit on coercion, and it arises from what can be reasonably expected of other agents involved in a joint activity. Rules can only cover activities we can reasonably compel agents to perform. It would be wrong to punish agents for failing to perform praiseworthy or meritorious acts if no particular evil results from that failure (Smith 2009: 95). Unless an agent's actions (including omissions) result in some injury that can and should be avoided by penalties, there is no justification for coercion. We cannot use force to elicit actions that go above and beyond the performance of duties necessary to achieve a given end. At best we can require that those who occupy specialized roles and offices have the knowledge and skills necessary to exercise their functions. We can insist on basic training and certification, we can insist on continuous practice, but there are times when we are interested not in the routine performance of duties by competent agents but in the exceptional and extraordinary performance of virtuosos. How do we motivate excellence? The highest quality of performance merits gratitude and rewards, but it cannot be compelled. There are three reasons for this, involving intangible features of excellence.

First, it is difficult to assess knowledge superior to our own. Unless we are competent practitioners we may not be able to reliably discriminate between competent and exceptional performances. We can observe the results of a performance, and assess whether the activity achieved the intended result. A patient knows whether an operation has been successful, for example, but rarely why an operation succeeded. There are spectacular cases of malpractice, but they are extremely uncommon. More often, the difference between ordinary and extraordinary practice is something that only a skilled practitioner will appreciate.

Second, it is almost impossible to know whether an agent is highly motivated by the aim of an activity. Highly motivated agents will often perform tasks over and above what is normally expected. When an agent "goes the extra mile," the results may be manifested in unexpectedly good outcomes. It is hard to know in advance what such additional

effort might involve, or what form it might take. Equally, it is difficult or impossible to perceive what is missing from a performance that is not motivated by a concern for excellence. Motivation plays an extremely important role in competitive sports. One of the biggest issues athletes must confront is how much pain they can endure. The answer is often unknowable even to the athletes themselves.

Third, effectiveness is hard to judge from results. Chance and luck often intercede between activities and their results. When we judge from results we are naturally impressed by those whom fortune has favored, while often neglecting others who may have applied as much effort and talent to their activities but have not enjoyed the good fortune of being at the right place at the right time. Even if we can see the merit of those who could have achieved the first rank of distinction, we prefer those who actually did. There is an apocryphal story in which Napoleon said, "I have plenty of clever generals; give me a lucky one." We suspect there are reasons why some people get better results, even if we cannot see what that reason is.

Even leaving these reasons aside, there is another perhaps more basic point: Nobody can be compelled to achieve excellence. Excellence is not rules-based from the perspective of the person engaged in the practice or activity. Following rules is never sufficient to guarantee good practice. We do not regard as virtuosos the doctor who followed protocol but failed to perform a successful operation, the musician who hit every note but failed to produce sublime music, or the legislator who followed parliamentary procedure but made a bad law.

For all these reasons, rules often fail us. Do positive incentives work better? Positive incentives are the obverse of rules. Whereas rules penalize poor performance, incentives reward good performance. There are many kinds of incentives. Rankings are powerful instruments for promoting excellence. For example, rankings of schools and universities provide information to parents and students seeking the best possible instruction. Good schools tend to attract both good teachers and good students. Great hospitals attract top medical practitioners. Rankings also influence incentives within organizations. Performance measures are used to promote and reward the most successful practitioners. The appeal of incentive systems is that they are less punitive than rules and they foster the intangible components of excellence.

Rules and incentives are two sides of the same coin and as such they share a common quality: They are external to the activity itself. They are means of reinforcing the motivation of an agent. To intrinsic motivation they add external rewards. Like rules they can be counterproductive. A positive incentive to perform a task may replace the motivation to perform an action, or even undermine that motivation. In this sense, two incentives are not always better than one. A number of cases are commonly cited in this regard. For example, a survey conducted by Bruno Frey and Felix Oberholzer-Gee found that one in two Swiss citizens were willing to accept the disposal of nuclear waste in their community, but the number actually dropped when they were offered six weeks of pay to agree. Once the issue was framed in terms of monetary payments, the willingness to contribute to a public good declined (cited in Schwartz and Sharpe 2010: 192–193). An Israeli daycare center found that penalizing late pickup by parents actually increased lateness by turning a matter of obligation into a monetary fee they were willing to pay (Gneezy and Rustichini 2000: 1–17; Schwartz and Sharpe 2010: 190–192). These are two examples of ways in which incentives undermine the motivation to perform tasks that are more likely to be performed out of a sense of duty or obligation.

Incentives can have perverse effects when they focus on motivations external to the normal aims of an activity. In the "false positives" scandal in Colombia, the military killed civilians and dressed them as guerrillas in order to inflate body count statistics; it turned out that combatant deaths were linked to promotions.[12] The incentive to kill inflated the body count without inflicting losses on the enemy. In Atlanta, Georgia, the threat of closing schools that did not show progress on standard test scores led otherwise well-meaning teachers to falsify test results to keep their schools open.[13] The incentive to perform turned teachers who cared about their students into criminals. The 2014 riots in Ferguson, Missouri, were partly the consequence of incentives that were external to the aims of an activity. The city relied heavily on traffic citations for revenue, creating pressure for police to issue tickets. The effects were particularly explosive because the police force was predominantly white, while the local population was predominantly black (Robles 2014; Smith 2014).

Steven D. Levitt and Stephen J. Dubner, best-selling authors of *Freakonomics,* illustrate the power of incentives by describing how one of them potty-trained his daughter by offering candies every time she used the toilet. Within days the child "went from potty-challenged to having the most finely tuned bladder in history" (Levitt and Dubner 2014: 106). She was using the toilet at short intervals to earn more candies. The story purports to illustrate the power of incentives, but it also exposes the problem with incentives: They can result in behavior that responds to incentives without learning how (and why) it is important to acquire an ability. Incentives can encourage people to do the right thing for the wrong reasons. The goal of potty-training is to free the child from diapers, not promote anal retentiveness.

Practices and Institutions

Practices involve more than rules and incentives; they involve judgment, discretion, deliberation, and conflict resolution. Armed with this insight, we can now return to the discussion of institutions to see how they embody goods. These goods are precarious in the sense that they are easily corrupted. As we saw in the last section, too much emphasis on incentives can demoralize practitioners and corrupt institutions (Schwartz and Sharpe 2010). In this section I am going to focus on the ways in which institutions are essential to sustain certain patterns of meaningful action.

Institutions arise from the need for rules to coordinate the activities of agents involved in the pursuit of collective ends. They do so by way of sustaining practices through which agents give meaning to their actions. When agents interact they create patterns or systems that have properties that, in turn, regulate their actions. The regulatory features of systems are "emergent properties" (Juarrero 2000; Gazzaniga 2011: 124–128; Policzer 2012) of the activities of agents; they reflect the higher order of complexity involved when collective action demands coordination among various agents. Language provides an excellent model for thinking about how institutions work. Language involves rules of grammar and syntax, and to speak is to engage in rule-governed activity. Speech is a form of action that involves the use of words to generate meaning in order to produce effects. A speech

act, like a request, involves an intentional state (I want you to leave the room), an utterance aimed at expressing the intention ("please leave the room"), and an anticipated effect on the listener (an understanding by the listener that I want him or her to leave the room) (Searle 1969; 1999: 135–139).

In complex systems (which include political systems), properties of higher levels of organization (for example, meaningful content generated through social interaction) shape and constrain the actions of agents. In the logic of complex systems, micro-level processes produce feedback mechanisms that trigger adaptive responses, which over time generate aggregate outcomes.[14] In the social context it is important to give a central place to human agency as a mechanism of adaptation. Institutions are meaningful products of human activity that are used to organize collective life. They shape the activities of agents by virtue of their meaning, and their meaning is the product of human agency. Perhaps an analogy might be useful. The brain is a network of neurons that work together to produce consciousness; conscious mental activity in turn directs the activity of the brain (and can even rewire it at the level of neurons). When we use language we are constrained by its rules of grammar and syntax. At the same time, language is the product of the human faculty for communication and is rooted in our ability to "read" other minds—that is, to have theory of mind that allows us to interpret other people's mental states based on the behavior. With language, our ability to read other minds is massively enhanced.

Learning the rules of language is a first step in meaning-making. By using language to do things, we create larger structures of meaning that shape our actions, our relationships, our goals, and our very minds. In other words, causality works both upward and downward (Gazzaniga 2011: 133–142). We can start with intentional states and imagine the speaker as an editor who seeks the right words to use in a given content to achieve a set of aims. But every speaker is also a listener, and the flow of language into which we are immersed as we communicate with others directs our attention and mental activity in ways we often do not anticipate.

A critical distinction can be made between two types of rules: those that create a practice and those that govern it. Some rules are constitutive: They are the rules of the game that generate play, and "acting in

accord with the rules is constitutive of the activity regulated" (Searle 1999: 123). In chess, the various permissible moves of the different pieces constitute the rules that define the game. Constitutive rules differ from regulatory rules that govern the management of problems that emerge in the course of interactions within a game. Regulatory rules "regulate antecedently existing forms of behavior" (Searle 1999: 123). For example, in a chess game, players may decide to impose time limits, or they may insist that a piece, once touched, must be moved. Such rules help manage tournament play, but are not so intrinsic to the game that they must be followed in a friendly match. They do not make the game what it is, but help manage problems that might arise in the course of a game. In language, constitutive rules are those necessary to generate meaningful utterances. For an utterance to be meaningful the speaker must be able to express an intention using words such that the listener recognizes the intention. The recognition of the intention of the speaker is what turns an utterance into a speech act.

Utilitarian-inspired theories see rules very differently. Kenneth A. Shepsle argues that, within the rational choice tradition, the rules of the game "are simply the ways in which the players want to play" or "equilibrium ways of doing things" (2006: 25, 26).[15] To illustrate, he imagines a group of children playing baseball according to official rules.[16] The rules need to be adapted to their particular circumstances, however, which involves a creek that borders on the field. If a ball rolls into the creek, the baserunner would normally advance one additional base. "On any particular day, however, the kid who brought the bat and ball might insist on a variation to that rule more to his liking—say, a ball in the creek is an automatic home run—and be in a position to induce the others to accept his preference" (2006: 25). Shepsle goes on to quote, with approval, Randall L. Calvert's view that there is, "strictly speaking, no separate animal that we can identify as an institution"—only rational behavior and rational expectations (quoted in Shepsle 2006: 26).

The example is revealing in a number of ways. First, it assumes the prior existence of official rules. In other words, the game itself is already exogenously given, even in this account of endogenous institutions. Second, it focuses on regulatory, not constitutive, rules. The

presence of a creek near a field is like the idiosyncratic features of Fenway Park in Boston: They affect how the game is played there, but such features are not intrinsic to the game. Baseball is the game that it is because of its constitutive rules—the structure of the game, the bases, the field positions, pitching, batting, running, innings, and so forth. These rules cannot be altered at will by the players, at least not without altering the nature of the game itself. What is more, the rules are but the "outer shell of the game," not its ethos (Heclo 2008: 2). A devoted baseball player or fan celebrates the rich history and evolution of the game, its great performances and venerable traditions, and these become part of what gives the game value and meaning.

What is more, all games share common features that constrain how they are played. In all competitive sports, the rules apply equally, in principle, to all players, and they cannot be changed in the middle of a game. That is why even the most competitive sports have a pro-social value. Through games children (and grown-ups) can learn the importance of fair play. A child who insisted on unequal treatment in a game would rightly be considered a poor sport, so it cannot be the case that the game is defined by any player who can induce other players to accept his preferences. The preferences of the players must align not only with the constitutive and regulatory rules in a way that meets with general agreement, but also must be consistent with the deeper rules of fair play that all games provide an opportunity to institutionalize.

In short, institutions, in their constitutive features, are pro-social. They enable patterns of collective action necessary to supply common goods. A legislature may be an arena of partisan competition, like a sports arena in which opposing teams compete, but it is not intrinsically competitive. Rather, it is deliberative; its aim is to produce goods that are necessary for social life like the formation of coalitions, the enactment of legislation, the oversight of government. Much the same can be said of any other political institution. The aim of the school is to educate; the aim of the hospital is to care for the ill; the aim of libraries is to foster reading; the aim of the police is to protect citizens; the aim of the courts is to uphold justice; the aim of the university is to advance knowledge. Each of these institutions is responsible for a certain kind of excellence; they are aretaic institutions.

A couple objections might be raised to the view of institutions I have just outlined. First, is Aristotelian thinking teleological? Aristotle believed that citizens had goals. That is, they engaged in activities by which they seek to obtain certain goods. He also believed that some goals were more worth pursuing than others. He argued that flourishing, or eudaimonia, was the highest good because it was satisfying in itself, and not as a means to some other end or goal (Aristotle 2004a: 13–30). This position gives pause to scholars who otherwise agree on the importance of civic virtue and public-spiritedness in any self-governing community (Skinner 1990).[17]

Leaving aside for a minute the view that there is no way to adjudicate between competing claims about the value of ultimate ends, it is worth asking how we are to reconcile the Aristotelian view that some aims are more worth pursuing than others with a contemporary appreciation of value pluralism. It seems untenably teleological to suggest that all societies tend or should tend toward flourishing in the same way. Rather than embracing flourishing as a telos, I would propose the idea of moral path dependency. This viewpoint represents a compromise between an untenably teleological view of society and a relativistic response to value pluralism.

The idea of flourishing as a telos was given plausibility by a belief in the unity of the virtues. To state the position strongly, "a person cannot have one virtue without having all the others" (Wolf 2007: 145). Were such the case, then the desire for virtue, arising from any practical activity, would tend to lead toward ethical convergence. One virtue would lead to another. At the very least, a coherent ethical way of life, much like the world Aristotle appeared to inhabit, would tend to emerge. Moral path dependency means that ethical cultures are likely to emerge and evolve in particular ways depending on the virtues that are most needed for the central activities of their group. The virtues of the Inuit people—captured by the Inuktitut word for wisdom, *Silatuniq* (see-la-too-nik)—include patience, endurance, courage, and good judgment. These virtues, associated with the activity of hunting, allowed the Inuit to thrive in the climate and austere ecology of the Arctic (Watt-Cloutier 2015). Some version of these virtues exists in all culture, but their centrality to *Silatuniq* is a reflection of the circumstances within which the Arctic peoples learned to adapt to their environment.

The processes of colonialism and globalization, as well as the spread of multiculturalism and immigration, have rubbed different cultures up against one another with an intensity unprecedented in human history. In such a context the idea of a homogeneous and shared ethical community is no longer conceivable, at least as the ancient Greeks would have understood it, but this makes the pursuit of common goods all the more important and increases the need for practical wisdom. A compelling example of this is given by Leonie Sandercock and Giovanni Attili (2012) in their analysis of the "high noon" conflict between the First Nations band in Burns Lake, British Columbia, and a municipality dominated by the white settler community. Reading their analysis one cannot help but be struck by the way that both the First Nations and the settler communities were able to find resources within their cultures to allow them to back down from a confrontation, notwithstanding fundamentally different worldviews. They did this by talking, listening, deliberating, and learning from each other, sometime within the context of mediation, other times in the streets, and also at the ballot box. As a result, they were able to find common goods around which they could build partnerships, including a new community center, school, and businesses.

The confrontation in Burns Lake brought together two separate societies, connected only by a history understood in radically different ways, but through the process of conflict and reconciliation, a path forward began to emerge. Different understandings of the good are not always a barrier to finding common goods across cultures. A critical ingredient, which is often vital to the success of efforts at reconciliation, is good institutions—courts capable of overturning unjust laws, municipalities responsive to diverse communities, wise mediators and cross-cultural interlocutors, and academics capable of research based on the idea of phronesis.

Second, is Aristotelian thinking too idealistic? It might be argued that institutions are mechanisms of power, with distributive effects, and therefore to characterize institutions as emergent properties of socially desirable activities is to ignore the dynamics of power that create and sustain them. One might even argue, as Peter A. Hall and Rosemary C.R. Taylor did with respect to sociological institutionalism, that it leads to a "curiously bloodless" view of institutions (Hall and

Taylor 1996: 954), one that "can miss the extent to which processes of institutional creation or reform entail a clash of power among actors with competing interests" (Hall and Taylor 1996: 954). Might such an objection apply to virtue ethics? Did Aristotle have a bloodless view of institutions? Bent Flyvbjerg (2001: 110) has argued that scholars using phronesis should focus more centrally on power.

Aristotle was neither blind to power nor indifferent to distributive justice, but his view of the political was grounded in a conception of the polis or city state as the highest expression of communal life, a place where people came together as free and equal citizens working to achieve common ends (Arendt 2005). Practical wisdom was a great virtue supporting this concept of the political because it enabled agents to aspire to the widest and most encompassing idea of the good—not to imposing a vision of the good on others, or to dominating others, or to depriving them of freedom. War, slavery, and domination were then—as they are now—facts of life, but they were, and are, expressions of brute force, not of the kind of political action possible only among citizens.

The relevance of this view is not that it directs our attention away from the struggle over the distribution of goods between individuals and groups, but that it directs our attention to the sphere of freedom and citizenship where these conflicts are most likely to be resolved justly in a democratic society.[18] It is not through war between the sexes or the classes that gender or social justice is achieved, but rather in the sphere of citizenship, politics, and the law. This is not to suggest that purely distributive struggles are unimportant, or that conflicts are not productive, but these aspects of politics are obvious and well known; they do not exhaust the possibilities that institutions offer. The specific dimension of power that interests me in this book is the more subtle and less well-appreciated struggle between practitioners working toward the common good, and the effort to limit their discretion and judgment through the imposition of competitive utility-maximizing. In a neoliberal era, the most important forms of domination, contestation, and resistance are at work precisely in the tension between the intrinsic aims of institutions (oriented to the common good) and the pressure to adjust institutions to the needs of competitive markets.

The suppression of what is good in institutions is an exercise of power that needs to be exposed because it operates invisibly and is often justified in terms of other—often extrinsic or secondary—goods like growth, prosperity, and accountability. Thus, the call for more or better rules and incentives appears innocuous until we observe its effects on the intrinsic aims of public institutions: goods like justice, deliberation, public health and well-being. These dynamics are not just ignored by rational choice theory; rational choice is a frequent accomplice in the exercise of such power through the justifications it provides for the extension of market competition into non-market spheres of human activity.

Some of the most consequential struggles over public institutions involve the normative structure through which we see them. If we see institutions as means of achieving greater competitiveness, which is the narrative that fosters competitive utility-maximizing, then our attention is drawn to the search for efficiencies or optimal equilibria through better rules and incentives. Framing the problem in these terms is already an exercise of power.[19] That the goal of making competitive markets as a regulator of all spheres of life is ultimately futile and leads to pervasive institutional failures does not make the strategy any less effective as a means of domination for those who profit from market competition, nor make it any less costly to those in society who pay the hidden price.

The goal of this book is to shift the narrative back onto the wise practitioner. Once institutions are reframed as a locus of moral agency, with intrinsic aims involving common goods, the role of the wise practitioner comes back into focus. Instead of searching for efficiencies and optimizing equilibria, attention is redirected to supporting the activities necessary to provide common goods. This involves conflict: Good institutions are not friction-free. Wise practitioners need to defend the intrinsic aims of their institutions against the encroachments of competitive maximizing. This often involves struggles within the hearts and minds of practitioners, as well as within institutions.

4

WISE PRACTITIONERS

The individual in his isolation is never free;
he can become free only when he steps out
into the polis and takes action there.

—Hannah Arendt

What kind of rulers and citizens do we need in order to attain the aims intrinsic to democracy? This question can be answered by applying virtue ethics to politics. To do this, we must focus on the aims of the activities associated with politics in a constitutional order, or polity, composed of free and equal citizens. Identifying the intrinsic aims of an activity helps illuminate the role of the practitioner. For example, the aim of medicine is to provide care for the sick, and the work of doctors and nurses can be assessed in terms of how well they help patients. The same is true of teaching, engineering, or any other profession. But while it is easy to define the activities associated with most professions, it is harder to define the activities intrinsic to politics.

In *The Politics*, Aristotle was mainly concerned with two activities: citizenship and statespersonship or rule. Both demand practical wisdom, especially the latter. Aristotle likened citizens to sailors, each working together to bring their ship safely to its destination (Aristotle 1962: 107). Like a ship's captain, the wise ruler must possess practical wisdom—that is, the knowledge and judgment to do what is good and wise for the community as a whole. Aristotle (1962: 119, 216) believed good institutions were crucial, but they would be worthless if citizens

and rulers lacked virtue. What is more, different kinds of states would demand different virtues. In a constitutional polity, for example, "the ruler must first learn through being ruled . . . the good citizen must have the knowledge and ability both to rule and be ruled" (Aristotle 1962: 109–110).

In contemporary democracies the ideal of the citizen as both ruler and ruled has been replaced by representative government based on competitive elections. This limits citizenship to such activities as voting, and provides few occasions for direct involvement in deliberation and judgment in collective decision-making. The lack of active citizenship is not worrisome if democracy is understood only as a market—that is, a process of aggregating interests into collective outcomes based on competitive utility-maximizing (Schumpeter 1942; Downs 1957; Przeworski 1991). In this view, voters have the opportunity to elect officials who advocate policies close to their own preferences, and politicians espouse policies that will increase their odds of getting elected. This should produce a convergence between the preferences of the electorate and the policies and programs of elected officials. Such a view elides or denies the necessity of character and wisdom in politics.

Rights-based theories of democracy impose a more demanding view of citizenship, but the focus remains on the protection of the rights and freedoms of individuals, and so in that sense they are interested in defining the limits of politics by taking certain issues off the table for political discussion rather than promoting the activity of the citizen as the source of democratic goods. In this view, an electoral democracy is based on the right to vote (the inclusive and universalistic principle of "one person, one vote"), the right to run for office, and the surrounding rights and freedoms necessary to ensure that voting is free and fair (Dahl 1973; O'Donnell 2001, 2010). Democracy is not only about interests and their aggregation but also about the protection of fundamental rights and freedoms. In this more liberal view, a rights culture is crucial to the functioning of democracy, but active citizenship is still downplayed.

One might very well argue that even the impersonal and legal-rational principles that underpin democratic procedures can be enacted only through the exercise of practices that demand civic

virtue. For example, John Rawls' (1986) theory of liberalism, based on the idea of an "overlapping consensus," while seeking to provide a justification of democracy without a commitment to encompassing, substantive notions of the good, nevertheless assumes a certain kind of citizen—the citizen as agent—that is possible only in a society that values such goods as freedom and the protection of civil liberties. The dependence of a Rawlsian conception of democracy on civic virtue is not, however, a point that gets as much attention as it deserves.

Utilitarian and rights-based theories of democracy exemplify how deeply infused with the language of interests and rights contemporary political discourse has become. In contrast, scholars working in the republican tradition, like Quentin Skinner (1990), Charles Taylor (1985, 1989, 1995), Robert Putnam (1993), and Philip Pettit (2015), have revived an interest in the role that civic virtue and visions of the common good can play in democratic politics. The importance of deliberation and participation in democratic politics has also been emphasized by scholars from a range of perspectives (Habermas 1996; Gutmann and Thompson 2012; Mansbridge et al. 2013). It seems increasingly clear from these literatures that certain dispositions, skills, capabilities, and knowledge are necessary for self-government, and that the process of participating in self-government is necessary for the cultivation of the character and judgment demanded by democracy.[1] Democracy is not just an instrumental good—a means by which poor governments can be replaced by better ones—it is also an intrinsic and constructive good (Sen 1999). Participation is valuable in itself, as an opportunity for moral dialogue and education, and because rights, interests, and goods, are not pre-given but constructed through processes of collective deliberation and decision-making.

This chapter explores concrete examples of the virtue and character necessary to be a good citizen or statesperson in a democracy. The meaning of practical wisdom is further disclosed through stories that offer insight into practice from the agent's perspective. The first is the story of an academic who entered politics later in life and learned through experience to appreciate the importance of practical wisdom in politics. This is followed by an account of an experienced practitioner who served as an international election observer. He had the capacity to improvise in the face of a challenging and uncertain environment

in order to defend the intrinsic aims of an institution even though it meant bending the rules. The final story follows a nurse-activist who advocated for change and helped create a new institution by reframing a problem—addiction—as a matter of social well-being rather than individual deviance. Each case illustrates the inseparability of facts and values, the essential role of character and judgment in skilled performance, and how the proper goods or aims of an activity are revealed in practice, as agents improvise and learn what works and what does not.

The Novice

In August 2007, Michael Ignatieff, who had recently left a position at Harvard University to become a member of parliament in Canada, wrote an essay in *The New York Times Magazine* called "Getting Iraq wrong," in which he explained why he had supported the invasion of Iraq in 2003 and why, four years later, he acknowledged that this was an error in judgment. It was an unusual gambit for a politician, to admit to making a mistake, but Ignatieff hoped to call attention to how he was learning to shift from being a distinguished academic to becoming a wise politician. He found that the qualities that made him a successful scholar were different from the skills and know-how he would need to survive in politics. The political mindset and sensibility were different from what prevailed in the ivory tower.

At the time he was writing his article, Ignatieff was preparing his bid for the leadership of the Liberal Party in the hope of being elected to serve as the prime minister of Canada. Ignatieff's essay had a fairly obvious political subtext. Canada had chosen not to join the United States when President George W. Bush invaded Iraq in 2003, and most Canadians agreed with that decision. Ignatieff needed to offer an account of his thinking that would respond to complaints that he was out of tune with a country from which he had been absent for over three decades. To this end, he acknowledged wishful thinking regarding the prospects for building a democratic Iraq after the invasion, and he admitted to being swayed by a passion for people he admired, like Iraqi dissidents and Kurdish resisters: "I let emotion carry me," he said (2007: 5). And then, as he described the qualities that are necessary to be a good politician, qualities that he had learned

to appreciate as a result of his foray into politics, Ignatieff outlined some of the ingredients of practical wisdom.

Politics, Ignatieff discovered, demanded a sense of responsibility. The problem was not that he had the wrong emotions, but that he needed to be less keen to generate interesting ideas and more concerned about the consequences of his ideas. Academics often cared more about "whether ideas are interesting than whether they are true" (Ignatieff 2007: 1), he observed. Politicians live by ideas as well, but "they can't afford the luxury of entertaining ideas that are merely interesting. They have to work with the small number of ideas that happen to be true and the even smaller number that happen to be applicable to real life." Academics can play with ideas and have fun with them, but in politics "false ideas can ruin the lives of millions and useless ones can waste precious resources. An intellectual's responsibility for his ideas is to follow their consequences wherever they may lead. A politician's responsibility is to master those consequences and prevent them from doing harm" (Ignatieff 2007: 1).

Ignatieff ultimately fell short of achieving his goal. He became leader of the Liberal Party in 2008, and briefly served as head of the official opposition before leading the party to defeat in the general election of 2011. Nevertheless, the insights he gained through his brief career in politics supply valuable lessons about the kind of skills and know-how necessary to be a good politician. Such insight is part of practical wisdom—the moral skill and will to understand the proper aim of an activity and to perform the practices with which it is normally associated. Much can be learned about practical wisdom from Ignatieff's thoughtful reflections on his life in politics, both in his essay on the war in Iraq and subsequently his memoir, entitled *Fire and Ashes*. Since practical wisdom involves knowing what to do in particular situations, and it therefore defies both simple generalizations and abstract precepts, the best way to convey it is by describing the process through which one practitioner discovered its importance.

Some of Ignatieff's failures point to a lack of wisdom due to inexperience, but a politician can be wise and fail, or succeed through shrewdness rather than wisdom. In fact, the only way to learn wisdom is through the exercise of judgment, and often the learning comes from failing (Schwartz and Sharpe 2010). And yet failing in politics can

be extremely damaging. Mistakes are not easily forgiven by the public. The more competitive an activity, the higher the price for failure, and hence the harder it becomes to acquire practical wisdom. The value of practical wisdom is not that it guarantees success but that it ensures that success does not come at the expense of mistakes a wise practitioner would regret—for example, by betraying the core values of the institution in which the practitioner occupies a role. The unwise practitioner may have no such regrets, and will act recklessly—and sometimes may succeed.

One of the first things Ignatieff learned from his life in politics was what in virtue ethics is known as the priority of the particular (Nussbaum 1990: 66–75; Selznick 1992: 193–201; Flyvbjerg 2001: 57–60). Politics demands knowledge of particulars. The politician, Ignatieff learned, is not interested in "generalizing and interpreting particular facts as instances of some big idea. In politics, everything is what it is and not another thing. Specifics matter more than generalities. Theory gets in the way." Good politicians must be acquainted with reality; they "cannot afford to cocoon themselves in the inner world of their own imaginings" (Ignatieff 2007: 2). The "sense of reality doesn't always flourish in elite institutions. It is the street virtue par excellence. Bus drivers can display a shrewder grasp of what's what than Nobel Prize winners" (Ignatieff 2007: 2). The ability to know "what's what," as Ignatieff put it, to have a grasp of reality that comes from everyday experience, "mostly from our mistakes, what works and what doesn't," is close to what Aristotle called practical wisdom.

Aristotle said practical wisdom "is not concerned with universals only; it must also take cognizance of particulars, because it is concerned with conduct, and conduct has its sphere in particular circumstances" (2004a: 154). Practical politics, in this view, is a realm of particular circumstances, not of general laws. Sometimes, Aristotle notes, people who possess theoretical knowledge are less effective in action than those who do not, especially if those who do not are more experienced. Practical wisdom demands knowledge of particular facts, the kind of knowledge that comes from experience rather than theory. Ignatieff agreed: "In practical politics, there is no science of decision-making." What he lacked was not theory, but knowledge of particulars. Having spent most of his life away from Canada and

outside the political arena, Ignatieff recognized that he was at a severe disadvantage in the contest against more experienced politicians. He discovered that he lacked knowledge of local issues: "What a good politician comes to know about a country can't be found in a briefing book . . . few forms of political expertise matter so much as local knowledge" (2013: 58).

The priority of the particular does not mean that politicians are not concerned with general rules or universal facts. In making decisions, politicians are often guided (sometimes unconsciously) by general theories, including theories based on the idea that people are utility-maximizers. Thus, for example, the notion that people respond to incentives is not only intuitively appealing, it also generates policy solutions that promise efficiency and transparency. Establishing metrics, benchmarks, and performance indicators, in an effort to promote competition to improve outcomes, can be very appealing to politicians, especially when they promise efficiencies and savings. My point is not that such approaches are always wrong-headed or unappealing, but rather that (1) they have potentially negative side effects when overused and (2) many of the most important decisions politicians have to make demand knowledge of particulars. The decision to invade Iraq, for example, was made by policymakers who knew how to use rules and incentives to enhance the performance of the bureaucracies they controlled, but they lacked an understanding of the consequences of their actions, which depended on local conditions over which they had little control.

A second lesson we can draw from Ignatieff's experience is the importance of understanding the aim of the activity. As Ignatieff put it: "The first thing you need to know when you enter politics is why you're doing it" (Ignatieff 2013: 7). By his own admission, Ignatieff entered politics for the wrong reasons. He was motivated by ambition of the wrong sort: to live up to the expectations of his deceased parents. "I wanted political success for the sake of my mother, Alison, and my father, George, because I believed they would have wanted it for me . . . My ambition felt less like my own creation than a tradition inherited from them" (Ignatieff 2013: 10). The Ignatieffs were "minor nobility in the nineteenth century who rose to some prominence through service to the czar." The desire for success, to live up to family

expectations, and a certain *noblesse oblige*, was more prominent than the desire to serve the public or carry out a program.

Entering politics for the wrong reasons is risky. Asked in a meeting why he wanted to be prime minister, Ignatieff said he "wanted to see whether I could handle the challenge" (2013: 8). The audience was nonplussed. They were not interested in honest soul-searching; they wanted a narrative about his life story that would connect with their lives in a way that would provide reasons for supporting him; they wanted to know whether Ignatieff was "in it for them" rather a self-promoting office-seeker (2013: 7). Ignatieff, by his own admission, gave a poor answer to the question; but what would be the right answer?

It is worth reflecting on what was wrong with Ignatieff's answer from a virtue ethics standpoint because saying that practical wisdom involves doing the right thing has what Rosalind Hursthouse called "the air of being a truism" (1999: 30). Nor does it help much to say that the right thing to do is what the wise person would do in a particular situation—although, in fact, this is often exactly what we are saying when we advise novices to find a mentor or coach. And yet all practitioners know from experience that there are right and wrong ways of doing things—and good practitioners know how to avoid mistakes better than novices. This is true in politics as in any activity.

Ignatieff's answer to why he entered politics was wrong, for one thing, because it missed the point of the question. The implicit question was: Are you in politics for the right reasons? To answer well would require having a good reason, one his audience would agree was a good reason. The question was posed during an election to someone running to serve as a representative. He had to provide insight into why he thought he would make a good representative—and that meant connecting with his audience so that they could see him as their voice. His answer gave, instead, insight into a first-person perspective on the question. There are times when politicians are expected to bare their souls, but this was not one of them.

An example of when a first-person answer might have been the right one, and the opportunity to give it was missed, came during a US presidential debate in 1988. Democratic candidate Michael Dukakis was asked by the debate moderator, Bernard Shaw: "Governor, if Kitty Dukakis were raped and murdered, would you favor an irrevocable

death penalty for the killer?" To which, Dukakis coolly replied "No, I don't, and I think you know that I've opposed the death penalty during all of my life." That answer may have cost him the election. Setting aside the indecency of the question, it is worth asking: What makes an answer to a question a good answer, at least for a politician during an election campaign? The practically wise politicians is capable of action with regard to what is good or bad for himself *and for people generally* (Aristotle 2004a: 150, my italics). It is crucial that the politician have the capacity to establish an identity between his or her beliefs and interests and those of the voter. A better answer from Dukakis would have been something like, "Of course, Bernie, I would want to personally kill the offender, but then we would have two murders not one, and that is why public policy decisions are not made this way." Dukakis needed to connect with viewers who had been victimized by crime, and show empathy for their feelings. Once that connection was made he could still argue against the death penalty, showing his ability to balance empathy and impartial justice.

Wise practitioners must have the moral skill and will to know how to pursue and achieve the right aims, and in the public sphere, those aims cannot be personal advancement alone. Individual ambition must be sublimated into a desire and capacity to serve a larger purpose—some good for the relevant community of which the practitioner is a part. The practically wise politician is not someone who is able to deliberate and act in ways that are advantageous to himself alone. "People do…seek their own good," Aristotle observed, but "it is impossible to secure one's own good independently" (Aristotle 2004a: 155). That is because politics is a social activity; it is about the administration of the common affairs of the members of a political community, and not just about the welfare of particular individuals.

Obviously, Ignatieff's inability to provide a good answer was due to inexperience. It was a novice's error in judgment to not understand the proper meaning of such a question. But there was a more basic problem with his answer. A decision is the right one if it is good for the politician, and others, such that the politician's cause is advanced by addressing the needs of others. Ignatieff could not advance the cause of his supporters unless he could connect with them and show them that he understood their point of view. Ignatieff knew that many

Canadians were uncertain whether he was really one of them. They needed reassurances that he shared their "habitus"—attitudes, values, moral intuitions, and dispositions (Bourdieu 1998). His support for the war in Iraq—and even worse, his reasons for supporting it, which appealed to "the burden" of American imperialism, not to mention his use of the possessive pronoun ("our") with reference to American obligations—worried Canadian voters (Ignatieff 2003).

Ignatieff acknowledged that he had difficulty establishing his credibility with voters in a way that would be persuasive. In *Rhetoric*, Aristotle observed that the "personal character of the speaker" is an important element of persuasion (2004b: 7). People believe speakers they regard as credible and good. It was hard for Ignatieff to persuade voters of his personal character because he was seen as an outsider. Worse still, the narrative underpinning Ignatieff's decision to enter the political fray was not one in which average voters could see themselves reflected. Fellow writer Mario Vargas Llosa provided the storyline: "A distinguished intellectual, writer, journalist and academic gives up his library and his chair at Harvard to pursue a political career at the highest level."[2] Ignatieff's opponents immediately recognized his vulnerability and pounced. "He didn't come back for you," Conservative radio ads intoned; he is "just visiting" and will return to Harvard if he does not get the top job. The campaign came to hinge on the question of Ignatieff's motivation for entering politics.

All politicians face the challenge of establishing their character precisely because they have to balance different goods—which means they are constantly making compromises, seeking middle ground, and confronting trade-offs. In the dim view of many cynics, politicians pretend to hold themselves to high standards of virtue, but in fact few rise above a preoccupation with their own self-aggrandizement. In most cases this is unfair. Even if we assume politicians are in some fundamental sense involved in politics to gratify themselves, nonetheless, the requirements of political life are such that they must be able to make their own personal narratives align with the larger aspirations of their community even though they cannot please everyone all the time. Yet there are politicians who have a capacity to make their own careers a matter of active interest to their followers. Such politicians are often rewarded with the kind of trust and support that enables

them to accomplish their ends. Politicians who align their instincts for power with service to constituents will enjoy more success than those who lack an instinct for power or are consumed by power alone. Again, in Aristotle's terms, they have to find the mean between extremes of power and principle.

Another mode of persuasion identified by Aristotle in the *Rhetoric* is "putting the audience into a certain frame of mind" (2004b: 7). Linguist George Lakoff calls this "framing," and he defines frames as "mental structures that shape the way we see the world" (2004: xv). Frames are important because they shape our goals, how we think, and what we see as good and bad actions. Reframing is an exercise of power. Telling voters that Ignatieff was "just visiting" was a successful attempt to provide a narrative frame that would influence how voters saw Ignatieff. For Aristotle, a good speaker, one who could create a frame, would need to "understand the emotions—that is to name them and describe them, to know their causes and the way in which they are excited" (Aristotle 2004b: 8). He did not see emotion as the enemy of reason; the trick was to have the right emotions, in accordance with reason—which takes experience, practice, and judgment.[3] He did not think that emotions are bad, and cold reason good. On the contrary, a good orator would know how to harness emotion. This would be done by providing frames, especially those that connect with the values of the audience (Lakoff 2004: 17).

Dukakis failed to see the importance of framing. The question was not whether the death penalty works; the question had to do with whether he empathized with victims of crime. The dilemma for the politician is not to choose between pandering or truth-telling. The dilemma is to find ways of framing issues that resonate with the values of voters.

"Nothing gets you into more trouble in politics than blurting out the truth," Ignatieff writes (2013: 8). That can certainly be true, for impulsive actions can be harshly punished in politics. Not blurting out the truth may be wise, however, rather than dishonest. There is a difference between telling the truth and blurting out whatever is on one's mind. Rather than blurting out random truths, the wise politician will tell all the truth appropriate for the audience—"Tell all the truth, but tell it slant," in Emily Dickinson's words. From a virtue

ethics perspective, balancing the bluntness of truth-telling with a sense of how to frame a position appropriately for an audience is a practical wisdom problem. The truth's "superb surprise" must be balanced against the chances of success by making a point circuitously.

For someone accustomed to speaking his mind, accustomed to the rules of discourse in an academic environment in which argument and criticism are considered engines of intellectual progress, Ignatieff found it difficult to measure his words to achieve the right effect—in fact, he found it more artificial than artful. He felt that he lacked the ability to put an audience at ease by concealing artifice with ease and grace:

> This artificial graciousness can be learned with time and experience, but it cannot be taught. It's not a technique or routine. There is no executive leadership course that will give it to you. It is a form of gracefulness in human behaviour that is more akin to athletic ability than technical intelligence. (2013: 58)

The Expert

Bent Flyvbjerg, who perhaps more than any other scholar in recent years has called attention to the importance of phronesis in the social sciences, observes that learning an activity often involves initially acting on the basis of rules, and then gradually learning to adapt to different contexts, drawing upon experience to improvise, and developing reliable intuitions. At the highest levels of expert performance, behavior is often "intuitive, holistic, and synchronic" and actions are performed in ways that flow effortlessly (Flyvbjerg 2001: 20–21). Politics is an activity like any other that demands skills and knowledge acquired through experience and practice.[4] In the next example, a highly experienced politician serves as an exemplar of the wise practitioner.

Lloyd Axworthy entered Canadian politics in 1967 (2003: 34) and spent most of his life in politics, learning his trade alongside leaders like Prime Minister Pierre Elliot Trudeau. Much of that time he spent in the House of Commons, or the Manitoba Legislative Assembly, where he honed his political skills. In the parliamentary system, Axworthy (2003: 36) observed, "you are on the firing line every day, having to

defend positions and respond to criticism both in the verbal workout known as Question Period and in the media scrum. Your views have to bear open, often unremitting scrutiny."

Axworthy served as Canada's foreign minister under Prime Minister Jean Chretien between 1996 and 2000. One of his most notable achievements was the Ottawa Convention, an international agreement to ban anti-personnel landmines. The Ottawa Process, as the effort led by a coalition of like-minded nations and civil society partners was called, negotiated a ban on the production, export, and use of landmines that managed to work around the cumbersome United Nations disarmament process. Axworthy's courageous leadership was crucial to the success of the initiative. As foreign minister, Axworthy also hosted the June 2000 General Assembly of the Organization of American States (OAS) in Windsor, Ontario, in which the main issue was the crisis in Peru caused by the re-election of Alberto Fujimori under conditions that fell short of international standards for free and fair elections. Subsequently, Axworthy led a mission to Peru that played a key role in restoring democracy after Fujimori resigned and fled the country (Axworthy 2003: 217–223).

During the Peruvian general election of 2006, Lloyd Axworthy served as the chief of the OAS electoral observation mission.[5] This would be the first transition from one elected government to the next since the 2000 crisis. In the course of the election, Venezuelan President Hugo Chávez made a series of statements intended to influence the election outcome by casting aspersions upon one candidate and offering encouragement to another. If Alan García won the election, diplomatic relations would be severed, he said; if Ollanta Humala won, however, Peru would receive generous support from Venezuela. Given the substantial petroleum resources that Chávez had at his disposal, the threats and promises were taken very seriously in Peru as an attempt to influence public opinion and the election outcome. Axworthy was called for urgent meetings with senior government officials who demanded he do something—and fast.

Chávez's intervention created a dilemma for the OAS mission. The mission was under great pressure from the Peruvians to respond, and yet the OAS had limited capacity to influence Chávez's behavior and the head of the mission had virtually no mandate to even address the

issue. In a dramatic press conference, Axworthy condemned Chávez's interference in Peruvian politics and stated unequivocally that such statements were unacceptable. He suggested that Peruvians themselves should speak out against Chávez's meddling in their internal affairs. One journalist was not satisfied, and asked what the OAS would do to stop further interference by Chávez.

Axworthy's response was very different from what an academic expert might have said. An academic expert might have described the relevant inter-American jurisprudence, including the OAS Charter and the Democratic Charter. Noting that these were political documents, the expert would have stressed that the OAS had few means of enforcement at its disposal. The conclusion would probably have been that Peruvians should stop treating the OAS like a judge that can enforce sentences on misbehavior by politicians in the region. It would have been an impeccable academic argument, and it would have fallen on the floor like lead balloon—and almost certainly would have been ignored by the press.

Axworthy did something radically different. He simply replied that his statement *was* the OAS response. In an electrifying moment, the reporters in the room realized the significance of the chief of the mission's words. Axworthy was saying that he spoke on behalf of the OAS as an organization—a role typically reserved for the Secretary General. The following day the headlines were exactly what Axworthy wanted: "The OAS asks Peru to firmly reject interference," "Axworthy asks Peruvians to reject Chavez's interference," "Axworthy asks for all voices to be heard."[6] Axworthy reframed the problem in a way that allowed him to perform his function to the limit of the office he occupied.

As unusual as it was for a mission chief to criticize a head of state from another OAS member nation, Axworthy got away with it: Nobody in the OAS headquarters in Washington DC corrected him. Earlier, when he accepted the assignment as chief of the mission, Axworthy had sought and received assurances from the Secretary General that he would have a long leash. At the same time, he appreciated that there was not much the OAS could do against another head of state. He was surprised to see that many Peruvians, including nongovernmental organizations that one might have expected to be vociferous,

had been surprisingly quietist in response to Venezuelan meddling. After his dramatic press conference, the OAS mission began to hear strong statements of repudiation of Chávez, even from remote parts of the country. The instigation of a response from civil society was an unaccustomed role for the OAS, but it was exactly what the occasion demanded.

Axworthy's handling of the crisis exhibited practical wisdom. That is, he did the right thing, in the right way, at the right time, and for the right reasons. First, Axworthy focused on fulfilling the aim of the OAS: to guarantee that free and fair elections would be conducted in accordance with international standards. This was the main role of the OAS observation mission. Axworthy's words and actions merited the respect of most Peruvians because they were aimed at attaining the right goal.

Second, Axworthy had to find a balance between doing too much and doing too little. He could not be too critical of Chávez, for two reasons. On the one hand, as head of an OAS mission, Axworthy was in Peru to represent all member states of the OAS—including Venezuela. He did not have a mandate to criticize another head of state, and he knew it would not be prudent to provoke an overt rupture between Chávez and the OAS. Moreover, and perhaps more importantly, there was very little the OAS could do in practice to rein in Chávez. On the other hand, Axworthy could not stand by and do nothing without making the OAS look ineffectual. More importantly, the interference by Chávez in the Peruvian election threatened the very good that the OAS was there to secure: an election that all contenders would recognize to be free and fair and conducted in accordance with established norms of non-interference.

Third, and most importantly, in a context in which there were no clear rules to follow, Axworthy used his office and its powers with skill and prudence. He pushed the limits of his jurisdiction as a mission chief. He did not just follow the rules. Rather, he used the powers of his office, not weakly or ineffectually, but creatively and cleverly to counter the impact of Chávez's interference. He realized that the main risk posed by Chávez was that his proclamations would actually influence how people voted. Rather than getting stuck on what the OAS could or could not do, he used his pulpit to encourage Peruvians

to react in a way that was exactly the opposite of what Chávez wanted. This was a far better strategy than the ineffectual huffing and puffing by Peruvian government officials.

Later, I had the chance to ask Axworthy how he knew the best way to handle the situation. "Decades in the bear pit" was his answer. Years of practice in the cut-and-thrust of Question Period in Canada's parliament had prepared him to find the right words for the right moment.

Like a grandmaster, Axworthy exhibited an astute grasp of the best moves to make on the political chessboard. In other words, he had an instinctive feel for the constitutive features of the practice of politics. Again, the chess analogy is helpful. Certain features of chess make it much like politics. As we've seen, chess has constitutive features—principles, rules, standards, and norms—that make the game what it is. They cannot be broken without altering the game itself. Suppose we are playing chess and I move my bishop two spaces forward and one to the left (a legal move only for a knight). This is not allowed in chess. There is no penalty for doing so—it is simply not chess. A player who made such a move would be doing something akin to overturning the chessboard. Chess is more than pushing pieces of wood around on a checkered board. If you do not follow the constitutive rules, you are not playing the game. We could review every game of chess ever entered into the record by every chess federation in the world and we would never see a move like the one I just described. To say such a move is illegal hardly covers it. It is, quite simply, not chess.[7]

Lloyd Axworthy was a political virtuoso—someone with an instinct for the right moves to attain his ends. Critically, his success involved more than just following rules; it involved making good moves. Just as a chess player may make a move that opens up possibilities for herself while creating complications for her opponent, a good politician knows how to appreciate why one "move" is better than another. It often takes a kind of sixth sense, an appreciation, generally born of experience, for what works, practically speaking, and what does not. This appreciation is grounded, in no small measure, in knowledge and appreciation for the goods that the practice, when performed well, generates. Herein lies a major insight about the nature of institutions.

Axworthy was wily enough to push his role to the outer limits of what was permissible—and perhaps a little beyond. His success was

due largely to the fact that, in pushing the boundaries of what the OAS could do, his motivation and goals were aimed at serving the ends for which the organization was created. Axworthy had played an important role in the development of the OAS's Inter-American Democratic Charter during the crisis created by the elections of 2000 in Peru, when President Fujimori attempted to perpetuate himself in power by corrupt means and in contravention of the constitution's prohibition on re-election. This gave him the moral authority of someone identified with the highest aims of the institution.

There are times, however, when institutions are unable to serve the purposes for which they were designed. In those situations, we often need practitioners who are able to break out of the constraints imposed by organizations in order to better achieve the mission. In such circumstances, we need change-makers.

Change-Makers

Wise practitioners are faithful to the intrinsic aims of the institutions in which they work, even if that means bending the rules. Sometimes, however, the institution itself may be a barrier to the fulfillment of the aims of an activity. In such situations, the wise practitioner must either seek to change the institution, work around it, or to leave it to become a change-maker—as was the case with Liz Evans.

Evans was a psychiatric nurse working at the Vancouver General Hospital dealing with mental health emergencies in the early 1990s.[8] She was drawn to nursing because she hoped it would bridge her interest in people and in social change, but she found working in a hospital setting frustrating. Before doing her daily rounds she would sit at a table with doctors, nurses, occupational health specialists, and orderlies and would talk about getting to know her patients—how she listened to them, talked to them, and tried to understand their problems. Her colleagues would look at her like she was wasting their time. "The system put the person in a box," she said. It was designed to treat illness; it was not designed around people. It did not involve talking, hearing, or looking at the bigger picture.

Evans found that hospitals are great for dealing with acute emergencies. They would admit patients experiencing moments of crisis

and treat their symptoms. She found it was hard for practitioners to take off their physiological lens and see that they were dealing with real people who had *stories*: "There was sadness and pain, but the hospital was not about this." Most of the patients in her ward were homeless and poor. The hospital staff would treat their symptoms and discharge them without dealing with the underlying problems. Often they would be back in a month or so, or they would not come back—which might mean they had perished on the streets. The hospital, Evans concluded, put the requirements of its own functioning ahead of the patients. Evans believed that proper care demanded that practitioners focus on the person being treated, and his or her needs. Empathy and self-awareness are crucial traits: "you cannot put yourself at the center." The hospital was about doctors and nurses, not patients; "everything I thought about life was upside down."[9]

So Evans left the hospital. It was a painful decision that felt like jumping ship, but she decided to join a nongovernmental organization—the Downtown Eastside Residents Association, which in 1991 created a home, the Portland Hotel, for homeless people (Campbell et al. 2009: 88). The aim was to provide a safe space for the homeless and poor in the Downtown East Side, to advocate for their needs, and to provide shelter, food, a credit union, and other amenities. At first, the idea was simply to move people who were on the streets indoors. As a nurse, Evans would be responsible for 10 beds for people with mental health problems and addiction, but it quickly became apparent that the need was much greater. The challenge was daunting. "How could I, a twenty-six-year-old middle-class girl, relate to a thirty-eight-year-old Native woman who had been raped and had a drug addiction?" Evans thought (quoted in Campbell 2009: 89). She came to the realization that there were no easy fixes, but for people who were often hated and stigmatized, it meant a lot to have a place where they could come inside and be treated with dignity.

Evans' first years with the Portland Hotel coincided with an epidemic of drug-related deaths. About 400 people were dying of overdoses every year in British Columbia, mostly in the Downtown East Side: more than one person every day. Rates of HIV infection were among the highest in North America—and comparable to sub-Saharan Africa. Evans became part of a coalition of activists, addicts, families

of addicts, nurses, nuns and church leaders, academics, and lawyers advocating for the creation of a supervised injection site.[10]

To create a supervised injection site, three things had to happen. First, powerful decision-makers had to realize that drug use was a wicked problem with roots in poverty, homelessness, and mental illness. Addressing it was not a matter of enforcing rules or creating new ones. Second, by reframing drug use as a social problem that demanded harm reduction, instead of an individual moral failing to be addressed through the criminal justice system, a new multipronged approach needed to be designed. Finally, there had to be a political opportunity to create a new institution and advocates to defend it against powerful critics.

The magnitude of the problem in the Downtown East Side began to sink into the consciousness of decision-makers. Larry Campbell, the chief coroner for the city of Vancouver, was a former narcotics cop who saw drug use as a problem of criminal justice. As he acknowledged, "I had to be taught. I had no problem with the idea that this was a medical problem, but I hadn't come to grips yet with looking at it as a wide-open problem that required many different solutions." Another key decision-maker was Philip Owen, who was elected mayor of Vancouver in 1993, just as the overdose crisis began to spiral out of control. He was a mainstream politician from an affluent part of Vancouver, but he "took to walking the alleys of the Downtown Eastside at night, asking addicts what they were injecting, how often, and what the government could do to help" (Campbell 2009: 125). Owen put together a coalition that came up with what became known as the "four pillars approach" to drug policy: prevention, treatment, enforcement, and harm reduction. By subtly reframed the drug problem as a complex issue with important health dimensions, it became possible to strike a new balance between enforcement and harm reduction.

The final and crucial step, creating a supervised injection site, involved a mix of luck, political opportunism, and smart strategy. Facing internal opposition within his party, Owen decided not to run for re-election in 2002. Fearing a loss of political momentum, Larry Campbell successfully ran for mayor, promising to continue to work on the four pillars. Upon his victory, Campbell was told by activists with

the Portland Hotel Society that they had found a building and were ready to open a supervised injection site. As part of his victory speech, Campbell announced that he would make it happen. Campbell's victory coincided with the final years of the Liberal government of Jean Chrétien. No longer seeking re-election, Chrétien was willing to take risks, and support for the injection site was among a number of policy changes that he implemented in his final years in office. In 2003, North America's first supervised injection site, called InSite, opened. "It seemed like the battle was over," Liz Evans recalled (Campbell et al. 2009: 174).

In fact, obstacles remained. InSite had to apply to Vancouver's public health authority for a legal exemption from legislation prohibiting the use of certain drugs. This temporary exemption created the framework for what was initially a pilot program. Even though intensive research on the program demonstrated a wide range of benefits, including fewer overdoses, less syringe sharing, lower rates of HIV infection, and more people seeking addiction treatment,[11] the fate of InSite remained precarious. Although it had won the support of four mayors, many councilors, prominent parliamentarians, and police chiefs, it also generated stiff opposition, especially from the federal government under the leadership of Prime Minister Stephen Harper (see Wood et al. 2008). The Conservative government refused to renew the license to operate, which led to a Supreme Court battle that was won by InSite. Despite its legally precarious status, InSite not only survived but became a model that would be replicated elsewhere in Canada.

The creation of InSite would not have happened without people like Liz Evans and many others—including Philip Owen and Larry Campbell—who saw the human side of the train wreck occurring in the Downtown East Side. They had the virtues and character—empathy, the ability to listen, courage—and the motivation that comes from the desire to find ways to help people and communities to flourish. They were also improvisers. None of them set out initially to create a harm reduction site. Their progress did not follow linear paths. They had to discern the nature of the problem, and to deliberate to find a solution. The solution would not be eliminating addiction or incarcerating all addicts. Instead, they improvised a solution that emerged through a

process of deliberation over time involving innumerable conversations, panels, reports, hearings, and public protests. The same kind of moral improvisation is what enabled Axworthy to skillfully perform his duties as an international election observer.[12] He had to find a path between complacency in the face of inappropriate meddling in Peru's affairs, and publicly attacking President Chávez, which was far beyond his remit. The solution he improvised involved bending the rules, but in in the service of the aim of his mission, which was to guarantee the integrity of the electoral process.

To conclude, practical wisdom is the result of a learning process, involving goal-oriented activity. Often the true aims of an activity are revealed through practice.[13] We should not think of practical wisdom as something esoteric or rare, nor as the culmination of a life's work; it is always already at work whenever we engage in a practice; it is the moral skill and will that we use as we emerge as agential selves through encounters with the world of other people and things; it is how we make sense of the world, and how we acquire skills and dispositions to thrive in it, learning to avoid obstacles and pitfalls, as we move toward our goals.

Often practical wisdom is acquired through socialization into the roles and offices of an institution, but it is never attained merely by following rules and responding to incentives.[14] InSite would not have been created had people like Liz Evans remained within the incentive structure of the hospital. Axworthy would not have spoken out against interference in the Peruvian election had he obediently followed the diplomatic norms of an OAS mission. Rules and incentives are important because they influence how people act; they are good when they encourage wise practices, but sometimes they do not. The wise practitioner will not only understand and pursue the aims of a practice in ways that obviate the need for rules but may also, on occasion, bend the rules to achieve the best possible outcome.[15]

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5

NEOLIBERAL OLIGARCHY

There is no such thing as society.

—Margaret Thatcher

Society is a collection of individuals and of the various groups they voluntarily form.

—Milton Friedman

We need practical wisdom to be good citizens and statespersons, but the cultivation of virtues is threatened by an ideology that is radically hostile to politics—an ideology that places competitive utility-maximizing at the core of all human activity. The ideology has its roots in a reaction against what Carl J. Friedrich (1955: 509) called "the maelstrom of totalitarian ideologies" in 20th Century Europe. Neoliberals rejected collectivist threats to liberal order, whether in the form of the expansion of unlimited state power in Nazi Germany, the spread of socialist planning in the Eastern Bloc, or the growth of the administrative and welfare state in the West. Its intellectual roots were in the interwar period, but it found its voice in the Cold War, during the rivalry between East and West, as a doctrine that extoled the benefits of competition over collective goods. In this chapter I argue that neoliberalism, by squeezing the practical wisdom out of politics, transforms representative democracies into electoral oligarchies—the rule of the few for their own benefit.

At the core of the neoliberal program is an argument in favor of the freedom of individuals and firms to compete in the marketplace. The argument runs like this: Competitive markets, embedded in (and preserved by) a strong but limited state, unleash the creative potential

of individuals and inhibit collective efforts to stifle initiative. These are strong claims. It is easy to underestimate the radicalism of neoliberalism because we typically define it in terms of a set of "market-friendly" economic prescriptions, including liberalization of trade, deregulation of business, privatization of state enterprises, protection for the rights and property of investors, and restrictive monetary policy to ensure macroeconomic stability.[1] But cataloguing these policies, which today amount to economic orthodoxy, is insufficient to convey what is at stake.

The radicalism of neoliberalism lies primarily in its reliance on competition not only as an engine of growth, but as the basis of democracy, freedom, and prosperity. Neoliberals treat all individuals and firms as competitors who seek to increase their share of scarce resources. Moreover, they advance the claim that the primary aim of institutions should be to unleash competition. Perhaps most radically, they encourage competition in non-market as well as market domains. This means competition should define all aspects of life—including, in fact *especially*, law, citizenship, and politics. In this sense, neoliberalism is a radical departure from classical liberalism.

A central preoccupation of classical liberal democratic theorists was to limit the power of the state, but they retained a faith in the role of reason in politics and believed that liberty was compatible with ambitious legislative programs.[2] For example, Bentham believed the duty of legislators was to foster the greatest good for the greatest number. Neoliberals were more ambivalent about legislation. As Hayek (1973: 130) put it, "governmental assemblies, whose chief activities were of the kind which ought to be limited by law, became able to command whatever they pleased simply by calling their commands 'laws'." For neoliberals, socialism and totalitarianism were extensions of the expansion of the role of the state.

The solution to the dilemma of the growth of state intervention was the free market—but not the invisible hand of Adam Smith; neoliberalism requires vigorous government efforts to promote competition. As Michel Foucault (2008: 118) observed, neoliberalism shifts the focus "from exchange to competition in the principle of the market."[3] This portentous development means that neoliberalism is less concerned with the classical problems of comparative advantage and the

free exchange of commodities. The invisible hand of market exchange is replaced by the invisible spur of competition. Neoliberalism sets aside classical liberalism's narrow focus on trade and exchange and instead seeks a wholesale restructuring of state–society relations. Every sphere of human endeavor—healthcare, education, civil service, law, environmental protection, even marriage and family—is to be subjected to the logic of competitiveness. But this does not happen naturally or spontaneously; it requires a particular strategy of governance.

Foucault argued that, for neoliberals, "the most important thing about the market is competition" and "only competition can ensure economic rationality" (Foucault 2008: 119). Economic rationality is not something that evolves naturally out of non-market relations. It requires conditions "which have to be carefully and artificially constructed" (Foucault 2008: 120). The contrast with classical economic thought is readily apparent. Adam Smith believed that the propensity to exchange was a universal (and distinctively human) property of sociability. Government intervention was not necessary to encourage people to engage in exchange; on the contrary, government would do best to get out of the way. For neoliberals, however, economic rationality emerges only through competition; and competition must be actively and vigilantly encouraged by government. By ensuring stable prices, low transaction costs, and secure property relations, governments enable rational choices and decisions within a competitive framework.

Thus, neoliberalism is a political theory in the sense that it recognizes "the political as primary" (Friedrich 1955: 512). This implies more than the banal observation that neoliberalism has a political agenda. Intervention at the micro level, to foster competition, is the only valid basis for active policy according to neoliberalism, and economic growth is the only rational goal of social policy (Foucault 2008: 144). Indeed, as Foucault put it, neoliberalism became an art of government.[4] Competitive maximizing of utility forms part of a strategy of power—one that has clear distributive effects. Thus, neoliberalism has corrosive effects, both because it redistributes wealth inequitably, and because it disempowers those institutions necessary for the provision of common goods. More importantly, neoliberals choose the wrong aim or goal (economic growth), to the exclusion of other legitimate

goals, and use a means (competition) that squeezes the judgment and deliberation out of activities essential to human flourishing.

Growth has no intrinsic value; it is only a measure of the size of the economy. A larger pie is not, in itself, a good thing—in fact, it is probably a bad thing if, for example, all the gains go to 1 percent of the population. For growth to generate common goods, it must be spent, distributed, and invested in ways that enable people to flourish. By focusing on one goal and insisting that there is only one valid means to attain it, neoliberalism guarantees that public goods will be underprovided. In fact, as I will argue below, there is reason to believe that growth itself is less important to neoliberalism than the means to achieve it—competition. Competition is valued by neoliberals because it inhibits collectivism.

Neoliberalism began its destructive course on a global scale by disrupting what John Ruggie (1982) called the postwar "compromise of embedded liberalism." The compromise was designed by Keynesians to allow policymakers to balance partially competing objectives: preserving an open economy based on free trade, and developing policies that would ensure the equitable distribution of prosperity through various forms of welfare state intervention. Different policy objectives would be reconciled by prudent government intervention; for example, in monetary policy, modest levels of inflation might be tolerated to promote employment.

The breakdown of the postwar compromise in the 1970s led to disembedded and unregulated global markets, intensifying competitive pressures. Early champions of neoliberalism, including General Augusto Pinochet in Chile, Prime Minister Margaret Thatcher in Britain, and President Ronald Reagan in the United States, adopted a pro-market approach to economic growth. Dubbed the "Washington Consensus," neoliberal prescriptions were adopted by international financial institutions like the International Monetary Fund and the World Bank, which advanced the competitiveness agenda through stabilization and structural adjustment programs as well as international trade and investment agreements. Economic growth was extolled as the sole valid aim of policy, and, in a open global economy, this required competitiveness.

As policy, neoliberal competitiveness meant privatization of public enterprises; deregulation of markets; liberalization of trade,

investment, and services; elimination of rigidities in labor and other markets; fiscal austerity and monetary restraint; specification and enforcement of private property rights, including enhanced protection for intellectual property rights; and, above all, a drastic transformation of the role of the state. Growth-inhibiting inefficiencies and imperfections in markets had to be eliminated. States would minimize macroeconomic intervention and instead provide the microeconomic conditions for private economic activity—that is, ensuring the stability of contracts, prices, and property.

It quickly became clear that neoliberal policies were insufficient to generate growth, so attention shifted from policies to institutions—the so-called second generation reforms. Clear rules—especially those specifying and enforcing property rights—and incentives were deemed necessary for innovation and initiative. Rational choice institutionalism provided a "scientific veneer to the politics of neoliberalism" (Herrera 2006). Predictability of policies would enhance confidence and unleash entrepreneurial energy. In effect, the range of policy options left open to states was narrowed.

With a narrow range of available policy options, it became harder to sustain a balanced approach to development. The Keynesian approach had been to use monetary policy to balance inflation and employment. Employment matters because tight labor markets sustain welfare institutions since unemployment places a burden on the welfare state, due to higher unemployment rolls, while employed workers pay taxes, thereby contributing to the welfare state. Under neoliberalism, monetary policy became single-mindedly focused on low inflation.

Public enterprises were to be privatized or made to operate like profit-making businesses, despite the fact that they were designed to meet social needs—for example, they may supply public goods where markets fail—not just maximizing profits. They are rarely as competitive as private enterprises because they are mandated to provide services that the market cannot. In some cases they operate where markets are underdeveloped; in other cases they may simply be able to provide services at a lower cost because they are subsidized by the taxpayer. To promote competitiveness, however, privatization has often been pursued simply on the grounds that public corporations are inefficient.

Deregulation was another mantra of neoliberalism. Regulations are always about balancing goods—that is, choosing the right mix of different goods. Regulators are interested in health and safety for workers, protection for consumers, enforcement of contracts, protecting rights, and ensuring markets operate smoothly. Critics of regulation argued that regulatory rules create unnecessary red tape and increase the cost of doing business (or transaction costs). They result in rent-seeking and regulatory capture,[5] in which well-connected individuals and firms would lobby politicians for mutually beneficial arrangements that would undermine competitiveness. Government failures, they argued, were as pervasive as market failures. A competitive economy demanded minimal regulation.

Balancing goods is also important in labor market and wage policy. The wages paid for labor represent a cost for individual firms, but firms thrive on the demand that is generated by an expanding market of consumers. Increases in wages can create demand and thus contribute to the profitability of firms. In this sense, firms find themselves in a prisoner's dilemma with respect to wages. They are best off when other firms pay higher wages while they keep labor costs down, provided they sell in the local market, but this competitive logic drives all firms to hold wages down, thereby reducing demand. Unions provide a public good by pushing for higher wages, which compels firms to do what is in their collective (but not individual) interest. In the absence of mechanisms like unions that translate improvements in productivity into higher wages, economic growth does less to increase overall per capita income while increasing inequality significantly.

Neoliberal competitiveness breaks the link between wages and profits because it provides firms with offshore sources of low wages and expanding markets in other countries (for example, China and other emerging markets). Nevertheless, neoliberal policymakers have embraced globalization as a way of fostering competitiveness. The goal of globalization is the construction of a single global marketplace. This enhances competitiveness, it is claimed, because, in economics, size matters. Gains are derived from specialization and economies of scale. Firms that can source and sell their products worldwide have a competitive advantage over firms operating in a single national market. In principle, in a competitive market system, the benefits are passed

on to the consumer, thereby enhancing global welfare. This is utility-maximizing on a global scale.

Pro-market policies ostensibly involve "growth first" priorities, which means that they emphasize macroeconomic goals before social policy objectives—like welfare policies designed to distribute the benefits of economic growth. Economic growth provides the revenue for distributive or compensatory policies, so that by creating a "bigger pie" redistribution is not necessary for everyone to be better off. In reality, however, it is not growth that is sought so much as competitiveness, and it is at the microeconomic level that neoliberalism seeks to work its effects. There are a number of arguments to support this. First, the growth record of pro-market policies has been, by and large, disappointing.[6] Rather than high and sustained growth, the competitiveness agenda has been associated with slow growth and financial instability. Concentration of wealth at the top also means less money is spent on consumption, further depressing economic activity. Oxfam reports that in 2017 8 individuals earned as much as half the world's population.[7] For neoliberalism, the effect is, perversely, excessive savings and insufficient spending to sustain growth.

Second, pro-market policies are intentionally designed to weaken the linkages between the overall performance of the economy and the sharing of prosperity with those whose fixed and limited assets make them less competitive. Third, the preference for relative gains makes sense when we consider who cares most about competitiveness: the affluent and multinational firms. Competitiveness determines the global standing of a nation and its corporations. It guarantees high returns to the most affluent—who are also disproportionately influential, politically—and it is critical to their ability to sustain their wealth and power.

The affluent have benefited disproportionately from competitiveness because they are in a better position to compete in a globalized economy. Top executives, managers, and investors tend to have assets that are more mobile than owners of labor or land. They can move these assets to jurisdictions with low taxes, and they can invest where returns are higher. It is much harder for workers to move to higher-paying jobs, nor can farmers move without losing their land. At the same time, workers, especially those without highly sought skills, are

subject to the brunt of competitive pressures because their bargaining leverage is severely eroded both by the mobility of capital and the larger labor pool to which capital has access. The power of firms relative to governments is enhanced by the fact that they can threaten to move unless they are given concessions—low wages, access to resources, finance, low taxes and royalties, and so on. Unions have no such mobility-based power in relation to governments, and nonunionized labor has even less. These structural imbalances explain why policies designed to make economies more competitive have not actually made most people better off. They also help explain the rise in inequality, both within nations and globally.

Neoliberalism is not averse to rising inequality. Inequality that promotes competition among the poor—in labor markets, for example—is not regarded as a problem. Inequality that reinforces corporate power is not seen as a problem either, even though it is potentially anticompetitive, since corporations are regarded as bulwarks against collectivism. For this dual reason, neoliberals are complacent about the gap between the average wage and the earnings of chief executive officers of major corporations. According to the AFL-CIO, CEO compensation is now 350 times greater than the average wages of a worker in the United States. The trend goes back three decades. In 1982 the CEO compensation increased to 201 times the average wage; by 2002 it was 281 times; and by 2012 it was 354 times.[8] In 2012, the CEO of Starbucks, Howard Schultz, earned $12 million—over 1,000 times the average wage of his employees. According to the company, "Howard's pay reflects both competitive considerations and the unique value of his leadership, demonstrated in our record 2012 results and 38 percent total shareholder return."[9]

Why has compensation for the most affluent increased, while average wages for workers have barely increased in 30 years? As the response from Starbucks suggests, it is due to a combination of market and competitive factors. Schultz has "unique" skills, knowledge, and experience. Starbucks may want every sales cashier to be a brand emissary, and every barista an artist; it may inculcate in them a sense of mission, and encourage them to participate in leadership training programs. However, this does not change the hard fact that there is a vast supply of labor capable of acquiring the necessary skills and

knowledge to work at Starbucks. The opportunity that the typical barista has to increase or diminish the value of the Starbucks corporation is miniscule; the decisions made by Schultz can add or subtract billions of dollars in value.

If skills alone were all that mattered, why have CEO compensation packages increased so much in the past 30 years? Are managers today really worth so much more, relative to workers, than they were in the 1970s? A major reason for the rise in CEO compensation is size. As companies have gotten bigger, more efficient, and better financed, there has been a major increase in the compensation for top executives, lawyers, managers, and investors. "The larger the company, the greater the returns to hiring a productive CEO" (Kaplan 2013: 22). With over $10 billion in revenue, Starbucks generated roughly the equivalent of the gross domestic product of Nicaragua in 2012. When a CEO like Schultz increases returns to shareholders by 38 percent, few shareholders are likely to complain about his compensation package; $12 million seems like a modest share of that expanding pie. Other companies are even bigger. If Wal-Mart were a country, it would be the 25th largest economy in the world.[10]

Neoliberalism is intended to deflate the kinds of arguments that might serve to check the rising power and wealth of the top 1 percent of the society. The strongest arguments against inequality are grounded in values of fairness, social cohesion, egalitarianism, and, above all, the common good, and these are arguments that cannot get off the ground in a world governed along neoliberal lines. For this reason, neoliberalism is, ultimately, in tension with democracy.

Inequality and Democracy

Does the growth of inequality matter for democracy? The answer is *yes*, for three main reasons. First, it means that more wealth—and, hence, power—is concentrated in the hands of a small group of extremely rich people. The rich are different, as Ernest Hemingway suggested, not only because they have more money; they tend, as a rule, to have different attitudes toward public goods. Second, the growth of inequality places more power in the hands of corporations. Corporations have increasingly become influential rights-bearing

"persons" in contemporary democracies, but they are not moral agents; they lack the moral judgment that human agents typically have due to their capacity for empathy, judgment, and reflection on aims. They are unrestrained utility-maximizers, and the influence of their relentless drive for competitive advantage on institutions is morally corrupting. Third, inequality increases the influence of money in politics—a matter worth treating at length in the next section.

Aristotle recognized that there is always a tension in any polity between those who enjoy special privileges and the majority of the citizens. If too much power lies in the hands of the few, they may become abusive and oppress the majority. But the majority can also act despotically, and expropriate the wealth of the few. The solution that the Greeks pioneered, and that influenced Republican Rome and later medieval and Renaissance political theorists like Aquinas and Machiavelli, was the balanced constitution.

According to the doctrine of the balanced constitution, the best constitution—not the best in an abstract sense, but the best practically speaking—was one that combined different institutions to ensure that no group or faction could impose its will on all others. If a constitution was democratic, then special protections should be provided to the rich (like a strong Senate); if it was aristocratic, then special protections would be necessary for the people (like the Tribunes in Rome). The idea was not just to avoid the overweening power of one class, but to ensure that everyone would take an interest in the good of the whole community.

If the rich governed on their own behalf only, this would create an oppressive oligarchy; however, if they governed on behalf of everyone, an aristocracy would emerge. If the poor governed only for themselves, there would be mob rule; however, if the people respected the laws, what Aristotle called polity (which is more like what we call constitutional democracy) would emerge. In other words, the value of a mixed constitution was that it would compel different classes and factions to mix and interact in ways that would help them find common ground—even through conflict. Machiavelli observed that it often fell to the people to fight against the nobles in ways that favored liberty and civic virtue. This led him to formulate one of the great maxims of political science: Anything of value is best entrusted to those who have least

inclination to violate it. The people have the most to lose by surrendering their public liberties and privileges, he argued, while the rich are often bent on advancing their private fortunes even at the expense of others.[11]

The mere fact of having great wealth is often sufficient to diminish the value of public goods in the eyes of the rich. Money alone can alter preferences and behavior. Lottery winners, for example, tend to become less egalitarian and switch toward support for conservative political parties.[12] It is not difficult to understand the reasons for this. High income leads to less reliance on public goods and greater sensitivity to taxation. The value of public parks, high-quality public transportation, public schools, and public healthcare approaches zero for those who can afford their own yards and gardens, limousines, private schools and clinics. Since high-income earners have less need of public goods, they are less likely to contribute voluntarily to their provision.

What about civic virtues? High-income earners are not always exemplary citizens; indeed, they may be less likely to behave ethically than those with low incomes. In a study by Paul K. Piff et al. (2014) drivers of luxury automobiles were found to be more likely to cut off other vehicles at four-way intersections and more likely to ignore pedestrians at a crosswalk. They behaved like competitive maximizers who do not feel bound by social norms to observe the courtesy of taking their turn or allowing a pedestrian the right of way. Studies have also found that high-income individuals are more likely to tolerate behavior that involves wrongful takings or benefits. In one study, people primed to see themselves in terms of a higher social rank were more likely to take candy set aside for babies (Piff et al. 2014).

High-income earners are also more prone to use deception. Piff et al. (2014) report that in one experiment subjects were asked to negotiate with a job applicant for a position, knowing that the position would soon be eliminated. High-income earners were more likely to deceive the job applicant. A major reason for the difference between high- and low-income earners is their attitudes toward greed. Perhaps not surprisingly, high-income earners are more likely to see greed in positive terms. Low-income earners can behave as unethically as high-income earners when primed to think about the positive aspects of

greed. In general, however, the default attitudes toward greed are different among high- and low-income earners.

High-income earners tend to be less compassionate, less empathetic, less emotionally attuned to others. They are less likely to report noticing the needs of others or feeling an obligation to care for the vulnerable.[13] They are not as good at recognizing the emotions of other people, and they pay less attention to people when they are interacting with them.[14] They also contribute less to charities. In the United States, people earning over $100,000 per year give a lower share of their discretionary income to charities than those earning half as much.[15] All this evidence adds up to a powerful case that high-income earners tend to be competitive maximizers.

The relationship between income growth and satisfaction is by no means straightforward. Having more money means, literally, being better off—but does it make you feel better? Does it make you happier? According to the Easterlin paradox, beyond a certain level, increased income does not necessarily contribute to increased happiness. We can get richer without becoming more contented.[16] One possible reason for this is that while improvements in income among those with low incomes make a big difference to their quality of life, as our incomes rise we continue to compare our income with those slightly ahead of us. In other words, we continue to pursue competitive maximizing, which can actually make us very unhappy. If higher income makes us more unethical, more deceptive, less charitable, and less empathic, it is also likely to make us more unhappy. Higher income certainly will not make for better citizens.

If the rich do not always make good citizens, corporations are constitutionally incapable of citizenship. Among the very wealthy there have always been exemplary citizens, but the "corporate citizen" is, strictly speaking, an oxymoron. Corporations may be "persons" in a legal sense, but they lack the fundamental capacities for moral agency that are defining features of citizenship. Corporations are not natural persons, endowed with compassion, empathy, reason, and self-restraint. They are legal fictions, created by constitutive rules. These rules deliberately sever the connection between the pursuit of business opportunities and responsibility for the consequences of their actions (Dempsey 2013). In a limited liability company, the financial responsibility of the

shareholders is limited to the value of their investments, and a firm that cannot meet its obligations can file for bankruptcy or be dissolved.

The limitation of liability enables the firm to be an unrestrained utility-maximizer. It allows it to generate externalities without fearing the consequences. Corporations can inflict huge damage on economies and ecosystems—consider the 2008 financial collapse or the BP Deepwater Horizon spill in the Gulf of Mexico—without its executives or shareholders being held individually responsible. Natural persons operating in similarly reckless ways would be held responsible for their actions. As Joel Bakan (2004) has argued, if corporations are to be thought of as persons, they must be treated as psychopaths. The psychopath and the firm can follow rules and respond to incentives, but they lack the empathy to exercise good moral judgment.

Firms are limited only by laws and market forces; moral considerations are not intrinsic to the operation of firms and, although they can be cultivated, they are easily trumped by competitive pressures. As Milton Friedman put it, "There is only one social responsibility of business—to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception or fraud." The caveat contained in the subordinate clause does nothing to change the fact that, for Friedman, the extent of the moral obligation of firms is to play by the rules. Friedman's position is clear. Firms have to respect rules, but within the rules their goal is to maximize profits. Firms are not designed to do what is demanded of moral agents: balancing different kinds of goals.

To the extent that firms do, in fact, balance goals, this is because they operate within a larger institutional environment, including regulated markets and laws, which may require them to seek a social license to operate in order to enjoy the public goods upon which their profitability depends. Good governance can promote corporate social responsibility and an ethical organizational culture within a firm. This does not mean that firms can be good citizens, only that appropriate regulation in the public interest can help firms to avoid the pathologies of competitive maximizing. One of the consequences of competitiveness, however, is that it has weakened the capacity of states to regulate firms.

Firms have gained unprecedented power to make the rules that govern their own operations. Neoliberalism has been largely driven by interests closely associated with the corporate world; globally competitive firms at once promoted and benefited from policies of deregulation and liberalization. And, as firms have gotten bigger, thanks to deregulation, they have become harder to regulate. In some areas, regulators have simply given up. Regulators have sometimes professed to find business too complex to regulate, or in the case of Federal Reserve Chairman Alan Greenspan, have simply expressed a blind faith in the self-correcting capacity of markets. Failures of regulation preceded the 2008 financial collapse and, before that, the failure of Enron exposed the extent of corporate crime and government collusion.

The inequality created by the competitiveness agenda matters for democracy because it has meant that fewer public goods are provided by the state, and the market is relied upon for more and more of the goods we value as a society. As Michael Sandel (2012) puts it, the more things money can buy, the more affluence, or lack of it, matters. The more the "good life" depends on high income, the more time and effort people must spend making money in order to enjoy it. Yet the kind of competitive maximizing that this fosters actually corrodes the goods that are most worth preserving. To give but one example, the value of high-quality public education lies not only in the return to the individual student; there are also benefits for society as a whole from the kind of social mobility that public education provides. A highly educated public will tend to be more healthy, more likely to find good employment and hence pay taxes, more likely to save and invest, less prone to crime, and more likely to be active citizens (Mitra 2012). These are public goods, and it is not obvious that they can be provided on a decentralized basis by markets. Reliance on markets will mean that those who have less income share less in the benefits of public education, but to the extent that everyone benefits from high-quality education there is also a heavy social cost.

The New Oligarchy

With unprecedented wealth and power in the hands of a small number of individuals and corporations, the influence of money in politics has

become ever more conspicuous. Wealthy individuals and corporations have multiple channels of access to power: They have powerful lobby groups working in their favor; they can shape public opinion through their influence over think tanks and the media; and they exert direct political influence by funding political parties and election campaigns. Money undermines the virtues and character necessary to be good citizens and rulers. Were Aristotle alive today he would worry less about mob-rule and more about the corruption of constitutional democracy into oligarchy.

In a representative, electoral democracy, the resources of the wealthy are, ideally, partially balanced by the one resource in which all citizens are equal: the vote. But despite the fact that the wealthy have fewer votes, voter turnout has declined in many established democracies. Many voters, especially younger ones, feel that voting does not matter. They do not trust politicians, do not feel well represented by them, do not identify strongly with political parties, and do not believe that voting is an effective means to influence policies and legislation. They do not believe that politicians listen to ordinary citizens, and are convinced that they are beholden to lobby groups and special interests. They believe politicians are more concerned with their own interests, and the interests of their powerful backers, than with the public interest. What makes voters so cynical?

Part of the answer lies in the way that competitive maximizing has come to define the democratic political process. As we saw in Chapter 4, at least one major school of democratic theory explicitly draws an analogy between democracy and the market. Like markets, democracy is an aggregation mechanism that takes individual preferences and aggregates them into collective choices. Joseph Schumpeter defined democracy as a competitive struggle for the people's votes. Parties operate like public relations firms for candidates whose overriding goal is to compete and win in the political marketplace. If the market is competitive, the result should maximize the utility of the largest number of voters (Schumpeter 1942; Downs 1957; Przeworski 1991). Democracy should be limited to competition by candidates for votes and governments should be limited to enforcing law, upholding contracts, and otherwise fostering competition (Friedman 1962: 22). And voters should elect candidates or parties in a competitive struggle to maximize their own welfare.

The utilitarian idea that democracy is a mechanism for aggregating preferences weakens the very notion of the public good and replaces it with the normative goal of generating collective outcomes that maximize the preferences of the largest number of voters. Skepticism about the public good arises from the fact that there may be no way of arriving at a single unique solution that maximizes everyone's preferences. Democracy is a second-best solution that at least satisfies the majority. Yet the claim that a particular outcome reflects the public good, or is a good outcome, seems to imply a value judgment beyond the collective decision the voters have reached. It implies more than a decision rule and a set of preferences. But how can one defend a notion of the public good, or any other "good," other than by making the case that it is the outcome most preferred by more people? And, if the only defensible justification for claiming that an outcome is a good is that it is uniquely preferred by the largest number of people, then what is there to the idea of the good beyond the aggregation of preferences?

The answer to this conundrum lies in the realization that democracy is not primarily about maximizing utility. Indeed, utility-maximizing must be strictly limited for democracy to flourish. Consider the arguments for privatizing the vote. If voting were only about maximizing utility, what reason would there be to oppose buying and selling votes? Suppose that a majority of voters were to agree that votes could be bought or sold, with contracts between parties and voters that could be upheld by the courts. The technical difficulties in overcoming the secrecy of the ballot would create no impediment; verification procedures could be created through third-party verification without compromising the secret ballot. Assuming the market was efficient, the rewards to voters could be quite significant. Voters could sell their vote to the party that offered the highest price. A voter who did not like a party could hold out for a higher price. Similarly, a party with popular policies might be able to purchase votes at a lower price.

Given that such a system would maximize voter utility, what possible objection could one have? Many benefits of democracy would be retained. There would still be alternation in power. True, a party that did not have popular policies but a lot of money could buy enough votes to win an election, but it would have to pay a price that would

leave most voters indifferent between the payment received for their vote and their preference for the party of their choice. Some parties would pursue a strategy of seeking big donors and buying votes, while others would solicit many small donations and spend less on a per-vote basis. The system would be highly competitive.

And yet the idea of buying and selling votes is troubling for the same reason that we are reluctant to allow people to sell organs or buy grades. Money interferes with the proper aims of the activity (Sandel 2012). Just as we want doctors who are motivated to heal patients, teachers who are motivated to educate students, lawyers who want justice for their clients, we also want voters who care about the public good. To turn voting into a market would undermine the very purpose of the vote. It would transform a public ritual into a private transaction.

The activity of voting, in addition to expressing preferences, is designed to generate public goods. Competition and alternation in power are just a couple examples of these goods, but there are others as well. Voting also creates and institutionalizes opposition, ensuring that government is held accountable between elections by means of parliamentary inquiry and oversight. It fosters citizenship by giving voters an occasion to think about who should occupy public office and to what ends. These goods would be eroded by vote-buying. Politicians would become permanent fundraisers. They would spend less and less time developing programmatic alternatives, and more and more time courting wealthy donors. And voters would spend less time thinking about the public interest and more about what they can get out of the system.

Democracy in a number of countries is approaching the competitive market model. Perhaps no country comes closer than the United States following the Supreme Court decision in *Citizens United v. Federal Election Commission*. In this critical case, the court decided that money spent by corporations is protected speech—that is, limiting spending by corporations would be the same as limiting freedom of speech by individuals. This decision, which significantly expanded competitiveness into politics, amounted to a wholesale deregulation of campaign spending. It reflected a market-oriented understanding of freedom of speech in which more is always better. Much like in the tragedy of freedom in the commons, this view misses the value of

the good and instead focuses on unrestricted access to it, forgetting that unrestricted access can erode the value of the good. Speech is a good because it provides a means of deliberation, but meaningful deliberation is impossible if communication is distorted by the power of money.

In his dissenting opinion Justice John Paul Stevens expressed dismay at the radical precedent set by *Citizens United*.[17] He argued that corporations cannot be treated like human beings. They cannot vote or run for office. Their interests conflict in fundamental ways with those of eligible voters. The corporation, notes Stevens, is organized with the goal of maximizing shareholder value, and it engages in political activity with this goal in mind. It is precisely for this reason that limiting its speech is not detrimental to the autonomy of the persons involved. The corporation is not capable of citizenship in the same sense as a natural person.

Since the founding of the United States, Stevens argued, it has been understood that corporations can be regulated in the public interest. Not only is it important to avoid overt corruption (in the sense of a corporation giving money as a quid pro quo for a policy outcome), it is also important to recognize how money spent during elections can influence "an officeholder's judgment." In this sense, the difference between selling a vote and selling access to officeholders is a difference of degree, not kind. Corruption operates along a spectrum. One of the subtle ways in which a corporation can corrupt a country's political system is by distorting the public sphere and drowning out the voices of citizens. There can be too much money in politics, and it may be necessary, for the health of democracy, to be able to say when campaign spending has become excessive. The issue is balance in the sense of finding a good mean. There is a level of spending that is sufficient to ensure that candidates are able to make their case to the public without money becoming the driving force in politics. When there is too much money, however, because of the failure to regulate campaign spending, the willingness and capacity of citizens to engage in collective self-government may be diminished.

The argument against money in politics is not necessarily that money buys electoral success; indeed, the evidence for this claim is mixed.[18] Beyond a certain threshold, additional investments in campaigns may

have only marginal effects, but the thresholds are important. As the overall level of campaign spending increases, candidates must spend more just to stay in the game. Freedom of speech is hardly advanced when one side has a megaphone and can drown out all other voices. Freedom of speech means one thing when it is embedded within a framework that enables inclusive deliberation, but it means something quite different in the context of a marketing campaign. The failure to appreciate this reflects the influence of an aggregative, market-based model of politics, in which politics and shopping are, for all intents and purposes, indistinguishable.[19] It is not surprising that supporters of *Citizens United* argued that a benefit of the court's decision was that it "will make our system more competitive."[20] Nor is it surprising that politics in Washington DC have become increasingly dysfunctional as the influence of money in politics has exploded. The result has been a kind of prisoner's dilemma in which candidates have no choice but to compete for money, thereby intensifying the oligarchical features of representative democracy. As Hillary Clinton said in a speech in 2014:

> I lose track, but I think I raised $250 million or some such enormous amount, and in the last campaign President Obama raised $1.1 billion, and that was before the Super PACs and all of this other money just rushing in, and it's so ridiculous that we have this kind of free-for-all with all of this financial interest at stake, but, you know, the Supreme Court said that's basically what we're in for. So we're kind of in the Wild West, and, you know, it would be very difficult to run for president without raising a huge amount of money and without having other people supporting you because your opponent will have their supporters.[21]

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6

HYPER-PARTISANSHIP

War is the continuation of politics by other means.
—Carl von Clausewitz, military strategist

An election is war by other means.
—Tom Flanagan, political strategist

If the ethos of competitive utility-maximizing has begun to creep into all spheres of life, including politics, it surely found its apotheosis in Donald Trump's successful bid for the US presidency in 2016. Trump made his campaign, like his career, all about winning, and winning at all costs. As he proclaimed on the campaign trail:

> You are going to be so proud of your country. Because we're gonna turn it around, and we're gonna start winning again! We're gonna win so much! We're going to win at every level. We're going to win economically. We're going to win with the economy. We're gonna win with military. We're gonna win with healthcare and for our veterans. We're gonna with every single facet. We're gonna win so much, you may even get tired of winning. And you'll say, "Please, please. It's too much winning. We can't take it anymore. Mr. President, it's too much." And I'll say, "No, it isn't!" We have to keep winning. We have to win more! We're gonna win more. We're gonna win so much.[1]

Trump's campaign provided a spectacle in which the mores typical of the world of business spread into and corrupted the political sphere,

with the damaging effects that Durkheim anticipated (see Chapter 1). As a casino owner who achieved notoriety as the host of the reality-TV show *The Apprentice*, Trump tended to divide the world into winners and losers. "I would love to win because I like to win," he said of the 2016 election. "I mean, my life is about winning."[2] Trump appealed to many voters because he was a winner. Better yet, he was a winner out to change the system.

Governing, however, demands certain virtues or excellences above and beyond those necessary for winning, including the ability to make compromises, seek consensus, to be persuasive, and to assume responsibility for one's actions. Making wise decisions takes empathy and the discernment to understand the position of both adversaries and allies, but it also demands the firmness of principle to hold one's own ground. Such balancing is in tension with the maximizing inherent in partisanship.

The right kind of partisanship may be considered a mean between hyper-partisanship and non-partisanship; between fanaticism and disengagement; or between what Max Weber called "passionate devotion" to a cause and the "sense of proportion" that comes from detachment and the avoidance of wishful thinking (Weber 1958: 114; Kelley 1998: 346). The excessively partisan politician takes one side of an argument and refuses to see the other; the non-partisan does not take sides at all. Hyper-partisans cannot do the work of democracy because they cannot compromise or balance goods; non-partisans lacks the conviction to fight for what is right. Politicians need to find the balance between these extremes that allows them to achieve their aims within the framework of a constitutional democracy. Finding this balance takes character and judgment. A person of poor character—who lacks shame, who panders after luxury and adulation, who lacks a conscience, or suffers from what Weber (1958: 116) called the "vulgar" weakness of vanity—is ill suited to the role.[3]

The failure to get the balance of partisanship right is often a sign of deeper problems, including a lack of commitment to democratic politics by both citizens and statespersons. Democracies are vulnerable to demagogues who may be shrewd enough to harness negative emotions like anger and resentment, but who tend to govern in ways that destroy institutions.[4] In this sense, democracies carry within them the potential for their own destruction.[5] Unless they are well regulated, elections, like markets, can exacerbate partisanship and

conflict. As competitive processes, they give rise to maximizing behavior. Specifically, they encourage utility maximizing by candidates who compete for the people's votes, and by voters whose choices are limited to selecting the best representives (Schumpeter 1942).[6] As a result, citizenship is restricted in ways that do not provide opportunities to cultivate the character and judgment necessary for active self-government. The idea that democracy is a market encourages voters to behave like bargain-hunting consumers (Delacourt 2013).

A whole branch of voting analysis draws on the economic theory of competition among firms to explain how parties position themselves to maximize support from voters and how voters respond to the actions of candidates.[7] But just as markets only function well within the framework of regulatory rules, elections must be regulated to avoid the excesses to which competitive maximization is prone. In the absence of regulatory rules, elections can actually destabilize democracy, just as in the absence of regulation market forces can undermine the free enterprise system. And when elections behave like oligopolistic markets, a return to oligarchy by means of the corruption of deliberative institutions may occur.

Excessive partisanship discourages the exercise of deliberation, judgment, and prudence among both voters and politicians. That is why regulations are both necessary and insufficient. Even within the context of well-regulated electoral systems, politicians and voters can say and do things to undermine rather than reinforce collective self-government. Citizenship involves speaking and listening, deliberating, making decisions, and acting collectively. Elections provide occasions to cultivate these capabilities, but they can also encourage the wrong kind of speech, discourage careful listening, provide distorted models of deliberation, and limit decision-making to highly constrained choices. Campaigning focuses the attention of voters and candidates alike on the goal of winning office—the so-called horse race, in which polls and strategic positioning take priority over meaningful public engagement around policy options. And this is in good times; when politics goes toxic, politicians may use wedge issues like race to divide the electorate, they may adopt voter-suppression strategies to discourage turnout by their adversaries, and they may seek to discredit their rivals in ways that bring political institutions into greater disrepute.

In all competitions there are winners and losers, and elections are no different, but to define democracy exclusively in terms of elections—as a system in which parties lose elections (Przeworski 1991: 10), for example—risks ignoring how competition can be corrosive. Even highly competitive activities often require cooperation. While it may be true that there are always winners and losers in elections, it is also true that democratic procedures are about ensuring *agreement* over who has won and lost. Elections are embedded in an institutional ecology that involves a mixture of competition and cooperation, and democracies can even be classified according to the degree to which they harness consensus (Lijphart 1999).

In general, democracy demands healthy competition. We may draw an analogy to sports. Watching an athlete perform at the highest level, perhaps even breaking a record, can inspire admiration, but to achieve the performance audiences admire, athletes must both compete and cooperate. If they cheat by using performance-enhancing drugs, thereby bringing ill repute upon themselves, their team, and their country, as the Russians did in the Sochi Winter Olympics in 2014, the activity itself is undermined—and President Vladimir Putin's desire for Russia to be seen as a winning nation appears to have contributed to his nation's disgrace. Likewise, winning an election cannot be the politician's sole aim or motivation, nor can it come at any cost. It is true that political candidates will have the chance to implement their desired program or policies only if they are elected, but it is also true that politicians rarely enter public life only to win elections—however much doing so may give them satisfaction. They have a set of aims or goals that they seek to achieve, a program or policy agenda that they value, by virtue of holding office.

For those who embrace the analogy between election campaigns and war, no great moral significance can be attached to how elections are won. In this view, elections are not about winning arguments, and the content of what politicians say during elections is of little importance; they are about winning power, and politicians will say whatever is necessary to get elected. Such a dismal view of democracy sets the bar so low we are exhorted to be glad that people are not killing each other. As Canadian conservative strategist Tom Flanagan puts it: "A campaign is a war of words to determine who governs. And

it is a marvellous substitute for the horrors of real war."[8] This view derives some of its plausibility from similarities between modern electoral campaigns and military campaigns. Election campaigns involve goal-oriented and disciplined teams, organizational hierarchies, rapid-response capabilities, and sharply defined strategies. Both sides focus on exploiting the weaknesses of their opponents, while protecting their own candidates from attacks by the opposition and the media. But the view that elections are a surrogate for war turns competitors into enemies and elections into fights. Not killing one another is not the same as living well together.

Warfare and self-government are two entirely different activities. War may very well be politics by other means, as Carl von Clausewitz famously put it, but to suggest that self-government is the sublimation of warfare is more problematic. War is a struggle for domination between opposed forces who seek victory by means of inflicting harm on each other. Each side seeks, at least, to deny the other the ability to inflict harm; and, if possible, domination over the other. The activity of self-government is not about inflicting harm, nor protecting the self from harm by others. Democracy may be an alternative to people killing each other, but that is because in a civil society people do not confront each other as enemies. The winning candidate earns the right, as well as the power, to rule.

We may judge candidates for public office by their conduct quite irrespective of the outcome of an election: Candidates may be admired for the energy with which they faced their adversaries and the grace with which they accepted the verdict of the electors, or they may be reviled for the mean-spirited and deceptive campaigns they conducted, and the contempt they displayed toward their opponents even after decisively trouncing them in the polls. But the difference between the general and the candidate lies rather in this: In war the vanquished have no recourse to challenge the outcome by criticizing the means used by the victorious general to win the war. The candidates who win by means of deception and fraud, however, do damage to their own claim to office. In the former, the result is what it is, whether achieved by honorable means or not; in the latter, the ends are linked to the means, so that an election won unfairly is, by contrast, not a valid result. There is an irreducibly moral dimension to democracy: The core institution, elections, must be fair.

The means by which victory is attained in an election is by the assent of the voters. There is a critical element of deliberation and moral judgment in any election campaign. Voters must consider the alternatives, come to judgment as to which party is the best choice, and then vote. The victory of a party confers the right to hold office. But if candidates treat campaigning as war, then elections no longer serve the function of self-government and become instead divisive, winner-take-all confrontations that actually undermine the performance of democracy. Negative attack ads, voter-suppression strategies, and fake news are accepted as part of the anything-goes-ethos of competition. For cynical campaigners, competition compels candidates to pursue whatever strategy is most likely to get them elected, just as competition compels firms to place profit before other social ends. If taking the low road is the most efficient route to power, that will be the path of the shrewd candidate.

It is precisely because negative ads work, voter suppression can hurt opponents, the media loves conflict, and the public has limited attention, that the case for self-regulation fails.[9] Elections require regulatory rules, externally enforced. These rules regulate how publicity is authorized, how deception is penalized, how access to the media is equalized, how spending is limited, and, of course, how votes are counted. Without regulatory rules, election campaigns would be at permanent risk of degenerating into physical, not just verbal, thuggery. Regulations ensure that one of the goods that we want elections to supply (electoral legitimacy) is not destroyed by another (alternation of power by nonviolent means). The two goods are connected, even though they are in tension. Elections have to be more than a nonviolent means of determining who governs, and for elections to serve that end, they may be a socially accepted means of deciding what voters want. And for voters to accept the outcome of elections, campaigning cannot be so manipulative as to be meaningless.

Yet the best electoral rules cannot prevent candidates from placing winning above all else, and when this happens, the candidate may question the right of adversaries to participate, or challenge an unfavorable outcome with false claims of fraud. Such conduct may undermine a third good that elections supply: decisiveness. Guillermo O'Donnell (2001: 13) uses the term *decisiveness* to mean that when

the election results are announced, the campaigning stops. In principle, the struggle for public office should be conducted by election campaigns for a limited period of time, after which the matter should be considered settled until the next election. Competitive maximizing, however, gives rise to permanent campaigning.[10]

As more money has flowed into elections, campaigns have begun earlier and earlier, sometimes years before the actual campaign is formally announced, and many political parties do not cease to campaign once the results have been announced but rather use their position as government or opposition to prepare for the next battle. Fundraising has become a permanent activity, so that parties are continuously soliciting financial contributions from backers. Often these contributions are explained in terms of the need to counter publicity conducted outside the campaign period. Meanwhile, the normal activities of political parties—for example, the development of local party chapters and the involvement of the rank and file in policy development and conventions—tend to atrophy.

The lack of decisiveness (or clear victories, accepted by both parties), which is the counterpart to the permanent campaign, is one of the most serious negative effects of competitiveness because it undermines governance. The rise of the permanent campaign has made deliberating, balancing, and compromising harder to achieve once the campaign is over. One of the most extreme examples of this trend is the rise of electoral "pledges." In the United States, candidates have used pledges to not raise taxes to get elected. Such pledges are effective tools for fundraising among wealthy donors and voters who are opposed to any tax increases, but they undermine deliberation in the legislature. Candidates who have made pledges are unable to engage in the normal activities of negotiation and compromise that are often necessary to achieve their political objectives.[11]

Displacement of Deliberation

Excessive partisanship, like any form of excessive maximizing or competition, undermines deliberation. Deliberation is undertaken by agents as a prelude to action. The goal of deliberation is to determine the best course of action in a given situation. Deliberation is not the

same as contemplation of, or theorizing about, what is constant or invariable; it is concerned only with such matters as fall under the control (or potential control) of purposive agents.[12] "Surely nobody deliberates about eternal facts," said Aristotle (2004a: 57). There is no point in deliberating over whether the sun will rise in the east, but we *do* deliberate over whether to wear a coat or a hat when going outside. We deliberate over those choices or courses of action that are under our direct or collective control.

Deliberation involves thinking about and communicating with other agents in the search for common goods. Deciding on the best course of action requires knowledge of the beliefs, values, and intentions of other agents. For this reason, empathy, and a capacity to listen, is an important part of deliberation. An agent who is unable to listen to and understand other agents cannot deliberate with them. Deliberation requires insight into the character and beliefs of others, which often comes from empathy. Good deliberators, like good negotiators, or mediators, can often figure out what other people want and help them to achieve their ends while also obtaining the ends they want for themselves.

Another important capacity for deliberation is speech and persuasion. Deliberation generally involves considering a problem from various angles, and thinking through its diverse implications. The kinds of solutions that emerge from a deliberation will often hinge on how a problem has been framed. Framing is a skill that demands both an understanding of the issues and awareness of the concerns of others. One way to do this is by narration. For example, to pass a law or regulation, it is often useful to tell a story that explains what the law does. A legislator may say something like "tank cars used to transport flammable liquids must meet enhanced protection standards in light of the disaster in Lac-Mégantic."[13] Major disasters provide a powerful narrative frame for explaining the need for regulations.

Once the problem has been defined, problem-solving becomes a critical skill necessary to reach collective agreement. A good deliberator will often have the foresight, knowledge, and imagination to see whether a solution will work or not, and whether it will have unintended consequences that may be undesirable. At the last stage of deliberation, judgment is crucial. Choosing among various courses of

action demands the kind of judgment that allows people to say, in retrospect, that the right thing was done, because our actions were rewarded with desired results. Deliberation is not only about doing what is abstractly right, or following the rules; it is about making the choices that result in the right ends. The ability to deliberate is facilitated by deliberative institutions.

Deliberative institutions harness the human capacity for deliberation in order to achieve collective action toward a common good. They do so by means of roles and offices that perform deliberative functions within a larger division of labor. By creating a legislature, the role of making the rules that regulate social life is placed in offices distinct from those that judge whether agents have complied with these rules. By creating a judiciary, the role of interpreting and applying rules in particular cases is placed in offices distinct from those who make the rules. And by placing the day-to-day operation of government in the executive office and administrative agencies of the state, the discretion that necessarily accompanies these functions is limited by the need to coordinate with the law-making and adjudicating bodies. The whole architecture of the separation of powers is designed to enable actors to exercise practical wisdom. It fosters adaptation, learning, and an orientation toward the common good within the framework of the rule of law.

The distribution of deliberative roles and offices within the constitutional state is an emergent property of lawful political systems. The rise of deliberative assemblies and courts, and their evolution over thousands of years, has enabled a wide range of practices to emerge involving different arrangements of roles and offices for generating, making meaning of, and enforcing rules. These arrangements are constantly adapting to changing conditions, including changes in communications and social organization. Today, deliberative institutions are under pressure from a wide array of forces. For example, the emphasis on economic competitiveness (discussed in the previous chapter) has enhanced the executive branch of government at the expense of deliberative institutions. In this chapter, we are mainly concerned with how partisan electoral competition can result in the displacement of deliberation away from legislative assemblies.[14]

Partisanship can undermine bi- or multi-partisanship by politicizing topics around which there is no need for disagreement.

Multi-partisanship delineates the areas of broad agreement around which the major political parties' interests and preferences converge. For example, national defense, a public good, is often seen as an area of broad commonality of interest among all citizens, and hence all parties. An important advantage of this agreement is that it takes a set of policies off the table for discussion, thereby enabling legislators to focus on issues where deliberation is needed. But when multi-partisanship breaks down, issues that were earlier off the table are placed back on the agenda, potentially cluttering the legislative process.

Partisanship can also undermine the spirit of compromise (Gutmann and Thompson 2012). Whereas multi-partisanship implies consensus above and beyond factions, the spirit of compromise does not necessarily imply consensus, but it does imply a willingness to negotiate. Deliberation is not possible unless the parties in an assembly are willing to explore commonalities and differences in search of possible compromises that leave all parties better off. The spirit of compromise does not necessarily imply distributive trade-offs or horse trading. Politicians are often reviled for their willingness to compromise their principles, but many of the bargains made in legislatures are of a positive-sum nature—that is, they do not necessarily require bending principles at all.

In parliamentary systems, party discipline often squeezes the deliberation out of the legislature (Loat and MacMillan 2014). Tight control over members of the legislature is often justified by the need for consistent messaging, and to avoid costly political mistakes. However, it diminishes the scope for initiative by individual parliamentarians, gives them few opportunities to speak to matters of concern to their constituents, results in few legislative proposals by individual parliamentarians, and produces a tendency on the part of legislators to repeat speaking points given to them by party leaders rather than speaking in their own voice. Disciplined parties may use time limits to shut down legislative debate, or bundle a myriad of bills into one piece of omnibus legislation to avoid debate. The confidence convention—the fundamental parliamentary principle that governments must command the support of a majority of members of the legislature—may be used not to hold the government accountable to the legislature, but to

whip members of parliament so that they always vote along party lines, thereby making parliamentary debate a formality.

In extreme cases, partisanship can reach such intransigence that even when a mutually advantageous agreement is found, partisans will still refuse to come to the table because they would rather hurt their adversaries than deliver a promise to their supporters. The intransigent party may prefer to "own the issue" rather than agree to a compromise that allows the other party to take the issue off the agenda.[15] The metaphors often used to describe this kind of extreme partisanship tell the story well. We hear of "hostage taking" (when a party refuses to budge, even where it actually agrees with the other side, in order to win in a negotiation) or "brinksmanship" (in which a party risks mutual destruction to prevail in a negotiation). Partisans may seek to manipulate the rules of the game of democratic politics, using their legislative powers to gerrymander electoral boundaries, disqualify voters, or stack electoral institutions.

The effect of partisanship is to make legislative deliberation difficult or impossible.[16] The legislature becomes an arena for partisan sparing, interrupted by periodic voting. Meaningful deliberation moves elsewhere: to caucus, where representatives can speak freely with their own colleagues behind closed doors; to committees, where smaller groups of legislators meet on a regular basis to discuss specific issues; to the political staff and lobby groups, who work behind the scenes to build coalitions in support of legislation that advances their interests; and to the executive branch. In all these cases, deliberation moves outside the spotlight of publicity into spheres in which the public is less engaged and has little voice. The atrophy of public deliberation means that the public has less opportunity to observe the process by which decisions are made in the political arena.

The displacement of deliberation does not mean only that deliberation shifts from the offices that were created to enable the performance of deliberative roles; it also means that less is accomplished overall. As Jane Mansbridge (2012) has recently reminded us, politics is about getting things done. It involves collective action on urgent policy question, from climate change, to the growth of inequality and income polarization, to financial instability. To get things done we

need powerful public institutions. Strong public institutions can avoid drift, gridlock, and social traps.

Weak institutions are incapable of supplying public goods by means of straightforward policies like putting a price on carbon emissions, linking rising productivity to improvements in wages and salaries, and restraining the kind of excessive greed and risk taking that destabilizes banking institutions. These are not technically difficult problems, but they demand substantial political will. The failure to address these issues is not an innocent byproduct of the limits of human capacities to work together; rather, they are political failures linked to the way that public institutions have been undermined by particular private interests. Maximizing behavior has eroded the institutions that mobilize political will.

Competitive maximizing makes the work of the legislator more difficult, if not impossible. Deliberation is inconsistent with maximization. The job of the legislator is not to maximize; it is, rather, to balance different goods. The lawmaker may want to represent a region or a cause, advance the interest of constituents, or promote a broader policy agenda. Some lawmakers wish to remain backbenchers (members of the legislature who do not hold a cabinet post), while others have cabinet ambitions. These are all consistent with the demands of the office. Similarly, different lawmakers may have different approaches to representation: Some may see themselves as trustees, others as delegates. These are all valid goals, and they are all consistent, in different ways, with the fundamental role of the legislator, which is to deliberate and make laws. The most important thing any legislator does is pass laws, and that demands a capacity for deliberation. And yet partisan competitiveness can have the effect of corroding this most essential role of the legislator. When the deliberative role of the legislator is weakened, the legislature becomes just another arena of party competition.

Schooling Politicians

The ill effects of excessive partisanship are easy to catalog. According to the Pew Research Center (2016), negative partisanship has reached such extraordinarily high levels in the United States that members

of the Republican and Democratic parties do not just disagree, they fear and anger one another. Growing numbers regard the other party as a threat to their nation's well-being and find conversations across party lines stressful. Such polarization made it possible for candidate Donald Trump to be elected in 2016 even though he exhibited character flaws—licentiousness, self-indulgence, irascibility, exaggeration, and boorishness—serious enough to make him unsuitable for any public office, let alone the presidency. Trump shocked (and delighted some) voters by calling for his Democratic adversary, Hillary Clinton, to be "locked up," and by refusing to promise to accept the outcome should she be elected. He was elected nonetheless because Republican voters found him preferable to the alternative. Support for Clinton was unenthusiastic and many Democratic voters stayed home. For those who voted, the desire to prevent Donald Trump from winning played a significant role. Partisanship has reached such an extreme that many voters appear to be more motivated by fear of the other party than enthusiasm for their own. Has partisanship gone too far?

Aristotle (1962: 102, 108) argued that a "statesman and legislator" must be both good (that is, must possess virtue) and practically wise, because practical wisdom is necessary in political work. Like the Framers of the US Constitution, Aristotle worried that democracies can be prone to capture by demagogues who would stir up mob rule, but he also objected to tyrants and self-serving oligarchs. A wise constitution maker, he argued, would favor a mixed constitution, representing a mean between unity and diversity. The framers of the US Constitution hit on a similar solution. They viewed partisanship as an unavoidable evil. The Federalists in particular—Alexander Hamilton, John Jay, and James Madison, authors of *The Federalist Papers*—believed that class distinctions made political factions inevitable. They were appalled by the "violence of faction" in the ancient republics, which, they claimed, supplied tyrants with excuses to violate civil liberties (Madison et al. 1987: 48, 53–54). Factionalism was "adverse to the rights of other citizens" as well as "the public good" itself, which was often "disregarded in the conflicts among rival parties" (Madison et al. 1987: 54). Unless factionalism was addressed, it could end the republic.

One solution would be to abolish civil liberties. For the Federalists, this would be a cure worse than the disease (Madison et al. 1987: 55).

The alternative, insisting on consensus, was "impracticable," especially given the "unequal distribution of property" (Madison et al. 1987: 56). Since factionalism could not be eliminated, its effects would have to be controlled. This would have to be done not in a way that demanded the leadership of "enlightened statesmen" (Madison et al. 1987: 57), but instead by involving the "spirit of party and faction in the necessary and ordinary operations of government."

The purpose of representative government was to tame factionalism, not by suppressing it, but by including it in government. The Federalists acknowledged that representatives might not always be wise or patriotic: "Men of factious tempers, of local prejudices, or of sinister designs, may, by intrigue, by corruption, or by other means, first obtain the suffrages, and then betray the interests, of the people." But they hoped that the ill effects of factionalism would be tempered by the separation of powers, checks and balances, and impartial judges (Madison et al. 1987: 48). Power would be delegated to a small body of representatives. This would "refine and enlarge the public views" by passing them through a body of citizens whose wisdom and discernment would ensure that the "public voice" was "consonant to the public good" (Madison et al. 1987: 59).

Well-designed institutions can provide a framework for politics that encourages wise decision making, but it is rarely enough. As Bruce Ackerman has shown, "crafty statesmanship" (Ackerman 2005: 70) by leaders like Thomas Jefferson and John Marshall enabled the Constitution to evolve into a party system with a plebiscitary presidency within the framework of laws upheld by independent courts. The judicial decisions of *Marbury* and *Stuart* made it the task of the courts to "weave recurring popular mandates, claimed by victorious presidents and their political parties, into the preexisting constitutional traditions of the American people" (Ackerman 2005: 234). As a result, the Constitution was able to conciliate the major political parties that emerged in the founding period of the republic:

> By creating a constitutional law of partial victories, the two sides constructed a world of constitutional meaning that was larger than the sum of its Republican/Federalist parts. The next generation would be invited to view the Constitution as

> a resource transcending partisanship, permitting a distinctive language for a never-ending dispute over fundamental values. (Ackerman 2005: 113)

The Framers were committed to a common good above partisanship, namely a republic in which differences over values could be processed under the rule of law. The Federalists believed that a strong sense of the common good was possible in a large and diverse society. If this belief was justified, it was because of not only wise constitutional design but also the kind of leadership that sought the common good through politics—not a politics that placed party before country, but rather a politics of seeking compromise, making concessions, exercising restraint, and acting responsibly.

The novelty of the Framer's solution lay in creating institutions that would lighten the necessity for practical wisdom in democratic politics. They hoped to embed practical wisdom in institutional design rather than demand it from the practitioners of politics. Perhaps the time has come to recognize that the idea of such a government of laws, not men, has failed. Good laws alone are insufficient to preserve a republic: It cannot survive without citizens and politicians of good judgment and character. If this is true, how can practical wisdom be cultivated in politics?

Aristotle grappled at length with this question, both in *The Ethics* and in *The Politics*. His main answer was education. He insisted that the legislator's duty was to educate the young, and he argued that a proper education would include the art and science of legislation (Aristotle 2004a: 281). Yet he noted with obvious disapproval that, whereas doctors and artists teach their craft to others, politicians do not; and he disparaged the sophists who "profess to teach politics" but only offer lessons in rhetoric (2004a: 282). What was true in Aristotle's time remains the case today. Indeed, it is an astonishing fact of modern politics that no effort is made to educate politicians.

Politics stands alone among activities of consequence for the public good in one respect: No provision is made for the preparation of those who would enter the field. There are schools of business, finance, law, medicine, nursing, education, diplomacy, public administration, planning, military service, social work, engineering, journalism, library

management, music, architecture, theology, and hospitality, but no schools of politics. Political parties offer training for candidates prior to elections, and legislatures typically offer basic training to newly-elected legislators, but there are no standing institutions that provide mentoring and training for people who aspire to enter political life and wish to acquire the knowledge and skills necessary to perform their duties well before entering the political arena. Voters trust amateurs to run the largest and most complex organizations in modern societies, manage the largest budgets, and make decisions involving everything from broad statutory rules to regulatory minutiae.

Political recruitment is left almost entirely to political parties. As Stanley Kelley (1998: 345) puts it, "our general culture does little to bring the possible satisfactions of a political career to the attention of young people. Indeed, the representatives of that culture—parents, teachers, neighbors, peers—are more likely to make young people embarrassed to admit to a desire to go into politics." Few services are available for the aspiring politician who wishes to plan a career and may wish to understand the prosaic implications of such a choice for income, pensions, privacy, conflicts of interest, work-life balance, legal risks, and opportunities upon retirement from politics. More troubling, however, at least from the point of view of the health of democracy, is the failure to provide intensive, hands-on training or mentoring for aspiring politicians, especially with respect to ethics.

One possible explanation for this fundamental yet rarely acknowledged democratic deficit is that democracy is based on egalitarian principles, while schooling politicians seems inherently elitist. In this view, democratic politics must be open to amateurs, not just professional politicians, and any presumption that politics requires preparation creates a barrier to entry that will place elites at an advantage. The objection neglects the fact that representative government is already inherently elitist: it is a system in which voters select elites, thereby reproducing inequality (see Manin 1997). Schooling politicians could create opportunities for talented students of any background. Individuals from socially marginalized or excluded groups do not currently have ready access to political influence, and are unlikely to be able to enter the political arena unless given opportunities to acquire the skill and knowledge necessary to become politicians. The lack of

widely available, publicly funded training for politicians contributes to the oligarchical tendencies in modern democracies.

Another explanation is that politics simply cannot be taught. This is not to say that it cannot be learned, but learning happens on the job, not from reading textbooks or studying in courses. It is certainly true that politics is a practice, and practices are acquired by experience, but there are many practices that can be taught. Much of what politicians do on a day-to-day basis is entirely teachable, including law-making and legislative analysis, budgets, estimates, supply motions and money bills, parliamentary procedures and rules, committee work, caucus work, the roles and offices of the legislature, voting, constituency service, managing a constituency office, political communications, relationships with the civil service, lobbyists, and the media (Manning 2011: 14-16). Moreover, professional schools provide many examples of ways in which practices can be honed through experiential learning, from moot courts in law, to clerkships in medicine, to war games in the military.

A deeper objection is that *practical wisdom* cannot be taught. A school for politicians might provide training to enable politicians to be more effective but not necessarily wiser. To this objection it must be conceded that people who enter politics for the wrong reasons, who lack the disposition to become wise practitioners, who are not called to public service, are unlikely to learn from a professional school. Yet the same objection could be directed at any other professional school. The rationale for such schools is to socialize good practitioners, but the effort may be lost on the unscrupulous. Nevertheless, a law school that did not seek to cultivate an appreciation for the rule of law, a business school that did not encourage ethical business practices, or a medical school that did not put care of patients at the center of the practice, would be regarded as deficient by most practitioners.

Perhaps the most radical objection is that politics itself is an activity that is incorrigibly unethical and irredeemably corrupt: Any ethical training of politicians would simply disarm them in the face of less scrupulous adversaries. Whatever one might think about such a Machiavellian conception of politics, the challenge from a pedagogical perspective is to prepare politicians to make wise judgments in morally ambiguous circumstances.[17] There are times in the lives of

all politicians when their consciences will conflict with the demands of the job, and handling these situations well requires preparation. For example, many politicians object to the fact that party discipline requires that they ignore their conscience and advocate policies they privately oppose, yet they may underestimate the discretion they possess to challenge the party line. At the very least it seems worth exploring the possibility that a little preparation could enable politicians to deal with these dilemmas more ethically.

Political parties around the world offer campaign schools, and legislatures provide limited training to elected officials. As far as I am aware, however, there are few if any schools anywhere in the world that provide cross-partisan, hands-on mentoring and training for aspiring legislators before they enter public office. Having recognized this gap, the Centre for the Study of Democratic Institutions at the University of British Columbia organizes an annual Summer Institute for Future Legislators. This pilot program offers bootcamps for aspiring politicians, followed by a parliamentary simulation held in the chambers of the provincial legislature. The program is cross-partisan, meaning that it is open to participants who identify with any political party. Preliminary experience suggests that Aristotle was right: education can help strengthen ethics in politics, at least for those with a receptive character.

A major goal of the Summer Institute is to encourage moderate partisanship. On the first weekend, participants are organized into new political parties. These parties are fictitious, yet the new partisan identities are almost invariably adopted with enthusiasm. As soon as the new parties are brought into contact—for example, in a mock parliamentary question period—strong partisanship is often displayed, and this can cause the participants to seek to modify the adversarial tone of their interactions. This process continues as participants explore their functions in activities involving caucus and committee meetings, cabinet assignments, and other roles and offices.

Adopting a pedagogical strategy used in medical schools to train doctors to be reflective practitioners (see Holmes et al. 2015), the Summer Institute organizes reflective, small-group discussions in which the participants are: (1) primed to observe their own actions and the actions of others, including styles of partisanship; (2) encouraged

to notice such actions when they occur; (3) invited to reflect on the actions they observe and; (4) asked to choose for themselves the model of practice to which they aspire as future legislators. The aim of this strategy is to ensure, as much as possible, that participants learn to be reflective practitioners rather than to instinctively replicate existing practices or, worse still, acquire bad habits. The participants gain a more realistic sense of the institutional and partisan constraints on politicians, as well as a set of experiences from which they can develop a repertoire of strategies for dealing with these constraints. This has detered some participants from running for office, while others have been emboldened by the challenge. While it is too soon to determine whether programs like the Summer Institute can educate people to be better politicians, the self-assessments by the participants offer reason for optimism.[18] At a minimum, the program offers an example of what a school for politicians might potentially do.

To sum up, good partisanship is found at the mean between fanatical devotion to a cause and political indifference. Democracy is unimaginable unless parties are prepared to fight for the power to implement their programs. But parties can also become excessively dogmatic and self-serving. When parties argue over the rules of the game rather than programmatic differences, the overarching consensus that holds democracy together may be eroded. When the roles and offices of the constitutional order are not performed because they are captured by politicians who place the interest of their party above the public interest, the constitutive rules of politics suffer. When an ethos of politics emerges in which citizens and rulers alike no longer believe in the meaningfulness of public deliberation, the quality of democracy suffers.

There are, on the whole, altogether too few opportunities for meaningful democratic deliberation in contemporary representative democracies. One solution is to foster the deliberative capacities of political agents and institutions by educating citizens and politicians, encouraging a more ethical approach to partisanship, in which citizens and politicians alike assume the great challenge of fighting for their beliefs and values as energetically as possible, while sustaining a deep and abiding commitment to the constitutive rules of democratic institutions. Democratic institutions depend for their vitality on civic

virtue and practical wisdom. These virtues involve not only the ability to live together in peaceful coexistence, but the practice of the kinds of sociability that allow improvements in the collective life conditions of all members of the community through deliberative procedures and institutions.

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7

CITIZENS' DEMOCRACY

The only tyrant I accept in this world is the still voice within.
—Mahatma Gandhi

Aristotle (2004a: 13–15) believed that the supreme good, the end which is chosen for itself and not for the sake of another end, was *eudaimonia*, meaning happiness or flourishing. He also believed that people could only flourish as members of a political community. It was for that reason that he regarded humans as political animals (Aristotle 1962: 28). Contemporary social scientists have begun to study economics and politics in ways that echo Aristotle's focus on human flourishing. For example, the study of human development within what has come to be known as the capabilities approach pioneered by Amartya Sen (1999) and Martha Nussbaum (2011) focuses on improving people's freedoms to pursue the activities they have reasons to value. Work on the quality of democracy inspired by Guillermo O'Donnell looks beyond voting and emphasizes the rights and freedoms necessary to be fully engaged citizens.[1] The United Nations Development Programme (UNDP) has championed both perspectives. It has developed "human development indicators" to provide an alternative measure of development to GDP growth, and it has issued reports on "citizens' democracy" that goes beyond a narrow focus on elections.[2]

Despite natural affinities between the capabilities approach and research on the quality of democracy, there has been little dialogue between them.[3] Amartya Sen's *Development as Freedom* emphasizes the importance of democracy to development for intrinsic, instrumental, and constructive reasons, but Sen does not present a theory of political institutions, except to insist on the critical role of "democratic discussion." This is dismissed by Martha C. Nussbaum as "mere hand-waving" (2011: 180). In this chapter, I integrate the human development approach with work on the quality of democracy (UNDP 2004) to show how phronesis, or practical wisdom, is involved in the human capabilities that are essential both for the proper functioning of democratic institutions and for human development.

We can begin by exploring how the authors in these various traditions understand agency. Sen uses the term "agent" in the sense of "someone who acts and brings about change, and whose achievements can be judged in terms of her own values, whether or not we assess them in terms of some external criteria as well" (1999: 19). For O'Donnell, an agent is "somebody endowed with practical reason and moral judgment" (2010: 31). The common elements include the ability to set goals and find means to achieve them, as well as to evaluate or judge actions in terms of moral criteria. That is, an agent can think in terms of both means/ends and right/wrong.

Sen and O'Donnell emphasize agency for similar reasons. For Sen, development is about our ends or aims. "Viewing development in terms of expanding substantive freedoms," says Sen (1999: 3), "directs attention to the ends that make development important." Agency matters both because agency is an "engine of development" (Sen 1999: 4) and because having agency is part of development. Agency, in other words, has both instrumental and intrinsic value. The more freedom people have, the more they can pursue their own ends. And one of the ends of development, understood in these terms, is to enable people to participate more fully "in social choice and making public decisions" (Sen 1999: 5). From its very inception, therefore, Sen's concept of development as freedom implies a connection to democracy.

There is also a non-accidental analogy between Sen's thinking about freedom in development and O'Donnell's understanding of

citizenship in democracy. O'Donnell's understanding of agency supplies the concept of democracy Sen needs to achieve development as freedom: a democracy of citizens, or agents. O'Donnell begins by challenging the idea that democracy can be defined, as Joseph Schumpeter attempted to do, in terms of competition for votes. Elections "cannot stand alone" (O'Donnell 2010: 20); they demand a certain kind of institutionalization, which implies agency. To appreciate how O'Donnell arrives at the importance of agency, it is worth following his careful analysis of the concept of polyarchy.

Political scientist Robert Dahl (1973) coined the term "polyarchy" to refer to systems of government in which there is a set of conditions that O'Donnell (2010: 18) summarized as "fair, decisive and institutionalized elections." Citizens have the right to vote and run for office in free and fair elections in which coercion plays little role, and elected officials are able to make policy decisions once vested with constitutional authority. But O'Donnell (2010: 20) observed that Dahl's polyarchy also entailed what he called "concomitant rights and freedoms," which are the conditions "necessary for elections to be democratic" (O'Donnell 2010: 17). These include freedom of expression, access to diverse sources of information, and associational autonomy. In other words, all citizens are legally assigned a set of rights and freedoms that define them as agents. This attribution of agency—O'Donnell calls this an "institutionalized wager"—means that each citizen must accept that all other citizens enjoy the same rights and freedoms to participate in fair and institutionalized elections to select who will govern them for a period of time. Citizens use democracy to exercise agency, and democracy presupposes that such agency is legally guaranteed. Put in Sen's terms, agency has both instrumental and intrinsic value in democracies.

The rights and freedoms that underpin fair, decisive, and institutionalized elections partially overlap with Martha Nussbaum's "central capabilities." Capabilities refer to what a person is able to do or be; they include the combinations of functionings that are feasible given both the abilities of a particular person and the combination of that person's abilities and the opportunities provided by her environment (Nussbaum 2011: 20). Nussbaum listed 10 such capabilities: living a normal life; enjoying bodily health; the freedom that

comes with bodily integrity; the uses of sense, imagination, and thought; emotional attachments; the use of practical reason to form a conception of the good; living with dignity and affiliation with others; living with nature; enjoying play; and participating in the choices that govern one's life, as well as holding property and having meaningful relationships in work. Of these, the first three concern the maintenance and reproduction of life. The next three involve cognitive abilities or functions. The final four are social capabilities, and they overlap closely with the rights and freedoms necessary for elections to be democratic.[4]

Nussbaum claims these capabilities are essential for human flourishing and therefore should be enshrined in the basic political principles and institutional structure of any political system that seeks to promote human flourishing (Nussbaum 2011: 166). The capabilities in the third set enumerated by Nussbaum form part of the rights and freedoms that are assumed to be necessary features of polyarchy, while those in the first set include public goods that any decent state should provide. The cognitive capabilities, I believe, merit special attention because they are involved in a robust idea of citizenship. Aristotle argued that "what effectively distinguishes the citizen from all others is his participation in Judgement and Authority, that is, holding office, legal, political, administrative" (1961: 102). Citizenship involved practical reason and moral judgment, the capacity to deliberate and act, and the will and skill to be fully participatory members of the life of the polis. This is very much akin to the understanding of agency offered by Sen, O'Donnell, and Nussbaum.

The capabilities approach offers a view of development vastly superior to the conventional emphasis on economic growth. It has an important evaluative purpose and has been used very effectively to shift the discussion of development to indicators of human development or flourishing. Beyond the most obvious question about which institutions are more conducive to human development, we may also ask what kind of account of institutional development arises from this perspective. How might a focus on capabilities and agency help us to understand the development of political and economic institutions? And would such an account improve on a theory of institutional origins and change based on rules and incentives?

Emergence and Evolution

Good institutions enable agents to cultivate and use practical wisdom. They are emergent properties of the interactions among agents who use their reason and judgment to overcome collective action problems that are inescapable in social life. Agents are constantly engaged in exploring the ways and means of advancing their aims in social contexts. They acquire the knowledge and wisdom to attain their aims through the exercise of the kind of capabilities Nussbaum and Sen have identified: the use of the senses, thinking and reasoning, imagination, speech, listening, and deliberation. Social life provides innumerable opportunities to cultivate these capabilities. Agents continuously evaluate the performance of themselves and others in accordance with their aims. They experience the pain and pleasure of failure and success, the shame or pride of doing things improperly or well. Institutions emerge from efforts to formalize the reasons and judgments that agents make as they attempt to shape social life to obtain collectively desired ends. This can be seen clearly in O'Donnell's discussion of the emergence and evolution of agency.

O'Donnell traces the recognition of agency to "the great creationist religions" (2010: 34), with their emphasis on moral responsibility, as well as ancient philosophical systems, particularly the Stoics, with their conceptions of natural law. Jurists and clerics in medieval universities and churches played a major role in the "reception" of Roman law in the 11th and 12th centuries, which proved to be a treasure trove for ideas of legal agency. The emergence of subjective rights—secular and individualistic rights—was given impetus by Thomas Hobbes' and John Locke's demonstration that public authority did not need to be grounded in revelation. All these influences helped to lay the foundations for the emergence of a notion of agency as involving moral autonomy and self-government. O'Donnell insists that the idea of the individual as the carrier of subjective rights that could be justified by the use of reason was part of a legal transformation that began in canon law, in private contract law, and in property rights, and was expressed in the idea of a contract as an agreement between willing parties. Although these ideas were initially confined to the realm of private agreements, the notion of agency they presupposed was gradually transferred to the political sphere.

There are several emergent properties associated with the transformations sketched by O'Donnell.[5] The first is the emergence of *human persons* from the animal world, largely due to the manipulation of symbols, which is captured by creationist myths. The idea of the human as a morally responsible person arises from the need to internalize authority in a world no longer limited to kith and kin and controlled by physical proximity. The second property to emerge, which was associated with the spread of literacy, was the notion of *legal personhood*, including citizenship. Public and private law solves problems of coordinating the growing complexity of collective action involving texts—which vastly exceeds the capacity of scripture and personal authority to regulate, especially as diverse societies develop and come into contact with one another (often in processes of conquest and empire-building). Moreover, legal personhood was linked to the emergence of rights. Finally, the self as a *sovereign agent*, the morally autonomous self that legislates its own life plans, emerges from the transformations wrought by modernity.[6]

An exceptionally useful text for understanding the self as a sovereign agent can be found in *The Theory of Moral Sentiments*, by Adam Smith, which we have already encountered in previous chapters. For our present purposes, what is most noteworthy is that his account of the origins of institutions is based on the idea of self-command. Contrary to the idea that Smith celebrated utility-maximizing individualism, he began his great work of moral philosophy with a broadside against self-interest: "How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortune of others, and render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it" (2009: 13). Smith labeled this natural interest in the well-being of others as "sympathy." Today we might call it "empathy," for it involves the imaginative ability to see and feel from the perspectives of other people, and share in their emotions. It involves the central capabilities Nussbaum places under the rubric of sense, imagination, thought, and emotions.

The ability to step outside one's own circumstances, and to see the world as if from the perspective of another, creates the possibility of internalizing the viewpoint of what Smith called the "impartial spectator." The impartial spectator, as we saw in Chapter 2, is the

imagined self—the self as it imagines itself seen by others who share its sentiments, if not the particulars of its circumstances. The internalization of this impartial spectator into the actions of the self create the capacity for self-government, which is the ability to regulate a life in accordance with such virtues as justice, compassion, a sense of propriety, or duty. It is the impartial spectator, the "great inmate of the breast" (Smith 2009: 156)—Gandhi's "still voice within"—that gives the self the "eyes of a third person" (Smith 2009: 157), which allows her to distinguish, for example, between praise and praiseworthiness, or to discern the difference between receiving rewards and deserving rewards, or to follow rules for good reasons rather than for the sake of appearances. These are virtues that Smith (2009: 167) believed all people were capable of developing, more or less equally, but they need to be cultivated.[7] Smith's work helped establish the idea of the self-governing subject as the epitome of the morally autonomous agent.

The capability of each agent to see her own actions from the perspective of others, and to recognize the equal right of every other agent to whatever rights the agent claims for herself, are the source of O'Donnell's institutionalized wager. The notion of agency intrinsic to a democratic state involves acceptance by every citizen of the right of all citizens (at least all competent adults) to partake in democratic self-government. This view of the world, which demands a fairly stoical interest in self-regulation, must be cultivated and backed up by lawful and effective states. Far from making the capabilities approach irrelevant, it underscores why it is that institutions are so often weak in democracies in which citizenship capabilities have not been cultivated or developed through active policies like education, healthcare, communications, and other social infrastructural investments.

One of the principal merits of Smith's theory is that it supplies an excellent account of how institutions originate. In Smith's story institutions are not simply rules, and rules are not merely external constraints upon actions. General rules are based on observation; they "are ultimately founded upon experience of what, in particular instances, our moral faculties, our natural sense of merit and propriety, approve or disapprove of" (Smith 2009: 183). These rules become standards for judgment; it is not from general rules that standards are derived. General rules, once "fixed in our mind by habitual reflection,

are of great use in correcting the misrepresentations of self-love concerning what is fit and proper to be done in our particular situation" (Smith 2009: 185).

Regard for general rules of conduct is a principle that Smith holds in highest esteem. Such regard ensures dependably pro-social behavior. But Smith does not stop there. He observes that following rules without understanding the reason for them, or feeling the reverence for them that comes only from a proper appreciation of their purpose, will tend to lead to imperfect compliance, missed opportunities to fulfill duties, and the failure to cultivate the capabilities for a flourishing social life that general rules are meant to encourage. Moreover, rules, because they are general, are always insufficient for determining how to act in particular situations: "there are no rules by the knowledge of which we can infallibly be taught to act upon all occasions with prudence, with just magnanimity, or proper beneficence" (Smith 2009: 203). Precisely for this reason, Smith also argues that general rules backed by coercion should be applied not to behavior that is just offensive or disagreeable, but only to situations in which real harm results (2009: 96–99). That is, rules should be justified by an appeal to justice.

And yet Smith does not limit the role of political institutions to the prevention of harm, nor does he advocate a utilitarian maximization of welfare. Like Aristotle, his goal was neither wealth nor power, but virtue and happiness.[8] Of course, Smith was not under the illusion that most people understand how to cultivate the virtues that make them happy: The misfortunes of most people, he notes stoically, "have arisen from their not knowing when they were well, when it was proper for them to sit still and to be contented" (Smith 2009: 173). Nevertheless, he believed people are naturally sociable and well disposed to living in an "orderly and flourishing state of society" (Smith 2009: 106). He did not subscribe to abstract models of politics or utopian schemes for making improvements aimed at perfection rather than amelioration. "All constitutions of government . . . are valued only in proportion as they tend to promote the happiness of those who live under them" (Smith 2009: 216). Happiness was not a state of perfection, but the best possible under the circumstances. He admired the constitution-maker like Solon who "when he cannot establish the best system of

laws, he will endeavor to establish the best that the people can bear" (Smith 2009: 275). It is, after all, through such improvements that political systems evolve.

Balancing Acts

Some of Smith's ideas sound strange because we have grown unaccustomed to talk of the public good, civic virtues, happiness or flourishing. Such ideas can be dissolved at the corrosive touch of utilitarianism, with its "indifference to freedoms, rights and liberties" (Sen 1999: 57). One of the most significant challenges to democracy arising from a utility-maximizing ethos is the claim that the very notion of the public good is incoherent. Arrow's impossibility theorem, for example, suggests that, given a set of reasonable assumptions, there is no rational way to aggregate individual preferences into social choices that are independent of particular decision rules. This has been read to mean that presuming that the outcome of majoritarian procedures has any claim to moral superiority over its alternatives is rarely justifiable in utilitarian terms. But, as Sen argues, the impossibility theorem does not demonstrate the impossibility of rational social choice but rather the impossibility of reaching rational decisions based on limited information. Rather than the incoherence of democracy, it underscores the insufficiency of voting to provide the information necessary to reach agreement on morally significant issues.

The Arrow theorem assumes voters are utility-maximizing individuals. Since it is impossible to maximize two goods simultaneously, the model forces all voters to have a single transitive ordering of preferences. As Sen puts it:

> In the classic (Arrow Debreu) framework, it is assumed that everyone must be pursuing her self-interest as her exclusive motivation. This behavioral assumption is necessitated by the attempt to establish the result that the market outcome will be "Pareto optimal" (which is defined in terms of individual interests), so that no one's interest could be further enhanced without damaging the interests of others. (1999: 118)

It is a behavioral assumption that flies in the face of some of the most crucial features of democratic life. The idea that voters would be indifferent to the impact of an election outcome on others is inconsistent with loyalty and attachment to political parties, the team spirit that animates campaigns, and the sense of satisfaction that comes with the election of one's candidate and the defeat of an adversary (or the dismay that is accompanied by electoral defeat).

Beyond whatever share in the concrete material benefits of an electoral victory may be expected by the individual voter, participating in a victory with thousands or millions of other people is a major reward of voting. The reward consists not only in the expression of a preference but also in the performance of a role. There is a sense of shame that accompanies the failure to vote insofar as voting is considered a civic duty. It is not just that the "impartial observer" will reproach the voter for joining the ranks of those whose actions (or inactions) may have contributed, however marginally, to an undesirable outcome; after all, one vote is hardly likely to alter the outcome. More importantly, voting entitles one to share in the performance of a key function of citizenship.

A major reason for encouraging people to vote—or even making voting mandatory—is precisely because casting a ballot gives the citizen a stake in the political process, a sense of having been part of the decisions that result in the formation of government. People who do not vote are sometimes told they have no business complaining about the policies enacted by elected governments. They have not done the bare minimum necessary to uphold their rights of citizenship. The fact that the non-voter is reproached in this way illustrates how seriously voting is taken. Voting gives the citizen a first-person experience with democracy—making democracy part of each citizen's own personal narrative—which forms the basis for second- and third-person narratives involving collective choice.

Freedom is about not just individual choice but also the intrinsic value of participation in social choices. Voting aggregates individual decisions into collective outcomes, but the exercise of freedom extends beyond the choice of candidates; it lies also in the participation in other aspects of citizenship, including public discussion, membership in parties, campaigning, donating time and money. Yet

the Arrow theorem assumes preferences are formed in an information vacuum with respect to the welfare of others, and that voters are not influenced by public discussion. Voters neither know, nor are told, nor care about the welfare of all other voters in this model, yet this actually violates the condition of agency that we have seen to be implicit in the functioning of democracy. Democracy demands that at a minimum all citizens respect the rights of all other citizens to participate, which immediately excludes a wide range of policy outcomes that would violate this stipulation. This alone is one of the major values of democracy, and it is missing from the Arrow theorem.

Finally, the model demands unique social ordering of outcomes. Smith would have dismissed the theorem as the approach of a "lover of systems" who starts with abstract ideas rather than the sentiments of human beings. Sen (1999: 254) observes that "judgments of 'social justice' do not really call for a tremendous fine-tuning precision." As Aristotle put it, one should not demand more exactitude than the subject matter permits. In this case, reaching a single collective choice that dominates all others, such that nobody can be improved except at someone else's expense, is setting the bar above the capacity of ordinary human systems of government. This does not mean that such systems are worthless, as Sen notes, only that majoritarian voting supplies inadequate information to reach such demanding precision in decisions about what outcomes are more or less just.

A utility-maximizing conception of democracy is an unbalanced polity. Utility-maximizing fosters unregulated competition at election time and opens the doors to the unlimited influence of money in politics. It casts doubt on the very goods democracy is designed to generate: public goods, citizenship, collective flourishing. The idea of the good itself is dismissed as incoherent. Citizenship is limited to voting, and the idea that citizens need virtues beyond knowledge of their self-interest is dismissed as utopian. Even the idea that citizens are competent to pursue their self-interest is placed in doubt. By treating social choice as a matter of satisfying the wants of voters, democracy is turned into a consumer market in which voters are buyers and parties are PR firms for candidates.

The utility-maximizing approach to democracy has gained credence in an era of free markets and pressures for global competitiveness. It

is a political theory compatible with neoliberalism; indeed, it is the foundation of neoliberalism. Neoliberalism has fostered skepticism about politics; even the very idea of "society" as anything more than aggregates of families and individuals has been dismissed as an illusion; yet faith in markets has resulted in ever-expanding spheres of deregulation, liberalization, and privatization—of utility-maximizing beyond the marketplace.

But utility-maximizing does not work well in politics because balancing public goods, which sometimes involves limiting the maximizing of private wants, is an inherent part of the activity of politics. As we have seen, Aristotle (2004a: 34) believed that virtues are destroyed by extremes of excess and deficiency. This underlying principle helps explain why in *The Politics* he advocated the mixed constitution (Aristotle 1962). Whereas utilitarian accounts of politics (like that of Arrow or Shepsle) treat individuals as maximizers and institutions as equilibria, virtue ethics insists that the roles and offices of the political system must be designed to compel rulers to judiciously balance a wide range of aims. In fact, the idea of utility-maximizing offers a concept of action that runs up against any coherent notion of roles or offices.

Roles and offices foster functionally differentiated clusters of activities that demand different excellences. For example, the legislator cannot be a maximizer because she has to balance concern for constituents with the exercise of her conscience in public deliberation, and adherence to the rule of law. Any of these concerns may conflict, and the exercise of judgment by politicians involves balancing them in different ways according to circumstances. Some lawmakers focus on constituency service; others focus more on making laws or advocating for particular causes (a region, an issue, or a group). The idea of representation demands the lawmaker decide how to balance different roles. For example, the lawmaker may see herself as a delegate of the voters, whose role is to speak on behalf of her constituents in parliament. Another lawmaker may see his role as trustee: someone who is concerned about the interests of constituents but must act in good conscience to fulfill this role. Or the lawmaker may feel she has a mandate to advance her own agenda by whatever means possible. Often these different concepts of the role of representation will clash,

and the representative will need to decide which role is more important in a particular moment. There are few hard-and-fast rules to guide the lawmaker.

Effectiveness as a legislator, as in any role, is a matter of converting capabilities—skills, knowledge, but also moral virtues—into functionings. That is, legislators use their ability to understand the needs and aspirations of constituents, to deliberate collectively, to negotiate compromises and find ways and means in order to perform the vital tasks entrusted to them. Legislative institutions facilitate this, but most legislators know that much of the action in politics takes place outside the legislature: in the media, on the streets, around kitchen tables. The legislature is a platform that can be used for many purposes, and astute legislators will know how to convert their resources into the power to do things. This is why the organization of legislative affairs matters. The rules and incentives within the legislature may encourage or discourage representatives from speaking out, or representing their constituents, or focusing their attention on lawmaking. They influence whether legislators perform their functions well. But compliance with regulatory rules and incentives is not the only criterion by which we should judge legislators: rules and incentives are mechanisms that either enhance or undermine the function of the legislature, but legislators should also honor and uphold the ethos of the institution.[9]

A similar argument can be made with respect to the balancing acts that are performed every day by judges. Judges need knowledge of the law, and the ability to interpret and apply it impartially. Judges balance the need for severity in cases where public safety is at risk with the empathy and compassion necessary to recognize both the impact of a crime on victims and the extenuating circumstances that might call for less severity. A good judge must always uphold the law, and desist as far as possible from relying on personal biases or extraneous influences, but there is often a wide range of discretion available to judges, for example, in sentencing decisions. Here, again, there are rules and procedures designed to enable judges to exercise their best judgment in determining guilt or innocence and the appropriate sanctions, but these rules are merely mechanisms to ensure the proper functioning of the judiciary.[10] Ill-conceived rules, such as mandatory minimum

sentences, can make it harder for judges to exercise wise discretion (see Forer 1992).

The exercise of executive power involves balancing acts as well. Who would deny that to be a good executive one needs courage, decisiveness, and prudence? These too are skills or capabilities that are converted into functionings: action and the constant supervision of the day-to-day business of administration; the legitimate use of coercion to ensure order and protect the political community from threats at home and abroad; and the leadership that gives the political community a sense of purpose. The rules governing the exercise of executive power tend to arise from the legislature and are upheld by the courts. Executive office by its very nature, tends to fill vacuums of power that appear in any constitution. The executive is the branch of government most prone to unrestrained maximizing of power, and therefore cannot be entrusted alone to uphold privacy, civil liberties, rights and freedoms.

The separation of powers is designed to foster balanced government, but not just by pitting the maximizing of power by one branch against the maximizing of power by another. Each branch of government monopolizes a distinct type of power—the power to make, adjudicate, and implement rules—and by separating them each is enabled and indeed encouraged to pursue its own activities with a degree of independence from the others.[11] Since each generates distinct goods, this independence fosters the overall balance of the political system.[12] When the separation of powers is mitigated, one set of activities is likely to dominate others. For example, when too much power is placed in the executive, security imperatives are likely to trump privacy and civil liberties; if too much power is placed in the courts, the law may become separated from its democratic origins; and excessive legislative power can result in the tyranny of majorities.

I have argued for a citizens' democracy based on a balanced constitution in which the roles and offices of the political system are performed by agents whose purposes are constitutionally defined. This limits *and* enhances state power.[13] Specifically, it limits certain destructive kinds of competitive maximizing. My argument is not against competition generally; it would be as strange to oppose competition in general as to object to markets in general (see Sen 1999). However,

there are forms of competition that can undermine democracy, and to prevent this from happening we need to uphold what might be called enabling constraints—constraints on certain kinds of competition that enable other forms of collective action. For example, constitutions may limit unrestrained maximizing in elections by creating regulatory rules that discourage campaigning between elections. They may allow a society to flourish without the logic of competitiveness undermining basic public goods. But of course, for constitutions to perform these tasks, they require citizens with a capacity for deliberation, judgment, and collective action. A citizens' democracy, if such a system might be imagined, would emerge not only from the design of good institutions but also from the cultivation of virtuous citizens and practically wise rulers.

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CONCLUSION

If you govern the people by laws, and keep them in order by penalties, they will avoid the penalties, yet lose their sense of shame. But if you govern them by your moral excellence, and keep them in order by your dutiful conduct, they will retain their sense of shame, and also live up to this standard.

—Confucius, *The Analects*

Practical wisdom is necessary not only to be good citizens and good statespersons but to perform any practice well. Social science is a practice, even though its aim is to generate scientific knowledge rather than practical wisdom. As such, the social scientist needs practical wisdom for two reasons. First, good social science demands certain virtues or excellences. Second, practical wisdom is necessary for the social scientist to appreciate the contributions of practitioners and to generate knowledge useful to them. This is the perspective I have sought to bring to bear on the study of institutions.

Institutions are of interest to social scientists because they shape behavior, making them a potentially powerful source of explanations in many social situations, but they should also be of interest because they can foster or crush practical wisdom (Schwartz and Sharpe 2010: 197-228). They provide roles and offices essential to the agent's sense of moral purpose. They create structures of meaning that give coherence to actions. They are important not only because they create rules and incentives that influence behavior, but also because they powerfully influence the kinds of people we may have reason to want to be. They influence the quality of our character—and thus whether we perform our roles and offices well, and achieve high standards of excellence

in our conduct—not just the direction of our behavior. But bad institutions can crush agency and destroy practical wisdom. They can do this by demoralizing agents and corrupting their motivations, by crippling their capacity for judgment and deliberation, and by limiting their scope of action to pursue the aims intrinsic to their activities.

Institutions undermine agency, as understood here, when they promote competitive utility-maximizing at the expense of practical wisdom. The rise of neoliberalism has led to an ethos of competition that has spread into ever-wider spheres, making competitive utility-maximizing an increasingly normalized understanding of practice not just in the marketplace but also within public institutions. This process is destructive to the common good. Utility-maximizing works against the capacity to select judiciously among alternative ends, or to balance different kinds of goods. A purely utility-maximizing individual—perhaps the psychopath or the corporation comes closest to this (Bakan 2004)—would be an agent not in the full sense, but only in a narrow and instrumental sense. Such an individual might be able to select the means most efficient to attain his ends but could not wisely deliberate over the ends themselves, for such deliberation requires more than maximizing: it demands empathy, understanding, the capacity to listen to and care about the other. Indeed, as soon as deliberation over ends is introduced, the individual ceases to be a utility-maximizer.

So why has competitive utility-maximizing become such a widely accepted lens through which to analyze human behavior in the social sciences? Its appeal lies in bracketing the discussion of ends and focusing only on the efficient choice of means. This offers the convenience of eliding any discussion of values, and thereby seeking to avoid moral considerations. There is a presumption that a more scientific understanding of human affairs demands a value-neutral perspective. Social scientists who embrace a more positivist, rather than interpretivist, orientation are generally reluctant to include moral considerations in the study of politics for two reasons—one methodological and the other, paradoxically, normative.[1]

The methodological issue concerns the aim of value-neutrality. Since science is presumed to be value-neutral, the discussion of morals diminishes scientific rigor. Forced to choose between an explanation

of action that makes no reference to the value-orientation of agents and one that does, social scientists will often prefer the presumptive parsimony and potential generality of the former. Indeed, as Alasdair MacIntyre (1984: 83) has observed, some scholars believe science can never achieve precision unless it "omits all reference to intentions, purposes and reasons for action." Others fear that reference to values risks smuggling biases into the analysis. Albert O. Hirschman (1981: 296) put it well when he described the fear that our "analytical performance becomes automatically suspect if it is openly pressed into the service of moral conviction." Either way, an explanation that makes no reference to something as unobservable and contentious as values or beliefs about the good is privileged over one that demands knowledge of first-person experience.

The normative issue arises from the concern that liberal democratic states are too fragile to process disagreements about ultimate ends or values. Since disagreements over values are intractable, especially in complex, pluralistic societies, placing them on the public agenda is a recipe for irreconcilable conflict. People may have good reasons to disagree about morally fraught issues, and the presumption that they can reach agreement on comprehensive visions of the good places excessive burdens on the political process (Rawls 1986). Rather than push for broad substantive moral agreement, we are better off seeking a less demanding agreement on procedures for processing disagreements when they cannot be avoided. For example, elections resolve issues, temporarily, by means of majority rule. There is (and should be) no presumption that those in the majority are right, only that they have temporarily prevailed in the court of public opinion.

In a curious way these two concerns—the methodological and normative—reinforce each other. A commitment to tolerance of other viewpoints and a belief in science as a value-neutral activity naturally converge. This should not surprise us: The social sciences emerged in response to religious dogma (Hirschman 1981). Underlying both the methodological and normative objection to integrating morals into the social sciences lies is a deeper skepticism about the possibility of agreement on moral values. Values, in this view, are situational, unstable, and subjective.

MacIntyre uses the label "emotivism" for the view that "all evaluative judgments and more specifically all moral judgments are *nothing but* expressions of preferences, expressions of attitude or feeling, insofar as they are moral or evaluative in character" (1984: 11–12, italics in original). In this view, evaluative statements express a mental attitude toward a state of affairs in the world, not a description of the world. No objective state of affairs is good nor bad, except insofar as such qualities may be attributed to it from an normative standpoint. The normative standpoint is not part of the objective world, but it is purely subjective.

An important foundation of such a theory is Hume's guillotine: One cannot derive an "ought" from an "is."[2] In this view, statements that describe or explain the world, and statements about how it ought to be, are of a qualitatively different order. The former is ontological: It deals with what exists, what there is in the world. The latter is deontological: It deals with principles regarding what we should do. There is no such thing as a moral fact, only moralizing about facts. Facts and values are ontologically distinct.[3] The very idea of a moral fact is incoherent and represents a kind of category error.

Positivist social scientists have tended to embrace the separation of facts and values, and this influences the conduct of their research. Although adherents of fact/value separation will often acknowledge that research should begin with normatively important problems, once such problems have been identified they assume that we can set aside moral convictions and conduct objective and value-free research. They may believe that moral commitments and research may come together again in the dissemination of research findings; they may feel, for example, that ensuring our research has a social impact is normatively important. But the research is conducted without regard to any goal other than the generation of scientifically valid findings. Thus they separate the moral commitments of the researcher from the research itself.

Such a viewpoint is readily complicated. In the human sciences, objective understanding requires the capacity to see a problem from the subjective standpoint of the agent (Searle 1999: 113).[4] When the subjects of research are agents whose actions are guided by moral sentiments, purposes, and beliefs, it is often necessary to understand

these subjective mental states in order to explain the agents' choices and actions. Moreover, the sentiments and intentions of actors may also be informed by theories generated by social scientists. The assumption that political agents are reflective practitioners—that their beliefs are altered by ongoing reflection on the situations in which they find themselves, including reflections on the beliefs of other agents—means "we cannot ever identify a determinate set of factor which constitute the initial conditions for the production of some outcome in conformity with a law-like regularity" (MacIntyre 1978: 279). Yet the social scientist has something more powerful than laws to explain human interactions: the capacity to use language to understanding of the world from the perspective of other agents. This includes the capacity to understand subjective moral reasoning and integrate it into the analysis of social situations. A researcher who lacked the capacity to understand the moral reasoning of subjects would be more likely to fail to understand their outwardly observable behavior. The virtue of empathy is necessary to perform the interpretive aspects of social science.

Contrary to emotivism, emotions are not just mental states formed in response to the objective world. Empathy is an ontological feature of the social world: it is a capability that enables people to both understand and interact with others. Social psychologist David Pizzaro (2000) illustrates the importance of understanding emotions in moral reasoning with a thought experiment. He invites us to reflect on the example of Spock, a humanoid from the planet Vulcan in *Star Trek*. Vulcans are highly rational creatures, but they lack emotion, and are thus constantly baffled by human behavior because, without emotion, they lack insight into human minds. They can deduce actions from principles, and thus easily follow conventional moral codes. Lacking a capacity for empathy, however, they are often unaware of moral situations and are uncertain how to respond. They are not fully competent moral agents, and this hinders their ability to relate to humans. Researchers who lacked the ability to take the perspective of their subjects would be like Vulcans: Failing to grasp morally consequential facts that motivate and give intelligibility to the actions of the agent, they will repeatedly be baffled by outcomes. They are also likely to over-emphasize the importance of rules and incentives.

Too much sympathy with subjects can also be a problem. The researcher who lacked a capacity for sociological detachment might understand research subjects without being able to stand back enough to explain their actions with objectivity. Objectivity in the social sciences does not mean excluding moral considerations in the course of research, but rather knowing how to balance detachment and empathy—both of which are crucial to knowledge and discovery. Finding a balance between detachment and empathy as an observer is not the same as the sequential operation in which we first pick a normatively important puzzle and then describe the facts and explain outcomes objectively. We may think it possible to provide a rigorously objective account of an event or situation, free from any value judgments, but competency in social inquiry demands understanding the moral dimension of action, and this is often difficult without taking the actor's perspective (Geertz 1973). An account of an event or situation that stripped away all moral connotations would leave behind something substantially less than what was experienced by the participants, and thus part of social action—maybe even the most important part—is left out of the analysis.

It might be objected, however, that science involves methods that aim precisely to limit the role of values, judgment, character, or virtue. In this view, the goal of science is to reach conclusions that cannot be dismissed because we do not like or approve of them. Values may influence the kind of problem the scientist wishes to study, and how the findings are disseminated, but the scientific method should be protected against value judgments.

But how should science be protected, and against what value judgments? Science is a practice, an activity that aims at such goods as truth, the advancement of knowledge, and learning. Like any practice it demands virtues or excellences. For example, good scientists must be honest and uphold the integrity of their research. Falsifying data is not acceptable, nor is manipulating results. Scientists must also be impartial. Impartiality is a value like any other. In the face of overwhelming evidence, an honest scientist will recognize that a false hypothesis must be abandoned. We expect scientists to be prepared to recognize when they are wrong when evidence refutes their hypotheses. This may take courage, integrity, and determination. It

also takes knowledge of what counts as falsification. It would be a mistake to think that the practice of science does not demand such skill and knowledge. Science also demands imagination. Good hypotheses are generated by harnessing a discerning intellect to a capacity for speculation. Such skills can be cultivated and learned. For all these reasons, I have argued that science has an ethical foundation—it requires practical wisdom to be performed properly.

Practical wisdom is, perhaps, even more important in the social sciences than in the natural sciences.[5] The social sciences are concerned with agents engaged in meaningful action. To comprehend human action demands an additional set of skills: empathy and perspective-taking, the ability to listen, and the insight to understand the purposes and motivations of other agents. In addition, some social scientists—but not all—may wish to engage in praxis; that is, they may wish to use their knowledge to bring about change in the world. Being explicit about this and doing it well demands a further skill set beyond what is normally associated with science. For example, it might involve using the research process to generate knowledge and insights that help members of the wider community to see solutions to shared problems. Social science research based on phronesis is likely to generate research that is both scientifically valid and relevant to practice. In the social sciences, understanding value judgments is necessary not only to conduct research but also to understand meaningful action by agents.

Building a bridge between facts and values in social research requires abandoning emotivism. Values form part of the experience of the agents whose actions we seek to understand and explain, and experience of confronting the world and finding one's way in it is a real and irreducible part of social life. Consider the claim that Nelson Mandela had moral authority. This could be read to mean that many people *believed* Mandela had moral authority. The suggestion that there could be anything more to the claim would be taken as mistaken. Moral authority is simply attributed to some leaders by those who hold certain beliefs. Alternatively, the statement could involve the claim that Mandela actually did possess a certain quality that we call moral authority. In that case, the statement is intended not as a description of subjective views, but rather as an assertion of fact.

For those who lived under the oppression of apartheid, Mandela came to personify their struggle. His leadership and example gave meaning to their lives. As one of the most visible symbols of oppression, his own ability to find forgiveness and seek reconciliation made him a wise statesperson whom his followers could trust in their own internal struggle for emancipation. The quality we call moral authority would be the capacity that Mandela had, by virtue of his words and deeds, to evoke a willingness to follow and obey on the part of his admirers and supporters. The values and dispositions of Mandela's followers were shaped by their experience of his leadership. Mandela's moral authority formed part of the world that we must describe and understand in order to explain his role in the struggle for liberation.

Perspectives on Common Goods

There is more coherence to the idea of goods as moral facts than is acknowledged by positivism and emotivism.[6] A basic advantage of virtue ethics over positivism is that it does not separate conceptions of the good from life generally. Goods are nothing more or less than the ends toward which agents strive in their effort to survive and thrive. As I argued in Chapter 2, this struggle is part of the very autopoietic foundation of life: All living organisms seek to maintain and reproduce themselves (Thompson 2007: 13). The good, in this sense, is rooted in biology and ecology—it is a natural form of goodness. As social creatures, the well-being of all animals is tied to the condition of other members of their species and of the environments they create for themselves. As soon as agents enter an activity or practice—from the most basic sensory perceptions to the most advanced arts—they are already engaging their practical wisdom.

Operating in the world, which comes to be known through activity, agents must continuously seek the right way to do the right thing with respect to their aims so that they are not continuously foiled and frustrated. In this, humans are not fundamentally different from other animals; the difference lies in the capacity to harness language and logic, to use tools and symbols, and to work collaboratively on a large scale and with a sense of time. These capacities allow practical wisdom to flourish and develop, but they also presuppose the ability

to learn from experience to exercise judgment, empathy, deliberation, and other virtues involved in practical wisdom. Through a variety of biological mechanisms, the individual is equipped with faculties that enable interaction with other members of its species and the environment in ways that enhance life's chances. Concern for kith and kin, especially offspring, bonds of attachment with other members of the species, and other mechanisms of sociability are crucial to successful flourishing (Churchland 2011).[7]

Morality emerges in coherent ways as the self becomes aware of its own mind and that of others (Damasio 2010). The capacity to share experiences adds a new dimension into our understanding of the good. The good becomes consciously articulated, which in turn creates conditions for collaboration and joint effort, further unlocking the production of new goods. The articulation and socialization of the good is an incredibly powerful and transformative force. The experience of the good can be sublimated from the individual gratification of immediate wants and desires into the social achievement of joint projects in the form of work, family, and community. Work generates goods insofar as it enables the material reproduction of conditions of existence; families aid reproductive success and socialization of youth; community provides the social goods in which the individual can flourish. The production of goods seems to have a ratchet effect: The more goods we produce, the more new goods become available.

The flourishing of human society requires sustained activity with respect to problems that threaten collective survival and flourishing. Such activity must be organized, and this requires the cultivation of certain capabilities—like the qualities of character and judgment that enable collective action and conviviality. Jean-Jacques Rousseau (1993: 87) used the metaphor of a deer hunt to show how collective action can be undermined by agents who lack the capacity to delay gratification, who cannot focus on the longer term, and who cannot see the difference between individual and collective goods:

> If a deer was to be taken, every one saw that, in order to succeed, he must abide faithfully by his post: but if a hare happened to come within reach of any one of them, it is not to be doubted that he pursued it without scruple, and having

> seized his prey, cared very little, if by so doing he caused his companions to miss theirs.

Some goods are greater than others, and this creates social choice problems.

The capacity to solve problems like Rousseau's deer hunt makes humans consummate political animals. Some other primates show a sense of fair play, and can even be outraged by injustices (De Waal 2009), but they are unable to solve even basic collective action problems (Hamann et al. 2011). Thanks to a unique capacity for speech and language, humans can. Language is involved in conflict resolution, problem-solving, and collective action in two ways. First, the acquisition of language would be impossible without the capacity to attribute to others intentions and purposes comparable to one's own (Tomasello 1999). Second, the use of language vastly extends the ability to cultivate second- and third-person perspectives, to see the world from another's viewpoint or, as it were, from a bird's-eye view. Through speech and communication, collective reflection and deliberation, we are able to grasp common goods beyond that which is generated by habit or custom.

This brings us to disagreements over goods. Many, perhaps most, goods are uncontroversial. Basic human needs like air, water, food, and shelter are goods. Most people would agree that meaningful and dignified work is a good. We may, however, admit disagreement about what counts as meaningful and dignified. This may vary from one person to the next. And this is why we always need to think of goods from different perspectives and in a way that encompasses the first-person perspective. If we know what gives people satisfaction, we can appreciate that what might be a good job for one person might not be right for another. The very subjectivity that is so often invoked by those who claim that it is not possible to reach agreement on goods is critical to do precisely that. The fact that a job that is experienced as drudgery by one person, but is fully satisfying to another, does not tell us that we cannot agree on what counts as a good job; rather, it tells us that different people seek different goods. There are very few real barriers to understanding why people value different goods differently. That said, disagreements over goods are real.

One source of disagreement is the distribution of goods. There is often less than meets the eye in such disagreements. A dispute between egoists over who should get a larger share of a pie hardly counts as an intractable moral conflict. The problem in this case is egocentrism, and the inability to compromise, not the equal validity of morally equivalent viewpoints. The dispute can be resolved by both participants taking a wider view of the conflict, one that encompasses concern for the other. Moral disagreement arises because of differences in perspective. Emotivism confuses this with the mere incapacity of egocentric moral agents to see past their own viewpoints.

A more meaningful type of disagreement arises from differences between the perspectives of the individual and those of the group. Rousseau's parable of the deer hunt is designed to capture this. Strong individualists will argue that freedom of individual initiative requires restraint by the community. Placing too many expectations on the individual by the community leaves everyone worse off. Similarly, a communitarian might argue that too much scope for individual initiative will damage the common interests of the community. These are both arguments about how individual freedoms and collective obligations should be balanced. These viewpoints may not be reconcilable, but nor are they necessarily incommensurate. In fact, balancing the rights of the individual and the good of the community (which both seek to do) requires the capacity to make arguments from the perspective of the self, others, and the community as a whole.

A deeper objection to the common good comes from those who claim, as Hobbes did, that we will never agree on what is good or bad, because these terms are grounded in diverse experiences. Given different experiences, people will pursue different goods. Consider a confrontation between protesters and police. The police officers have a goal different from the protesters. Both sides may justify their actions by pointing to the good they seek to bring about. The protesters seek political change, while the police wish to protect the existing order. These seem to be irreconcilable goods. According to this objection, we need to abstract from the perspectives of the actors and attempt to describe the objective facts before evaluating the normative claims of the actors.

Behind this objection lies the assumption that an action can always be described empirically in a value-neutral way—that is, the descriptive features of an action can and should be separated from our moral evaluations. My view is that this position aspires to the wrong kind of objectivity, one that separates facts and values too categorically. Whether we think of the good as natural (things that living organisms need to survive and thrive), learned by habituation or socialization (things that are taught), or the product of reflection or deliberation (things reason suggests), in each case, it involves a desired state of affairs that agents engaged in some practice seek to bring about.[8]

To return to the example of police officers restraining protesters, the police do not think they are simply performing an action that can be evaluated subjectively as good or bad. They think they are performing a valued function: protecting persons and property. It is essential to an action that it leads to an end without which the action would be meaningless. The meaning of the actions of the police cannot be understood apart from the aim of their activities. By the same token, the protesters wish to express a point. The purpose or aim of the protest is not separate from the actions of the protesters. Rather than considering the interaction between police and protesters as a single objective event that can be evaluated from multiple perspectives, we should start with the recognition that in all such cases there are multiple actions involving the pursuit of distinct goods. Whether the goods are irreconcilable is an open question. It may be possible for the police to do their job and the protesters to make their point at the same time. In that case, they may share a common good even as they pursue different goods.

This still leaves a harder, but related, problem. Again, assuming the good refers to a desired state of affairs that an agent seeks to bring about, some ends are clearly better than others, and this is a source of disagreement. Can people be virtuous and yet pursue the wrong aims? To take an extreme example, one often evoked in these debates, what are we to make of a Nazi soldier who exhibits exemplary bravery?[9] Aristotle would have had an answer to this question, but it is not clear that the answer is satisfactory for us. Practical wisdom, Aristotle believed, was the master virtue because it united the moral

and intellectual virtues necessary to have the right aims. Having the right aims was part of possessing practical wisdom. Aristotle could hold this view because he believed in the unity of the virtues.

Susan Wolf (2007) has argued that such a view seems implausible in light of the fact that most people seem to possess the virtues imperfectly. She gives the example of Bill Clinton, who had the virtue of compassion but not temperance and discipline (Wolf 2007: 146). This leads her to argue for a weaker version of the unity of the virtues thesis. For practical purposes, she says, the possession of a virtue may be imperfect or incomplete. Most good people are pretty good about things like telling the truth, but we do not expect them to be completely honest or always know how to balance honesty against other virtues like compassion. Perhaps each virtue demands knowledge of other virtues, but not always their full possession. Of course, the imperfect possession of a virtue, or the possession of one virtue but not another, can lead to moral failings. By the same token, however, even the partial or incomplete possession of virtues may lead to goodness. This seems all the more plausible if we accept the idea that, as Amelie Rorty (1988: 137) felicitously puts it, "the virtues hunt in packs." In other words, the possession of one virtue is likely to lead to the acquisition of other, interconnected, virtues. For example, a veteran may be enlisted to help others soldiers suffering from post-traumatic stress by appealing to his sense of duty and sacrifice rather than compassion, yet the cultivation of compassion may result from his dutiful efforts to help other veterans.

This still leaves us with the problem of what to make of the exercise of virtue in the pursuit of the wrong ends. To return to the example of the courageous Nazi, we know that courage is not just boldness; it involves the practical wisdom to know how and when to make light of danger, and for what reasons. I think it would be right to say, however, that a Nazi soldier who threw himself on a hand grenade to save his platoon acted courageously. Nevertheless, while we admire the soldier's spirit of sacrifice, we cannot accept the larger cause for which his life was given. By contributing to an evil cause, even in a self-sacrificing way, the soldier surely bears some part of the responsibility for the suffering inflicted by the organization to which he belongs.

So it is important that we make distinctions between different types of goods in connection with the aims of the activities concerned. An idea well worth considering is that in an organized society, "the virtues hunt in role-differentiated packs" (Rorty 1988: 142). The functional differentiation of roles makes it possible to identify particular sets of virtues with distinctive roles and offices. For example, the disposition to protect one's comrades is a virtue in all martial cultures, and soldiers can recognize valor even in their enemies. It was not the actions of courageous soldiers that made the Nazi war effort an affront to humanity, though they may have made the effort more efficacious. It was the callousness and cruelty of the military objectives and methods of the Nazis that were most condemnable. Making this distinction is necessary to accept the possibility of moral re-education. As MacIntyre (1984: 180) notes, moral re-education after the war was possible precisely because soldiers were not entirely lacking in moral virtues.

The mirror opposite of the courageous Nazi (someone who does good for the wrong cause) is the deceptive patriot (someone who does wrong for a good cause). In the Library of the Municipality of Barranco in Lima, Peru, there is a painting by Etna Velarde. Entitled "The execution of Leoncio Prado, Huanachuco, 15 julio 1883," it depicts a wounded Peruvian military officer lying in bed, a cup of coffee in his hands, calmly facing a Chilean firing squad. Prado had been captured and released after promising to lay down arms. He immediately returned to battle, was wounded, recaptured, and promptly shot. Should a soldier keep the faith with his enemy?

We may admire the fact that the Chilean officers gave Prado a second chance—they acted, it seems, in a honorable manner. The officers on both sides were, presumably, well-bred gentlemen with a sense of honor. For Prado to have broken his word seems condemnable, and yet there is something about his calm countenance, the equanimity with which he accepts his fate, that suggests a clean conscience. Prado was killed by an invading army that, in the view of Peruvians, was sacking and annexing their homeland. He may have preferred death to defeat. By reneging on his word, and returning to battle, he would have had the chance to either share in the glory of a victory over Chile, or die trying. Either option would be preferable to

slinking away from the battlefield having mortgaged his life at the expense of his homeland.

That there are multiple goods, and that they conflict even within a single action, should not surprise us, especially in politics. As Max Weber (1958: 121) puts it, in politics "the attainment of 'good' ends is bound to the fact that one must be willing to pay the price of using morally dubious means."[10] It is precisely because of the morally dubious means of politics that political institutions are so crucial. Democratic political institutions foster and stabilize certain kinds of practices that are necessary to human flourishing. Other institutions, like slavery, colonialism, patriarchy, and totalitarianism, are designed to limit human flourishing to slave-owners, colonizers, men, or the master race. The kinds of virtues that emerge from practice are, at least in part, shaped by institutions.

The virtues may hunt in packs, but they do not necessarily converge on a single ethical worldview. Institutions may contribute to shared conceptions of the common good. Moral path dependency may lead people along distinctive trajectories. There is no privileged, third-person narrative that captures an objective good transcending particular experiences, but that does not mean that there are not, as Aristotle believed, greater and lesser goods. The idea of the good troubles the positivist social scientist only because we cannot define a singular and unambiguous common good upon which all can agree. Consequently, it is wrongly concluded, any discussion of the good is epistemologically suspect because the good must be objective, rational, and irrefutable—outside time and place, perfect and immutable. What this ignores is that common goods are discovered through social practices and are grounded in first-person experience.

The First Person

The first-person perspective deserves its due in the social sciences. Mead (1934) taught that the self is constructed and reconstructed through interactions with others; in the process it becomes reflexive, interpretive, and purposeful. Morality is derived not from a rational will, but from nature as it emerges through social communication and shared experiences (Selznick 1992: 161–164). Understanding the self is

impossible without access to first-person experience. The first-person perspective is resisted, however, due to a misguided and ultimately counterproductive quest for objectivity.

At a recent conference an economist pronounced that there are two types of social scientists: those who study texts and those who study the real world. He forgot that his wallet contained texts—cash, checks, credit cards—the interpretation of which is crucial to the operation of the marketplace and the study of economics. The division of the world into subjective and objective, word and object, and a strong preference for avoiding the subjective, not only ignores the fact that most aspects of the social world are textured and shaped by objective products of the human mind (like money and other institutions), but also that all social events and situations can be simultaneously seen from first-, second-, and third-person perspectives.[11] Ego's subjective experience is part of Alter's objective reality, and vice versa. The rejection of morality in social analysis comes in part from the affirmation of the primacy of a third-person perspective, and skepticism about knowledge that derives from first-person experience. That is not only a mistake; it cuts the analyst off from some of the richest resources we have for understanding social life. Morality, in such a social science, demands the integration of multiple perspectives. It originates in first-person sense and experience, it is enhanced by the capacity to take a second-person perspective, and it is rationalized and made an objective product of the human mind through third-person theorizing. The third-person perspective is necessary for impersonal narrative, framing, and rules—which demand a conscience, a judicious spectator—but it is impossible without first-person experience and empathy with others.

Reductionist science fosters skepticism about first-person knowledge. It eschews experience as a source of reliable knowledge. If we are to believe our senses, it would seem that the world is flat and the sun rises and sets on Earth—yet we know that the Earth is round and orbits the sun, thanks to the Copernican revolution. In the social sciences, however, personal knowledge has a different kind of status. As Hirschman put it, we all know a good deal about how society works "without ever having taken a single social science course" (Hirschman 1981: 297). Thus social scientists are apt to lament that all people

imagine themselves experts when it comes to social issues. There is, therefore, a certain delight to be found in proving people to be wrong in their intuitions about nature and society, particularly when the evidence overturns strongly held moral views.

But a reductionist science that elides the first-person ontology of subjective experience will always treat practice as technique, or *techne*. Alasdair MacIntyre (1984: 57) notes that this runs up against any functional understanding of roles. The whole point of a practice is to achieve the good of an activity, and the moral competence demanded by a practice is precisely the sort of thing that institutions are authoritatively able to define. Institutions do not just establish rules and incentives; they create roles and offices to ensure certain practices are performed that are essential to the achievement of socially desired ends. When those ends are not achieved, more rules are not necessarily the answer. Better practice is critical, and that implies better training, better learning, better supervision, better problem-solving, better coordination, and, of course, better ethics—not understood as checklists of actions to be completed to comply with rules, but rather the skill and motivation to improve practice.

Institutions allow agents to focus on the aims or goods intrinsic to their practices, and this allows practical wisdom to flourish. But when institutions are corrupted by a focus on extrinsic goals like profits or rankings, they can inhibit practical wisdom. This is the most important lesson we can learn from the Lac-Mégantic runaway train disaster. If the problem was only a technical one, the solution might be automation. But there will always be technical tasks that demand the exercise of good judgment by practitioners. Such practitioners will always require more than good techniques; they will also require the skills and knowledge necessary to grasp the meaning of the activity. Rather than focusing exclusively on the failure to apply rules, we should inquire into how to design institutions that foster such skills and knowledge. To do this requires placing the practitioner at the center of attention. That is why it is important to examine why there were shoddy repairs, and why the train was not parked in a siding, as well as why a brake test was not properly conducted, and why the decision to shut off the main engine was made without understanding the consequence of that action. We need to be attentive not only to the lack of compliance

with rules, but also to the mislabeling of the product, lack of a corporate safety culture, poor enforcement of regulations, poor track maintenance, the use of easily punctured oil cars, and the routing of trains through populated areas. Above all, we need to notice how the competitive struggle to maximize the bottom line took precedence over prudence.[12]

The disaster at Lac-Mégantic is more than a useful illustration of the importance of good practice; I have used it as an allegory for the runaway competition that is undermining our deliberative institutions and inhibiting collective action. In the face of relentless competition and the push for limitless economic growth, we need the practical wisdom to know how, when, and why to say "enough is enough" (Skidelsky and Skidelsky 2012). This is the first step to finding a better balance among common goods, including the qualities of character among our fellow citizens, that we have reason to value.

A social science that cannot encompass moral facts leaves us unable to articulate the value of common goods. The assumption that agents always merely maximize their interests within rules makes it hard to even ask the right questions. It encourages too much reliance on rules and incentives to align the actions of individuals with collective goods. This strategy has been pursued well beyond the point of diminishing returns. It is time to question the assumption that whenever our institutions fail us, the problem must be that the rules and incentives need to be adjusted or tightened. More often, I suspect, the problem lies in the erosion of good practice, which is, as often as not, due to the tendency to treat institutions as arenas in which individuals maximize their rewards rather than enhancing the capacity of agents to deliberate, act, and judge in ways that enable them to balance goods.

NOTES

CHAPTER ONE

1. For the authoritative report on the Lac-Mégantic disaster, see Transportation and Safety Board of Canada (2014). Unless otherwise indicated, facts presented in this chapter are from this source.
2. According to Karl E. Weick, disasters can result from failure to grasp the full meaning of a situation. Organizations need to be able to piece together particular facts while recognizing that "reality is an ongoing accomplishment that emerges from efforts to create order and make retrospective sense of what occurs" (Weick 2001: 106). This is similar to Aristotle's view that knowledge of particulars comes from experience, and it is through activity that we confront and make meaning of the world.
3. See Kim Mackrael and Grant Robertson, "Lax safety practices blamed for Lac-Mégantic tragedy," *Globe and Mail*, August 19, 2014. http://www.theglobeandmail.com/news/national/tsb-releases-final-report-on-lac-megantic-rail-disaster/article20106828/ Last accessed: 18/12/2017.
4. Unlike other railway companies, MMA did not communicate regulations clearly to employees, use simulations to ensure employees understood new regulations, or encourage employees to share their interpretations of rules. See Alison Brunette (2017).
5. "Head of railway in Lac-Mégantic disaster says he's 'also a victim'," *Canadian Press,* December 27, 2013. http://www.cbc.ca/news/business/head-of-railway-in-lac-mégantic-disaster-says-he-s-also-a-victim-1.2477242. Last accessed: 18/12/2017.
6. These figures were compiled by Trish Hennessy for the Hennessy Index, Canadian Centre for Policy Alternatives Monitor, October 2014. www.policyalternatives.ca/index. Last accessed: 12/18/17
7. See Wendy A. Tadros, Chair, Transportation Safety Board of Canada, Lac-Mégantic, Quebec, Release of Railway Investigation Report R13D0054, August 19, 2014. http://www.tsb.gc.ca/eng/medias-media/discours-speeches/2014/08/20140819.asp. Last accessed: 3/14/2017.

8. For discussion, see Hursthouse (1999: 1–8), Gardiner (2005: 1–3), Sandel (2009: 19).
9. Quoted in Atkins (2014).
10. See Hill (1983), Lombardi (1990), Solomon (1992a, 1992b), Crawford-Brown (1997), Robinson and Dixon (1997), Sen (1999), Flyvbjerg (2001), Geertz (2001), Forester (1999), Milde (2002), Schram and Caterino (2006), Schwartz and Sharpe (2006), Churchland (2011), Olson (2011), Nila, Schwartz, and Sharpe (2012), Sandercock and Attili (2012), Flyvbjerg, Landman, and Schram (2013), Annas, Narvaez, and Snow (2016).
11. The etymology reveals implicit sexism, since virtue is associated with manliness.
12. See the discussion of virtuosity in Flyvbjerg (2001: 14–15, 17–21).
13. Martha Nussbaum (1995) uses the term "judicious spectator," which implies judgment and imagination rather than impartiality and disinterestedness.
14. I am grateful to Alirio Rosales for stressing this point.
15. See Sandel (2009), Korsgaard (2008), Gardiner (2005), Hursthouse (1999), Crisp (1996), Engstrom and Whiting (1996), Chapman and Galston (1992).
16. For an excellent survey of the state of the art in political science institutionalism see Rhodes, Binder, and Rockman (2006); see also Hall and Taylor (1996), Knight and Sened (1998), Bates et al. (1998), Mahoney and Thelen (2010), March and Olsen (1989, 2006), North (1990), Pierson (2004), Rothstein (2005), Steinmo et al. (1992), Thelen and Steinmo (1992), Shapiro et al. (2006), Schmidt (2008), Panizza and Miorelli (2012). R.A.W. Rhodes (2006: 90–91) finds much of value in older institutionalisms, while Arthur Stinchcombe complains that "the trouble with the new institutionalism is that it does not have the guts of institutions in it. The guts of institutions is that somebody somewhere really cares to hold an organization to the standards and is often paid to do that" (1997: 17). There is also less diversity than the proliferation of institutionalisms might appear to convey. As Colin Hays (2006: 62–63) notes, the trajectory of historical institutionalism has been to resolve the "calculus–culture balance" in favor of the need for micro-foundations, and thus toward rational choice institutionalism. Vivien Schmidt (2008: 317) makes a similar point.
17. Others, along similar lines, have celebrated the "reflective practitioner" (Schön 1991) or the "deliberative practitioner" (Forester 1999).
18. See Flyvbjerg, Landman, and Schram (2012); Schwartz and Sharpe (2010: 5–12); Flyvbjerg (2001); and the glossary in this book.
19. It is an ability rooted in moral sentiments—feelings of right and wrong, duty and obligation, justice and reciprocity—that arise from bonds of empathy and attachment. These are expressed, in the first instance, through concern for kith and kin (Churchland 2011). They are rooted in biology and confer evolutionary advantages by means of the ability to cooperate and suppress antisocial behavior (De Waal 2009; Boehm 2012).
20. Confucius, in the *Analects*, said rulers should govern by example or else their subjects will learn to obey the law only to avoid penalties and not because they have internalized moral standards. The ruler could pronounce a set of regulatory rules or he could, through his own actions, demonstrate the value of moral standards. This did not mean that the ruler would always follow the same rules in the same way—decisions could vary in accordance with the particulars of each situation—but his actions would always aim at setting a moral example. Establishing or upholding rules was not the primary concern of the ruler. All institutions serve as platforms for practices or activities justified in terms of goals.

21. Likewise, Hall and Taylor (1996: 939, 957) distinguish between "culture" and "calculus" and call for "more extensive exchanges" between alternative institutionalisms.
22. See Sen (1999: 58) for a discussion of utility-maximizing.

CHAPTER TWO

1. For a discussion, see Sen (1999: 56, 58–60).
2. This point is made by Hardin (1968: 1243), citing von Neumann and Morgenstern (1947: 11; see Kuhn et al. 2007: 11).
3. See Cameron (2013).
4. On this, see Mansbridge (1990).
5. For this reason competition is also an enemy of diversity: It promotes convergence on winning strategies.
6. This was the practice in Enron, where employees were ranked on a five-point scale. Top performers were rewarded with huge bonuses, while those ranked in the bottom quintile had to improve or be fired. See McLean and Elkind (2004: 63–64).
7. Promoting competition is the explicit goal of the market-oriented Fraser Institute's ranking of public schools in Canada. Citing Milton Friedman, they argue that "education is broadly improved when parents have choice and schools are forced to compete" (Clemens et al. 2014: 1).
8. The National Hockey League's "Official Rules" outline in detail the regulations governing fighting. http://www.nhl.com/ice/page.htm?id=27011. Last accessed: 12/18/17.
9. The point is made eloquently by James C. Scott (1998: 2012).
10. See discussion in Selznick (1992: 123–125).
11. Thomas Nagel (1974: 443) argues that a Martian scientist without visual perception might understand a rainbow as a physical phenomenon without understanding the place of rainbows in "our phenomenological world."
12. Institutions are social facts—facts involving agents who share collective intentions, assign functions, and operate within constitutive rules. Searle believes that we live in an "epistemically objective social reality that is partly constituted by an ontologically subjective set of attitudes" (Searle 1999: 113). This is why mechanistic and reductionist accounts of social life, modeled on an antiquated view of the natural sciences, actually hinder our understanding of the social world.
13. See Geertz (1973). Rabinow and Sullivan (1987) provide a survey of interpretive research.
14. As Michael Tomasello puts it, chimpanzees will not be observed working together to, for example, carry a log (Angier 2011).
15. The argument is not that morals are merely a matter of sociobiology, but rather that genes and culture interact and co-evolve (Henrich and Henrich 2007). The discovery of epigenetics—that gene expression can be caused by environmental factors that do not alter the underlying DNA sequence but can be passed down to future generations—lends greater plausibility to the idea of gene–culture co-evolution. It suggests that lived experiences—for example, trauma, addiction, anxiety, depression—affect both individuals and their offspring.
16. "Children and youth need to learn to zoom in, listening closely and attending to those in their immediate circle, and to zoom out, taking in the big picture and considering multiple perspectives. It is by zooming out and taking multiple perspectives, including the perspectives of those who are too often invisible (such as the new kid in

class, someone who doesn't speak their language, or the school custodian), that young people expand their circle of concern and become able to consider the justice of their communities and society" (Weissbourd and Jones 2014: 2).

17. Overcoming early narcissism "is the problem that all good societies need to try to solve," writes Martha C. Nussbaum. Unchecked narcissism can grow into a "tendency to think of other people as mere slaves, not full people with needs and interest of their own." The combination of narcissism and helplessness is "where 'radical evil' gets its start" (Nussbaum 2013: 172).
18. Paul Bloom's (2016) argument against empathy misses the point that, like any virtue or capability, empathy must be guided, not crushed, by reason. We need to know with whom to have empathy, when, how, in what degree; we need to know how to act on empathy, and how to balance it against other virtues like detachment.

CHAPTER THREE

1. Agency is a key concept in any social science that approaches people as purposive agents whose actions can be understood in terms of the aims of their activities. A focus on agency can be found in the work of Aristotle (2004a), Adam Smith (2009), Amartya Sen (1999), and Guillermo O'Donnell (1994, 2010). Sen sees agency as an engine of development (1999: 4), and he describes an agent as "someone who acts and brings about change, and whose achievements can be judged in terms of her own values and objectives" (1999: 19); O'Donnell describes an agent as "somebody endowed with practical reason and moral judgment" (2010: 31). For O'Donnell, agency is the foundation of citizenship.
2. See discussion of "Verstehen" or understanding in Weber (1978: 8–14); see also Abel (1948).
3. As Clifford Geertz (1973: 5) put it, "man is an animal suspended in webs of significance he himself has spun."
4. As Albert Einstein famously said: "Everybody acts not only under external compulsion but also in accordance with inner necessity." See "The world as I see it," Albert Einstein, 1931. https://archive.org/stream/AlbertEinsteinTheWorldAsISeeIt/The_World_as_I_See_it-AlbertEinsteinUpByTj_djvu.txt. Last accessed: 12/18/17.
5. There is much of value in the insightful work of Pierre Bourdieu (1998), but between his concepts of capital, field, and habitus (which originates in the work of Aristotle and later Durkheim), there is insufficient room for meaningful intentionality and agency (Kogler 2013: 272).
6. See discussion of unintended consequences in Sen (1999: 254–257).
7. Patricia Churchland provides what she called a "startling clinical report" from the *Archives of Neurology* (now *JAMA Neurology*):

   A middle-aged Virginian man with no history of any misdemeanor began to stash child pornography and sexually molest his 8-year-old stepdaughter. Placed in the court system, his sexual behavior became increasingly compulsive. Eventually, after repeatedly complaining of headaches and vertigo, he was sent for a brain scan. It showed a large but benign tumor in the frontal area of his brain, invading the septum and hypothalamus—regions known to regulate sexual behavior. After removal of the tumor, his sexual interests returned to normal. Months later, his sexual focus on young girls rekindled, and a new scan revealed that bits of tissue missed in the surgery had grown into a sizeable tumor. Surgery once again restored his behavioral profile to "normal."

   See Burns and Swerdlow (2003) and Churchland (2006).

8. Daniel Vokey (2001: 186) defines a good as "an end at which an action or actions aim."
9. I am grateful to Sylvia Berryman for this clarification.
10. A review of banking practices in the United Kingdom led to a report by ResPublica that argued that the government's focus on prudential and regulatory reforms was insufficient: The deeper cause was a lack of virtue among banking institutions. See David Fagleman (2014).
11. See Danziger, Levav, and Avnaim-Pesso (2011). Reported by Zoë Corbyn, "Hungry judges dispense rough justice," *Nature*, April 11, 2011. http://www.nature.com/news/2011/110411/full/news.2011.227.html. Last accessed: 12/18/17.
12. See "'Body count mentalities': Colombia's 'False Positives' Scandal, Declassified," National Security Archive, Electronic Briefing Book No. 266, January 7, 2009. http://nsarchive.gwu.edu/NSAEBB/NSAEBB266/. Last accessed: 12/18/17
13. See Rachel Aviv's (2014) disturbing account of the test scores scandal in Georgia schools.
14. I am grateful to Agustín Goenaga for suggesting this point.
15. The same perspective applies to institutional change. For example, Greif and Laitin (2004: 639) argue that "an institutional change is a change in beliefs, and it occurs when the associated behavior is no longer self-reinforcing." See also Bates et al. (1998: 8–10).
16. The competitive team sport analogy is also used by North (1990: 4).
17. The republican tradition that can be traced to Rome (Livy, Polybius, Cicero) was revived in the Renaissance (Machiavelli, Montesquieu) and has re-emerged in recent years under the influence of contemporary political theorists like J.G.A. Pocock and Quentin Skinner as well as social scientists like Robert Putnam.
18. There is considerable value in using rational choice theories for analyzing bargaining situations. A key consideration for the practitioners of rational choice models is to assess the context in which they are relevant. In other words, the rational choice theorist must decide when models based on strategic interaction are useful and when they are not. This is an interpretive exercise. As Jack Knight (1998) has shown, the emergence of rational institutions can be interpreted in various ways—as conventions, as contracts, or as bargains. Good modeling demands more than good math: It involves knowing the context in which a model is relevant and useful. Knowing when it is fruitful to use rational choice analysis demands practical wisdom.
19. On framing, see Lakoff (2008: 22–36).

CHAPTER FOUR

1. In a recent talk, a leading rational choice theorist asked why democratic participation should matter if the policies of government match the preferences of the electorate. This is a good thought experiment. Imagine a government that was as responsive as humanly possible to the interests of as many voters as possible, and scrupulously respectful of fundamental rights and freedoms. Now imagine that this government did not require any form of citizen participation. Would it matter? The talk was given by Adam Przeworski as part of the Cátedra Mexicana Brasileña Guillermo O'Donnell, Querétaro, Qro., México, June 1–3, 2016.
2. This narrative is offered by Vargas Llosa, another politician who entered politics and failed to survive, on the dust jacket of *Fire and Ashes*.
3. This contrasts with the Kantian understanding of deliberation in the public sphere, as exemplified by advocates of deliberative democracy (Yack 2006).

4. One reason to cultivate a political class of professional politicians is the fact that the talent for politics is not "widely or evenly distributed in the population" (Kelley 1998: 360).
5. I had the opportunity to serve as a political advisor during the mission.
6. The newspaper stories are archived in the Peru Election 2006 blog: http://blogs.ubc.ca/peru/2006/05/31/oas-electoral-mission-foreign-interference-in-the-peruvian-electoral-process/. Last accessed: 12/18/17
7. Of course, chess is not only based on constitutive rules. Tournament rules, for example, are more like regulatory rules. Regulatory rules enjoin or prohibit actions on penalty of sanctions. They are designed to ensure a standard of practice that is necessary in order to evaluate high levels of performance. The constitutive rules of chess say nothing about how long a player is allowed to think about each move, but tournament play demands time limits. Strictly speaking, chess can be played both casually and in tournaments; it is the same game, but tournaments demand additional regulatory rules.
8. See: http://www.pwias.ubc.ca/videos/between-rules-and-practice-why-we-need-practical-wisdom-in-life-work-and-politics-maxwell. Last accessed: 12/18/17.
9. Anton Chekov's troubling short story "Ward No. 6" offers a literary example. Kidd and Castano (2013) found that reading literary fiction, like short stories by Chekov, enhanced empathy and the ability to understand others' mental states. For a discussion of the challenges facing doctors in the US medical system, see O'Rourke (2014). See also the 2001 film *Wit*, staring Emma Thompson.
10. A key coalition partner was the Vancouver Area Network of Drug Users. See *Fix: The Story of an Addicted City*, a 2002 film produced by Canada Wild Productions, in association with CTV, with the assistance of Telefilm Canada and British Columbia Film (director/producer, Nettie Wild; producer, Betsy Carson). "From Grief to Action" organized a group of parents of addicts; see Nichola Hall, "Extract from speeches made summarizing FGTA history in Vancouver, B.C." Last modified December 7, 2016.
11. For an extensive review of the literature, see the report by the British Columbia Centre for Excellence in HIV/AIDS (2009).
12. Moral improvisation is like jazz, as Schwartz and Sharpe note (2010: 243). See also Schön (1983: 55).
13. As Aristotle (2004a: 33) observes, "questions of conduct and expedience have as little fixity about them as questions of what is healthful; and if this is true as a general rule, it is still more true that its application to particular problems admits of no precision. For they do not fall under any art of professional tradition, but the agents are compelled at every step to think out for themselves what the circumstances demand, just as happens in the arts of medicine and navigation."
14. Aristotle was interested in finding the best constitution for a particular polis, but he did not believe institutional design was enough: "a city's being good rests on the citizens who share in the constitution being good." One of the most important tasks of the lawgiver was to secure the best possible education for the young so they would become good citizens and rulers (Aristotle 1962: 284, 292).
15. See Bent Flyvbjerg's (2001: 9-24) discussion of the "Dreyfus model" of learning.

CHAPTER FIVE

1. These are the policies of the Washington Consensus. See Cameron and Grinspun (1993).

2. The goal of the doctrine of the separation of powers was to prevent the abuse of power (Montesquieu 1989: 155), but it had the unintended effect of rationalizing the organization of government. In particular, it provided new justifications for legislation. As Friedrich A. Hayek observed, the term "legislature" was "closely associated with the theory of the separation of powers" (1973: 128). In the separation of powers doctrine, legislatures should legislate.
3. Foucault's (2008) analysis of neoliberalism is as penetrating as it was prescient. His all-encompassing conception of power limits the scope for agency and phronesis, but I agree with Bent Flyvbjerg (2001: 118) that it is not necessarily opposed to its practice. Indeed, Foucault's criticisms of institutions—hospitals and prisons, for example—helped expose mechanisms of power at work in the uses of specialized knowledge. Foucault offers practitioners insight into the danger of using science—with its claim to objective truth—as an instrument of power to justify the exercise of discretion and judgment, as well as reasons to be skeptical of efforts to improve practice within "institutions of confinement" (Dreyfus and Rabinow 1982: 5).
4. Since scholars have disputed the utility of the term "neoliberalism" within a social scientific context (see Boas and Gans-Morse 2009), it is worth differentiating a number of closely associated intellectual projects: neoliberalism, rational choice, neoclassical economics, and the new institutionalism. Rational choice forms part of neoclassical economics. It assumes individuals are capable of rational decisions, that they often have well-ordered preferences, and that it can be useful to assume that they seek the most efficient means to satisfy their preferences. Neoliberalism often goes well beyond what neoclassical economics can support. It supplements neoclassical economic theory with a doctrinal commitment to competition between individuals as the primary goal of institutional design across a wide range of spheres of human activity. Whereas rational choice theorists can be agnostic as to whether individuals are egoists or altruists, neoliberals promote competitive egoism. They argue that institutions (both market and non-market) should be designed to advance competitiveness. To be sure, the emphasis on competition is already present in the basic assumptions of neoclassical economics. For example, if we assume that the best starting point for explanatory theories is to take individuals to have stable preferences, that they seek to satisfy in the most efficient way possible, and often in the context of others who likewise seek to satisfy their preferences, then we are setting people up to compete and competition among individuals will be a driving force in all such social situations.
5. The term "regulatory capture" refers to a situation in which agencies responsible for regulating industries are captured, in the sense of being controlled or influenced, by those very industries.
6. See Harvey (2005).
7. See: https://www.oxfam.org/en/pressroom/pressreleases/2017-01-16/just-8-men-own-same-wealth-half-world Last accessed: 1/3/2018.
8. See AFL-CIO website, "Executive Paywatch." http://www.aflcio.org/Corporate-Watch/CEO-Pay-and-You. Last accessed: 12/18/17.
9. See Smith and Kuntz (2013). See also the interactive graphic by Chloe Whiteaker: "Top CEO Pay Ratio." http://go.bloomberg.com/multimedia/ceo-pay-ratio/. Last accessed: 12/18/17.
10. See Trivett (2011). http://www.businessinsider.com/25-corporations-bigger-tan-countries-2011-6?op=1. Last accessed: 12/18/17.
11. See Machiavelli (1961).

12. See University of Warwick, "Money makes people right-wing, inegalitarian, UK study finds," *ScienceDaily*, February 6, 2014. http://www.sciencedaily.com/releases/2014/02/140206082330.htm. Last accessed: 12/18/17. See Piff (2014).
13. See Grewal (2012).
14. See Kraus, Côté, and Keltner (2010).
15. According to Gipple and Gose (2012) "Middle-class Americans give a far bigger share of their discretionary income to charities than the rich. Households that earn $50,000 to $75,000 give an average of 7.6 percent of their discretionary income to charity, compared with an average of 4.2 percent for people who make $100,000 or more."
16. Larry Elliott (2013) of *The Guardian* writes: "According to Eugenio Proto of Warwick University and Aldo Rustichini of University of Minnesota, life satisfaction peaks when incomes per head—adjusted so that money buys the same basket of goods and services worldwide—reach $36,000 (£22,000) a year. Per capita incomes in the UK on this basis are $37,000. Beyond this point, they say, we get richer but less contented."
17. See: http://www.oyez.org/cases/2000-2009/2008/2008_08_205#opinion. Last accessed: 12/18/17.
18. See Americans for Campaign Reform, "Does Money Buy Elections?" https://www.scribd.com/document/7386181/Policy-Brief-Does-Money-Buy-Elections Last accessed: 12/18/17.
19. For an interesting discussion of the way in which electioneering and marketing have converged into political consumerism, see Delacourt (2013).
20. The point was made by Ed Rollins (2010), senior political contributor to CNN.
21. See Wikileaks: https://wikileaks.org/podesta-emails/emailid/927. Last accessed: 12/18/17.

CHAPTER SIX

1. See Trump: https://www.youtube.com/watch?v=daOH-pTd_nk. Last accessed: 12/18/17.
2. Interview with Anderson Cooper. See: http://www.cnn.com/TRANSCRIPTS/1602/04/acd.01.html. Last accessed: 12/18/17.
3. Trump has been described as having an "existence unmolested by the rumbling of a soul" (Singer 1997). I am grateful to Sylvia Berryman for calling my attention to some of these points.
4. In *Strangers in Their Own Land*, sociologist Arlie Russell Hochschild (2016) uncovered a "deep story" that explained the frustration of Tea Party activists. She captured the story with the metaphor of waiting in line to climb a hill over which lies the American Dream. The line is long, and slow-moving, and even appears to be moving backward. Many white, older Christians are in the middle of the line. They start to notice people cutting ahead in the line: minorities, welfare recipients, beneficiaries of affirmative action. The government responsible for ensuring that everyone stays in line is helping these line jumpers, celebrating their progress. Those who are getting ahead shout catcalls: redneck, white trash, Bible-thumpers. Hochschild's deep story helps make sense of the 2016 election. By attacking Mexicans and Muslims while promising to end bad trade agreements and build a wall along the southern border, Trump tapped into the deep story. His misogyny and racism were not offensive to his base, which had come to regard the defense of minority rights and gender equality as part of the narrative used by the line jumpers.
5. This has been understood for some time in the context of more precarious democracies. Jack Snyder (2000: 328–334) argues that voting can encourage conflict among

ethnic groups in the absence of a "thick safety net," by which he means not only institutions but also values and habits.

6. There are other conditions as well, as discussed in O'Donnell (2010), but in this chapter I focus on the need for civility in politics.
7. The canonical text in this literature is Downs (1957).
8. Flanagan served under Canadian Prime Minister Stephen Harper. He made these remarks in *The Globe and Mail* (Flanagan 2011).
9. Negativity in politics is explained by Soroka (2014).
10. See Gutmann and Thompson (2012: 160–166).
11. As Gutmann and Thompson (2012: 164) note, pledges are particularly insidious because they suggest a politician is principled when, in reality, they make it harder to be responsible.
12. See Aristotle (2004a: 57).
13. Paraphrasing a Transportation Safety Board (2014) recommendation, p. 134.
14. The idea of the displacement of deliberation came out of a workshop at the University of British Columbia that formed part of the American Political Science Association Task Force that led to Mansbridge, Jane and Cathy Jo Martin et al. (2013).
15. See Mansbridge, Jane and Cathy Jo Martin et al. (2013), chapter by Sarah Binder and Frances Lee, "Making Deals in Congress."
16. On the tension between partisanship and deliberation, see Muirhead (2010).
17. Jane S. Jaquette (2011) argues that, although Machiavelli appears to counsel the prince to engage in extreme acts of violence, his thinking is less remote from Aristotelian practical wisdom than one might imagine. He wrote during a period of violence and corruption, and his advice was to use violence effectively, prudently, and constructively with the aim of founding and preserving republican order. He believed in a balanced constitution, and was concerned about the loss of public virtue in Florence. His *Discourses* (Machiavelli 1970) are an important meditation on political power in Republican Rome. His admiration for the use of ruse and cunning, often involving fraudulent means, is aimed at helping the reader appreciate the moral responsibility of the political leader operating in a corrupt world and forced to live by a combination of wits and violence. In his play *Mandragola* (Machiavelli 1957), for example, Lucrezia, young wife of an old and impotent lawyer, Nicia, participates in a scheme to enable a young suiter, Callimaco, to sleep with her. As a result, Nicia gains an heir, while Lucrezia and Callimaco form an enduring bond. In a boldly unconventional way, Machiavelli seems to be suggesting good can come of a willingness to use cunning and ruse to establish new civic bonds. He is not only arguing that the wise person will seek to look virtuous while violating conventional morality, but also that in doing so she may achieve good ends.
18. Information on the UBC Summer Institute for Future Legislators, including media reports and participant observations, is available at the website of the Centre for the Study of Democratic Institutions: https://democracy.arts.ubc.ca/summer-institute/ Last accessed: 12/19/17.

CHAPTER SEVEN

1. See O'Donnell et al. (2004); Ippolito-O'Donnell (2012).
2. United Nations Development Programme (2004). See: http://hdr.undp.org/en/content/human-development-index-hdi. Last accessed: 12/18/17.
3. A recent book (Brinks, Leiras, and Mainwaring 2014) on the legacy of O'Donnell's work contained two chapters (McGuire 2014: 287–310 and Vargas Cullell 2014: 311–330) on

his understanding of human agency. Both acknowledged his reliance on the capabilities approach to human development pioneered by Amartya Sen, but neither pursued the connection further. McGuire focused on the implications of O'Donnell's focus on agency for the classification of political regimes, while Vargas Cullell emphasized his more restrictive, political understanding of agency. Many of the questions posed by Vargas Cullell, in particular those mentioned under the rubric of "new problems for democratization theorizing" (2014: 319–321), which include what drives democratization and how different dimensions of democratization interact, may well demand tighter integration between the literatures on human development and democratization.

4. See Valencia (2014) for an application of the capabilities approach to the problems of a mining town in Peru.
5. O'Donnell links Aristotle to Thomas Aquinas, and rejects Thomistic thinking about the law. I share objections to Thomistic understandings of law, not to mention his appropriations of Aristotle, but follow Nussbaum and others in finding in Aristotle a crucial forerunner of many of our best ideas about agency, and a key influence on Adam Smith.
6. The sovereign self is, at best, an idealization. As Travis Proulx and Michael J. Chandler (2009) observe, there is a spectrum of forms of self-unity.
7. In this Smith is in the company not only of Aristotle, but also of contemporary neuroscience and cognitive science (Churchland 2011), as well as developmental psychologists (Olson 2011).
8. The purpose of political science, in Smith's view, was to promote public-spiritedness (2009: 217).
9. The scandal over Senate expenses in Canada led to calls for greater regulation of spending by senators. Although Senate expense rules contained ambiguities, it is far from clear that this explains the gaming of the rules. The senators who engaged in fraudulent spending were aggressive partisans who saw themselves as activists seeking to advance their party's aims. In other words, competitive maximizing rather than opaque rules was the source of the problem.
10. For an excellent discussion of the negative consequences of squeezing judgment out of judging, see Schwartz and Sharpe (2010) on mandatory sentencing. As former judge Lois G. Forer wrote, "when it comes to determining the fate of a human being, there must be room for judgment" (1992: 18).
11. See the treatment of the separation of powers in Habermas (1996) and Cameron (2013).
12. This is what Aristotle called a mixed constitution, and the idea of mixing or blending constitutional features was embraced by Machiavelli and remained influential throughout the Enlightenment through the work of Montesquieu and the Framers of the US Constitution.
13. See Thornhill (2011: 10–11) for a brilliant discussion of constitutions as features of the functioning of states giving rise to new forms of the exercise of state power.

CONCLUSION

1. For an excellent discussion of the "pernicious dualism" of facts and values, see Selznick's (1992: 20–29) treatment of Dewey.
2. On the trouble with Hume's account, see Churchland (2011: 4–11). See also Harris (2010: 10–11).
3. This would appear to be the position of Quine (1960); see MacIntyre (1984: 83).

4. One should not conflate subjectivity and subjectivism (Selznick 1992: 81).
5. Bent Flyvbjerg (2001) has inspired many social scientists to pursue what he calls "phronetic research." A recent volume by Flyvbjerg, Landman, and Schram (2013) offers fine examples of the relevance and importance of such research. For example, Flyvbjerg's "phronetic questions" were used effectively by Sandercock and Attili (2012) in a research project that exemplified an awareness of the need for phronesis both to build community and to conduct research that would support community-building. Nevertheless, I avoid the temptation to treat phronesis as a methodology or set of methodological guidelines, and argue instead that it is an excellence intrinsic to good practice. The social scientist, as a wise practitioner, will ask the right kinds of questions and these will often be the kinds of questions Flyvbjerg encourages us to ask. There is, however, a risk that in treating phronesis as method we blur the distinction between phronesis and *techne* and limit the debate to longstanding disagreements over methods (Gimble 2013).
6. Here I follow MacIntyre (1984). For a lucid discussion of his ideas, see Vokey (2001: 171).
7. In mammals and birds there is mounting evidence of the capacity for empathy, as well as almost infinite gradations within and among species. For example, whales and dolphins will show distress when a member of their pod is in danger—and will even occasionally help other species in distress. Such behavior is not observed among sharks. Apart from making the killing of dolphins a more troubling act because it involves both the painful destruction of an individual organism and emotional distress for the group, the behavior of dolphins indicates that their well-being is linked to the thriving of their group. Empathy is one of the mechanisms that link the individual to the group, and it has been observed even in mice: Mice appear to suffer more when relatives are stressed than when the same treatment is given to unrelated mice (De Waal 2009: 69–70).
8. I am in debt to Michael Griffin for making this distinction. See Griffin (2016: 4–7).
9. For a discussion see MacIntyre (1984: 179–180); Zagzebski (1996: 91).
10. Notice how Weber places "good" in quotes, as if to remind the reader of his skepticism.
11. The idea of objective products of the human mind comes from Popper and Eccles (1983).
12. At the timing of writing, a criminal trial was underway to determine the responsibility of employees involved in the accident, but testimony by witnesses pointed to systemic issues involving both the company and the regulator. See Brunette (2017) and "Lac-Mégantic: Trial on criminal negligence charges to proceed for train driver Tom Harding," *Montreal Gazette*, January 5, 2017. http://montrealgazette.com/news/quebec/lac-megantic-trial-on-criminal-negligence-charges-to-proceed-for-train-driver. Last accessed: 12/18/17. As this manuscript went to press, the employees were acquitted. The jury found them not guilty of criminal negligence. Two considerations appear to have been crucial. First, the disaster was caused by larger systemic problems. Second, the jury appears to have decided that it would have been unreasonable to have expected the employees to have acted differently. http://vancouversun.com/news/canada/former-railway-employees-acquitted-in-lac-megantic-trial/wcm/ff84b9e5-bff1-4a32-bc3b-6cf37b5647b9. Last accessed: 13/02/18.

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GLOSSARY OF KEY CONCEPTS

Activity. Social action involving the aims and intentions of purposive agents, each of which desires a state of affairs (good or goods) in the world and acts to bring it about.

Agent. An agent is an autonomous person, capable of purposive activities involving deliberation and judgment. An agent can set goals and find means to attain them, and can judge actions and goals in terms of moral criteria.

Arete. Excellence or virtue.

Capabilities. What a person is able to do or be; including the "combinations of functionings that are feasible" (Sen 1999: 75) given both the abilities of a particular person and the combination of her abilities and the opportunities provided by her environment (Nussbaum 2011: 20).

Coercion. Use of force (violence or threat of violence) to compel others to carry out one's will.

Common goods. Goods shared by agents engaged in an activity.

Competition. Struggle or contest for goods in the context of scarcity.

Constitutions. The organization of power within a political system involving the distribution of roles and offices, their competence and jurisdiction, including those responsible for making the rules, interpreting and applying them, as well as those responsible for the exercise of legitimate coercion.

Constitutive rules. Rules that make an activity what it is (e.g., rules of chess, like the moves different pieces can make, or what counts as checkmate).

Democracy. A system of rule or self-government based on citizenship as agency.

Eudaimonia. Flourishing, happiness, or well-being.

Goods. All ends at which an action or activities aim (Vokey 2001: 186). Goods are sources of potential utilities (Weber 1978: 68). See *public goods* and *common goods*.

Incentives. Inducements and constraints that shape an agent's choices and actions.

Institutions. Institutions are social roles, offices, rules (both constitutive and regulatory), and incentives that structure collective action and organization. They are emergent properties of social activity.

Laws. Rules that codify reasons for actions, backed by sanctions.

Neoliberalism. A doctrine or ideology that extols the benefits of competition over collectivism and limits the role of the state to "market-oriented" policies that promote competitiveness.

Offices. Functions performed within an institution.

Phronesis. See *practical wisdom*.

Power. Power *over* is the capability to carry out one's will despite resistance by others (Weber 1978: 53). Power *to* is the capability of individuals or groups to achieve their ends through individual or collective action.

Practical wisdom (phronesis). The moral skill and will to understand the proper aim of an activity and to perform the practices normally associated with it (Schwartz and Sharpe 2010: 5–12). For Aristotle, it is the virtue of virtues or master virtue.

Practice. Any "cooperative human activity through which goods internal to that form of activity are realized" (MacIntyre 1984: 187).

Public goods. Goods in which one person's usage does not diminish the availability of the good for others, and from which other individuals cannot be excluded.

Regulatory rules. The rules governing ongoing activities (time limits in chess tournaments, for example).

Roles. The part played by an agent in a practice.

Rules. Written or unwritten "ought statements" that regulate behavior and enjoin or prohibit alternative courses of action.

Utility. The satisfaction the individual derives from a state of affairs or good.

Utility-maximizing. Choosing the state of affairs that gives the agent the greatest satisfaction.

Virtue. Skills or excellences, both moral and intellectual, necessary to perform a practice.

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