

# THE HIDDEN ECONOMY OF ESTEEM

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## 1. THE QUESTION

A generation of social theorists have argued that if free-rider considerations show that certain collective action predicaments are unresolvable under individual, rational choice – unresolvable under an arrangement where each is free to pursue their own relative advantage – then those considerations will equally show that the predicaments cannot be resolved by recourse to norms (Buchanan, 1975, p. 132; Heath, 1976, p. 30; Sober and Wilson, 1998, 156ff; Taylor, 1987, p. 144). If free-rider considerations explain why people do not spontaneously keep the streets clean, though they would each prefer uncluttered streets, then those considerations will also explain why there is no effective norm against littering the streets.

The problem, according to this tradition of analysis, is that norms will emerge or be effective only to the extent that people are prepared to bear the costs of enforcing those norms by mutual invigilation and, in particular, mutual sanction: say, mutual censure and praise. If the agents in the predicament are not prepared to bear the costs of spontaneously resolving it – say, the costs of keeping the streets clean – then how can they be expected to bear the costs of enforcing a norm to that effect? How can they be expected to bear the costs of keeping an eye on one another and, say, of delivering suitable gobbets of praise and blame?

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This is a pseudo-problem, as we have argued elsewhere (Pettit, 1990; see too Brennan and Pettit, 1993; McAdams 1995 and 1997). There need be no intentionally borne costs associated with mutual invigilation: whether we like it or not, we will often be in a position – and this as a matter of shared awareness – to keep an eye on one another and to recognize instances of social and asocial behaviour. And, more strikingly still, neither need there be any intentionally borne costs associated with mutual sanctioning. We may carry out such sanctioning just by being seen to observe and form an assessment of one another's behaviour.

Assume that we each care about whether others think well of us in certain ways, even if they say or do nothing to express this: we each cherish the esteem, and shrink from, the disesteem, of our fellows. Assume that even if they do or say nothing it is often obvious – often indeed a matter of shared awareness between an agent and observers – that some others see and think well, or see and think badly, of what one of us does. Or that there is a risk that they may do so. And assume, finally, that depending on how we act, we may each increase or decrease the expected esteem that we enjoy.

It is clear that under these assumptions we may sanction one another, and perhaps police one another into a given pattern of behaviour – even into keeping the streets clean – without lifting a finger. We may reward and punish each other just by being there and registering the character of one another's behaviour. And the expectation of such rewards and punishments may lead us each to adjust our behaviour accordingly. The unorchestrated esteem and disesteem that we give one another may put in play forces that serve, as silently as gravity, to fix our behaviour in certain patterns.

But positing the presence of such forces, and using them in explanation of how certain norms emerge or stabilize, leaves open a question that needs to be explicitly addressed. Do the forces of esteem and disesteem operate at a level that leaves their effects beyond our individual or collective control: do they operate in something akin to the way that pheromones may operate in dictating our patterns of sexual responsiveness, or certain metabolites in generating aggressive or depressive reactions? Or do they register with us in such a way that we can be strategic about winning esteem and giving esteem: in such a way that there is an economy of esteem that parallels, however imperfectly, the ordinary economy of material goods and services? This is the question with which we shall be concerned in the present paper.

There will be an economy in any commodity or service, *X*, we take it, under two conditions: *X* is in limited supply and significant demand; and, as a result, people interact with one another – they enter into competition and exchange – in pursuit of *X*. Let us take esteem to cover both positive esteem and the absence of negative esteem: the absence of

disesteem. Is esteem in this broad sense a good that is in limited supply and significant demand? And is it something that drives people into interaction with one another as they rationally pursue it? We devote Section 2 to the first question and then the remaining three sections to the second. Section 3 presents two constraints that seem to argue for a negative answer to that second question – the first affects competition, the second exchange – but Sections 4 and 5 argue that these competition and exchange constraints are not overly restrictive: they leave room for at least a hidden economy of esteem. The concluding Section 6 illustrates the sort of competition for esteem, and exchange in esteem, that we may expect under those constraints.

Before proceeding, one word of concession. Economists often concern themselves with reputation effects, as they are called, and we do not mean to suggest that in addressing the question of whether there can be an economy of esteem we are opening up entirely novel territory (see too Levy, 1988; Cowen and Sutter, forthcoming). Still, the existence of an economics of reputation does not remove the problem we address. For reputation in the sense in which it is normally discussed is a very special mode of esteem and does not run into problems with the two constraints we will be discussing. What is in question is usually a reputation for achieving a certain result – meeting deadlines, satisfying certain criteria of quality and the like – not a reputation for being a certain sort of person; this, as we shall see, means that it does not have problems with the competition constraint. And what is in question is often a reputation in the sense in which reputation can be wedded to a brand or company name – this, because it is not generally known who owns the name – and bought or sold; thus it does not have problems with the exchange constraint either.

## 2. ESTEEM IS IN LIMITED SUPPLY AND SIGNIFICANT DEMAND

If the demand for esteem is insignificant, then there will be no motive for people to compete with one another in the attempt to achieve it. If the supply of esteem is unlimited, then there will be no need for them to engage in such competition in order to win esteem: regardless of how much esteem others demand it will remain available to each at the same cost. So the question, then, is whether demand and supply satisfy these conditions.

To say that esteem is in significant demand is to say that people generally prefer prospects that involve their enjoying esteem to otherwise similar prospects that do not, and that they are willing to give up the prospect of some other goods – in at least some quantities or at some levels of assurance – for an increase in the prospect of esteem. It is to say, in other words, that could they trade in esteem – we shall see that in the

strict sense they cannot – then they would be prepared to trade away some other goods in return for an increase in esteem.

It is scarcely contentious that esteem is in significant demand. There is a long tradition in which this is asserted, even though the claim has not been much emphasized in recent social science (but see Blau, 1964). We find the thesis in writers as various as Plato and Cicero, Aquinas and Machiavelli, Montaigne and La Rochefoucauld, Locke and Hume, Mandeville and Rousseau, Kant and Hegel (Lovejoy, 1961). Adam Smith (1982, p. 116) put the point as forcefully as any. 'Nature, when she formed man for society, endowed him with an original desire to please, and an original aversion to offend his brethren. She taught him to feel pleasure in their favourable, and pain in their unfavourable regard. She rendered their approbation most flattering and most agreeable to him for its own sake; and their disapprobation most mortifying and most offensive'.

But if we agree that esteem is in significant demand among ordinary people, what of the assumption that it is in limited supply? This may seem more controversial, given that esteem is not a material commodity that can be used up or a behavioural service that can be exhausted. Indeed the fact that we are prepared to count the absence of disesteem as itself a form of esteem seems to make it entirely mysterious how esteem could be in limited supply. For how could an absence of anything be limited in supply?

The claim that esteem is in limited supply becomes plausible, however, when we take account of how limitation of supply is best understood in an economic context. It does not mean simply that there is a limited amount of the commodity in question available in principle. It means, or so we take it, that the actual availability of the commodity – the level of effort or cost required to get it – depends on how far it is demanded by others. Let demand rise, as more and more people seek it, and the terms on which it is supplied rise too: the cost of obtaining it becomes correspondingly higher.

There is a deep reason, we think, why the supply of esteem is going to be limited in this sense. This is that estimation – giving esteem and disesteem – always has a comparative aspect. When we give esteem and disesteem to someone we always take them as a member of some contextually salient class or constituency: as a member of this or that profession or organization, as a person of a certain religion or ethnicity, as a citizen of the local country or as a human being. And whether we find them estimable or disestimable for the presence of a certain disposition, or the performance of a certain action, is in part a function of how others in that constituency behave.

This is manifestly true when the dimensions on which we estimate agents are themselves either positional or comparative. In the positional

case we esteem people for scoring higher than others, and disesteem them for scoring lower: this, as in the competitive examination or poll. In the comparative case we esteem people for scoring higher than average – or higher than the mode or the mean or whatever – as when we rank them for whether they are intelligent: that is, more intelligent than average. In these cases it is a matter of logic that esteem is in limited supply. Not everyone can be first and not everyone can be above average.

But do not we often esteem people for being honest and trustworthy, fearless and forthright, kind and compassionate, where the dimensions in question are neither positional nor comparative? What we say here is that esteem is usually given for the possession of such a property, or disesteem for its absence – for the presence of the opposed property – when there is a difference between how a person behaves and how people generally behave in the relevant constituency. And that is to say that while properties like honesty or forthrightness or kindness have a non-comparative sense, esteem and disesteem are given in good part for departures from the average in respect of these properties, not only for the possession of the properties at an absolute level. The average provides the baseline by reference to which a person is evaluated, so that honesty or lack of honesty relative to that baseline – a comparative property – counts in estimation to a non-negligible degree.

Consider a community where it is the statistical norm for dog-owners to clean up any mess that their dogs make in public. The fact that that is the norm will mean that those who are careless about letting their dogs soil public areas will attract considerable disesteem: certainly more disesteem than they would suffer if their carelessness was fairly typical. Or consider a community where it is the statistical norm for householders not to bother cleaning up rubbish on the pavement or nature strip outside their garden fences. In such a community the person who makes an effort to keep the nearby public space as uncluttered as their own garden will almost certainly win a high opinion among those who know of their behaviour; that person will tend to do better in the opinion stakes than they would do so if the norm was that every householder took such responsibility.

Our thought then is that when we esteem or disesteem people on apparently non-comparative dimensions we do so relative to a constituency and that what we esteem or disesteem them for is, in significant measure, their performance relative to the baseline established in that constituency. And this is to say that the estimation has a comparative component: it has to do with whether the subjects score well or badly relative to the assumed constituency. This means, to return to the main theme, that esteem will be in limited supply, in the appropriate sense. So far as we all seek to win esteem in a certain domain – even esteem for

displaying a non-comparative quality – the availability of esteem in that domain will be harder and harder to achieve; it may continue to be available but will be available on progressively more costly terms.

### 3. THE TWO CONSTRAINTS ON AN ECONOMY OF ESTEEM

The fact that individuals have a significant demand for esteem and that esteem is in limited supply may seem to be enough to create an economy of esteem. It may seem to ensure that people will act out of their individual demand for esteem and interact with one another as a result of each pursuing a share of the esteem supplied. But things are not as straightforward as they seem. In order for a regular economy of esteem to emerge it must be possible for people to pursue esteem intentionally and compete with one another in that pursuit and it must be possible for them to use esteem in exchange relations with one another. And it is not clear that either of these things is possible, for there are certain constraints that appear to limit pursuit and competition, on the one side, and exchange on the other.

#### **Constrained Competition**

It is a familiar observation that it is impossible to achieve spontaneity by trying to be spontaneous and that a very unreliable way of achieving pleasure for oneself is by looking for pleasure, by making pleasure one's explicit goal. Much better to make one's goal the pursuit of an excellent result, or sheer engagement in the activity, or something of the kind, and let the spontaneity or pleasure come as a welcome but not explicitly sought side-product. It is silly to focus on achieving spontaneity or pleasure in what one does, so the observation goes. The project is bound to be self-defeating or counter-productive.

Competition for esteem is severely constrained, it may be said, because there is a constraint on the intentional pursuit of esteem that parallels these constraints on the pursuit of spontaneity and pleasure. Making the achievement of esteem an explicit goal, as in competing for esteem, promises to be counter-productive in much the way that the parallel pursuit of pleasure or spontaneity is going to be counter-productive. If one makes the achievement of esteem one's explicit goal, so it is suggested, then that very fact will tend to jeopardize the provision of esteem by others. Jon Elster (1983b, p. 66) puts the claim in a particularly forthright way. 'The general axiom in this domain is that nothing is so unimpressive as behaviour designed to impress'.

It is incoherent to think of making spontaneity an explicit goal: spontaneity consists precisely in not having such a self-focused aim. It is psychologically implausible to contemplate making pleasure a primary goal: pleasure tends to come, as a matter of human experience, from

absorption in the pursuit of something distinct. It is going to be interpersonally self-defeating, so Elster suggests, to envisage making esteem an explicit goal. Esteem-seeking is not itself an esteemed form of behaviour and any attempt to win esteem that wears its character openly is not going to do well in the esteem stakes. Esteem comes from others – we ignore self-esteem in this essay – and it is a general rule that esteem is given only to those who do not explicitly seek it.

If this constraint governs the pursuit of esteem, then it may well seem that that will undermine the development of anything like an economy of esteem. For it will mean that though there is a genuine demand for esteem, that demand cannot be translated into intentional action and into competition for esteem. With ordinary material goods and services, people explicitly set out to win a share for themselves and it is this that leads to the interaction that is distinctive of economic life. With esteem it appears that people cannot sensibly set out to do anything of the sort: explicitly seeking esteem will be hopelessly counter-productive.

### Constrained Exchange

There is a second sort of constraint on how people behave with regard to esteem that may seem to reduce even further the chances of having anything like an economy of esteem. Not only is it the case with material goods and services that people explicitly seek to get a share of them for themselves. What also holds is that they often do this, not by means of directly making what they want, but rather by way of intentionally exchanging some goods or services – or their monetary equivalent – in order to get that which they seek. They provide one good in order to get another as a *quid pro quo*. And this allows each to specialize in the production of those sorts of goods in which they have a comparative advantage.

Nothing parallel can happen, it seems, in the case of esteem. Not only does it make little or no sense for people to pursue esteem directly, as the earlier constraint has it. Others are not in a position to confer esteem intentionally on people, even by way of a gratuitous offering: even in a case where there is no suggestion of a trade. As people cannot sensibly *pursue* esteem in the ordinary economic way, so they cannot sensibly *provide* esteem as a matter of voluntary choice. They cannot decide to give esteem here, to withhold it there, whether in a spirit of exchange or gift-giving.

What is the source of this constraint? Esteem is attractive to us, disesteem repulsive, so far as it represents an evaluation of us by others. It may be a good in itself that others evaluate one positively – at least when one endorses the basis of evaluation – and a bad in itself that

others evaluate one negatively. Or the appearance of esteem may be an instrumental good, the appearance of disesteem an instrumental bad: it may engender a flattering or unflattering image of oneself, and it may hold out the promise of good or bad treatment by those making the estimation. But in any case it is fairly clear that the good of esteem, the bad of disesteem, is tied up with the fact that it represents an evaluation.

Given this tie to evaluation, we can readily explain why the provision of esteem is subject to the constraint described. An evaluation is, in the nature of the case, something that is justified, and usually occasioned, by the character of the object assessed. It is an essentially involuntary response to how that object is taken to be. Evaluators may be able to decide whether or not to make an evaluation but having decided that issue in the affirmative, it is no longer a matter of choice as to whether they form a positive or a negative attitude: that matter has to be determined by how things present themselves.

If I suggested that I could confer esteem or disesteem on you, just as I wished, then you would know that whatever I was offering – sweet or sour words perhaps – I was not offering the genuine article. I cannot make a voluntary gift or a voluntary object of barter of something that I do not in the nature of the case control. I cannot simply *decide* to think well or to think badly of you. Thus it makes no sense to suggest that I am ready to do so either as a gratuitous offering or in return for something else.

Our position as providers of esteem for one another is quite a curious one. The evaluations we form and the esteem and disesteem we provide thereby, at least in circumstances of relative transparency, generate benefits or costs for those who are the objects of our evaluation. But these benefits and costs appear as externalities that we cannot internalize: we cannot bestow or withhold them, depending on what those others offer us in return or depending on how we otherwise feel disposed towards them. So far as our evaluations and estimations go we can only look on ourselves as mechanisms that give off those responses in a reflex, involuntary fashion.

But not only is it impossible, as this shows, for any of us to provide our own esteem intentionally. Neither is it possible for us to transmit to a third person the esteem that another gives us; the intentional transmission of esteem is just as constrained as its intentional provision. The reason goes back again to the involuntary manner in which esteem is generated. If I enjoy a certain level of esteem in the mind of another person, A, that has to be because of how A takes me – takes me involuntarily – to be. But there is no possibility, then, of my voluntarily passing on some of this esteem to another person, B. It may be that A does not know B or even that A thinks ill of B.

It appears then that just as pursuing and competing for esteem is



constrained, so too is the possibility of exchanging esteem. There is no opening for trying to exchange one's own esteem, or the esteem one has gained from others, in the attempt to increase one's stocks in other goods or indeed in esteem itself. There is a double bar to the emergence of a regular economy.

In the next two sections we will argue that, contrary to appearances, these constraints are not as restrictive as might at first seem, and that they do not eliminate the possibility of an economy of esteem. Then in the final section we will give a sketch of the form that such an economy is likely to take; this should give substance to the abstract possibility claim.

#### 4. BEYOND THE COMPETITION CONSTRAINT

The Elster axiom might be taken to mean that there is nothing so unimpressive as behaviour designed only to impress. But in that sense it would not have much bearing on real life; there is rarely going to be reason to think that someone is motivated exclusively by such a concern. We prefer to take Elster's axiom in a more challenging way as the claim that behaviour will be unimpressive to the extent – usually, the partial extent – to which it is designed to impress.

There are two broad sorts of reasons why this claim does not represent a serious constraint on pursuit and competition and does not significantly impede the emergence of a competitive economy. The first type of consideration is that pursuing esteem is not so seriously disesteemed an activity as the claim suggests. And the second is that in any case there are ways of pursuing esteem that do not engage the disesteem in question.

##### **Why Pursuing Esteem Is Not Always, and Not Very, Disestimable**

The Elster axiom is plausible with behaviour that is designed to impress on the observer the fact, as it purports to be, that the agent is virtuous in some way: say, that they have a disposition to be honest, for example, or forthright or kind. To the extent that I believe that someone is behaving with honesty or forthrightness or kindness in order to win my approval I will lack evidence that he or she really is of an honest or forthright or kind disposition. The belief will inhibit the inference to the conclusion that in any suitable situation – and regardless of the absence of an audience – the agent would behave in a similar way and manifest that disposition. Thus, it is unsurprising in such cases that I will not be impressed – I will not come to think that the agent has the virtuous disposition paraded – if I think that the behaviour that is presented as an instance of the disposition is actually produced by the desire to impress me. On the contrary, I will take the agent to be intentionally deceptive in

pretending to act out of a virtuous disposition and so I will have a reason in this respect to disesteem that behaviour.

The first observation we want to make is that a similar lesson fails to go through in other cases. The fact that someone is clearly trying to impress us with their ability at mathematics, or their elegance in ballet, or their virtuosity at the piano, or their effectiveness in providing a speedy and high-quality service does not undermine the impression that they achieve. It may lead us to think that they are not very modest but it will not undermine the evidence that they give of their ability, or elegance, or virtuosity, or effectiveness. We may indeed disesteem them for the lack of modesty but we may well respond in the way they wanted us to respond by forming a high opinion of their mathematical ability, their balletic elegance, their musical virtuosity, or their market effectiveness. This observation explains why the economics of reputation does not run into trouble with the constraint on pursuit and competition; as mentioned above, reputation is almost always taken as reputation for effectiveness or for something of the same essentially behavioural sort.

There is also a second observation to add. The Elster axiom does not hold unambiguously even with behaviour that is designed to provide evidence of a virtuous disposition and to win esteem on that account. For it is not clear that we think the pursuit of esteem is an unambiguous bad, so that the presence of a desire for esteem always detracts from the impression made by virtuous conduct. Did we consider the desire for esteem an unambiguous bad, then presumably we would hold in the highest regard those virtuous agents who are wholly indifferent to whether and what others think of them. But that is not so. Or at least it is not so among those of us who have not been excessively influenced by a certain reading of Kant. Most of us would think people who are wholly indifferent to *whether* any other has the opportunity to form an opinion of them as excessively self-confident. How could anyone be so sure of the value of what they do as not to care whether others ever can scrutinize and assess it? Most of us, on the other hand, would think of people who are wholly indifferent to *what* any other thinks of them, when the other has the chance to scrutinize, as little short of moral monsters: we would see them as totally shameless.

The lesson is that while the evidence of esteem-seeking beyond a certain level may detract from the esteem we give to a person for being virtuous, it is not something that we fault people for displaying at lower levels; on the contrary we seem to think better of someone who has a modest concern for the esteem of others than we do of someone who has no interest in it.

Finally, a third observation. Even where we do fault people for seeking esteem in a certain way, and allow this to detract from the esteem we give them for being virtuous, we do not assign a particularly

heavy weight to this negative aspect of their performance. In many cases, for example, we will prefer someone to behave more virtuously, if with a greater desire for esteem, than to have them behave less virtuously but with a lesser concern to be admired. Perhaps Oskar Schindler found it hard to live with the disesteem of his Jewish workers and that it was for this reason that he worked so hard to save them from the Nazi death camps. But we would surely rank his behaviour much higher than that of a less vain counterpart who did nothing for those exposed to Nazi threats.

#### **How to Pursue Esteem Without Earning Disesteem**

But even where pursuing esteem is disestimable, there are means whereby agents can avoid attracting such disesteem and can get on with competing for esteem. The pursuit of esteem will only be disestimable where it is open, direct and actively intentional and it turns out that there are ways of pursuing it that do not have these features. There are hidden ways, as we may say, of seeking to achieve esteem.

Even when agents are actively pursuing esteem, to take up the first possibility, it is clearly possible for them to conceal the fact. They may rig things so that it appears they did not think anyone else would even notice what they did. They may manufacture evidence of not being concerned with other people noticing or esteeming them. And of course they may take covert steps to ensure that the disestimable things they do fail to come to the attention of others. To the extent that they succeed in such concealment, the fact that they are pursuing esteem will not detract in any measure from the esteem that their behaviour wins for them. They will fare just as well in this regard as the truly virtuous person: the agent who is genuinely possessed of virtuous dispositions.

But not only can one pursue esteem covertly. One may also pursue it indirectly, by pursuing esteem for another, associated agent. The idea is that one's own stocks will go up as the stock of the associated agent goes up. The most straightforward example of this indirect pursuit of esteem is the case where people spend a lot of their energy singing the praises of an aggregate body to which they belong. The aggregate body may be a nation, a neighbourhood, an organization, or a network of friends. The fact of openly working to increase the esteem of such a body is likely to look selfless and admirable and to earn esteem within the group; this, indeed, may be why one finds it rational to sing the praises of the group and not wait on others to do so, in the style of the free-rider. And the effort is likely to serve at the same time to increase one's own esteem as a member of the very body that one presents as estimable.

The last observation we wish to make shows that apart from failing to be open or direct, there is a further and even more important way in

which the pursuit of esteem may be hidden. It may fail to be actively intentional.

Consider some agents who win esteem in high measure for how they carry on in a certain domain. They may be researchers who are highly productive and enjoy high status or they may be public servants whose contributions are both significant and appreciated. That esteem may matter to the agents greatly, even to the extent that did they not win it, they would lower their level of performance or move to another domain. And yet they may hardly ever think of the esteem in the course of planning their behaviour: they may act out of routine or habit or policy or on the basis of considerations to which they unthinkingly give authority in that area. The fact that the esteem matters to them may appear only in the counterfactual truth that were their behaviour to fail to win esteem, then they would quickly become aware of the fact and adjust accordingly.

This sort of case shows that people may pursue esteem through being disposed to continue with an esteem-winning pattern of behaviour only so far as it continues to win esteem. They may pursue esteem without actually planning any means to the achievement of that good; they may do so virtually, not actively, so far as they would respond in various ways to different counterfactual circumstances (Pettit, 1995). The demand for esteem may significantly control their behaviour, in the sense that it is a standby influence that will kick in and affect what they do, if ever their behaviour fails to win a certain level of esteem. And yet in ordinary circumstances – in circumstances where the agent's behaviour does relatively well in the esteem stakes – the desire for esteem may have no active role in motivation and may have no presence to consciousness.

The virtual pursuit of esteem need not attract any disesteem, since it will rule behaviour from off-stage and since it is consistent with the genuine exercise, in normal circumstances, of estimable virtue. And that being so, the virtual pursuit of esteem may be the most rational approach available. The best way to pursue esteem, in other words, may be to find a pattern of behaviour that wins esteem and then cleave to it in day-to-day decisions without any calculation as to how far it actually does win esteem. The agent who does this will renounce consideration of esteem up to the point where feedback suggests that esteem is no longer forthcoming and only reconsider how they reason and decide in the event of such a negative message (Pettit and Brennan, 1986).

## 5. BEYOND THE EXCHANGE CONSTRAINT

The fact that the constraint on pursuit and competition is as permissive as our observations suggest means that there is ample scope for people

to compete with one another in seeking to win esteem. It means that there is no bar to the emergence of an economy of esteem, albeit a hidden economy in which the pursuit of esteem is often covert, indirect or virtual.

But there are still questions to raise about the constraint on exchange. For if this constraint is as firm and restrictive as appeared in Section 3, then it will have an important shaping effect on the economy of esteem. As it happens, however, this constraint, too, is more permissive than it may at first have seemed. It allows the appearance of a distinctive sort of exchange, though, again, an exchange that may have to remain hidden in a certain way.

#### **Esteem-Services**

The exchange constraint is much more deeply and firmly grounded than the constraint on pursuit and competition. It derives from the fact – perhaps the most important fact in this area – that esteem has to be generated involuntarily by how things seem to the estimator. Esteem cannot be provided or passed on by way of voluntary choice. Thus it cannot be made into an object of barter and it cannot be voluntarily donated.

But the fact that esteem cannot be provided intentionally in this way does not mean that people are incapable of voluntarily providing services that will more or less ensure the appearance – and the appearance on an involuntary basis – of esteem. That is why the exchange constraint turns out to be quite permissive. We will mention three such services that a person can voluntarily provide, whether in the way of an exchange – though perhaps only, as we shall see, a hidden sort of exchange – or in the way of a gift.

The first service or courtesy that I can voluntarily provide is to give attention to an agent after a pattern that they invite or endorse and after a pattern, therefore, that is likely to increase my esteem for them. No matter how well you perform, you will not win any esteem from me for your performance unless I am prepared to give it attention; and a corresponding message holds for disesteem. And because I may choose to give or not to give attention to your efforts after the pattern you invite, I am in the position of being able to offer or withhold something that goes proxy for my esteem. I may choose to give or withhold my attention either after a pattern that promises to increase esteem – say, a pattern that you clearly desire – or after a pattern that holds out no such promise: after a pattern, indeed, that threatens to arouse my disesteem. If you are a writer who is anxious to impress me, then I may choose to give attention to the works you would like me to read and judge you by; or I may choose to give attention to the juvenelia which embarrass you.

The second esteem-related service that I can voluntarily provide for a person is closely related; it involves giving expression or not giving expression to an opinion of you and your work. The service or courtesy envisaged is that of testifying to a favourable opinion or not testifying to a bad opinion, whether those opinions be real or simulated; and the corresponding disservice is that of not testifying to a favourable opinion or testifying to a bad opinion – again, whether the opinions be real or simulated. No matter how well or badly you perform, and no matter how well or badly I think of you, your performance may not be likely to win esteem or disesteem outside our circle unless I am prepared to express an opinion of it. And so I can make a gift to you, or perhaps enter into an exchange with you, in regard to my testimonial activities.

The constraint on providing esteem may rule out the voluntary bestowal of esteem, then, but it does not rule out the voluntary provision of services that go proxy for esteem. My favourable attention goes proxy for the esteem I confer on you myself, my favourable testimony goes proxy for the esteem that others can give you. There may not be scope for a market involving the provision of esteem, then, but this says nothing against the possibility of a market in such esteem-promoting services.

The exchange of esteem is constrained, we saw, not just in so far as I cannot intentionally provide my own esteem but also the extent that I cannot intentionally transmit to you the esteem that others give me. But there is a third, intentional service that goes proxy for such inherited esteem, in the way that attending and testifying go proxy for my esteeming you or others' esteeming you. I may *associate* myself with you in a way that reflects onto you the esteem – or, of course, the disesteem – that others give me. Or I may *dissociate* myself from you in a way that blocks such reflection.

If I publicly identify with you in a certain way, say by inviting you to join a relevant network of colleagues or friends, then I can give you a share in some status, good or bad, that I enjoy. Or if I publicly disown you, say by imposing a sort of ostracism, then I can deny you any share in that status. Think of the power of a Nobel Laureate to attract colleagues or collaborators. Or think of the effect of an Academy Award winner when they name someone in particular as having been vital to their success. What they each offer is not just a favourable testimony – though they do offer that too – but a reflection onto the cited person of the honour that they themselves have won.

### Hidden Exchange

What we have seen is that though I cannot intentionally confer or withhold esteem, I can confer or withhold certain esteem-services. But the

fact that I can intentionally withhold or confer these things does not entail, by itself, that I can intentionally use them in exchange, whether in exchange for similar services or for other sorts of goods. I may be able, intentionally, to give you something in one context, without being able to provide it in others. And so I may be able to provide you with esteem-services in some circumstances without being able to provide them in situations of exchange.

It turns out, as a matter of fact, that I cannot rely on being able to offer esteem-services in ordinary situations of exchange. Esteem, in the nature of the attitude, is an evaluation-based, non-voluntary response. This consideration, which lies at the source of the exchange constraint, means that the esteem-services I provide can only serve as credible conduits of esteem – and can only provide rewards for your behaviour – in contexts where I am taken to be suitably sincere. But the problem is that my sincerity will always be in question where there is a straightforward exchange under offer.

In ordinary exchange I must be supposed to be susceptible to motives and considerations that cast suspicion on the sincerity with which I tender conduits of esteem as goods for exchange. Suppose I give favourable attention to your efforts, looking at all and only those aspects of performance to which you invite my attention. Suppose I offer favourable testimony as to your achievements. Or suppose that I confer a favourable form of association on you. If I do these things in a situation where I manifestly stand to gain from what you give me in exchange, then it will be difficult for me to persuade anyone, least of all you, that I am an impartial judge reporting involuntary responses.

Whenever I exchange one thing for another, I offer my commodity or service or money in return for the other in the manner of a *quid pro quo*. That is to say, I suggest – indeed I take it to be a matter of common awareness – that I give you what I offer because and only because you give me what you offer; and I assume – again I take it to be a matter of common awareness – that you give me what you offer because and only because I give you what I offer. The exchange comes of an intentional attempt on the part of each to better their lot and it is conducted in a wholly open or overt manner: the motive and strategy on each side is a matter of common awareness.

Suppose now that I offer my favourable attention to your performance in a context where it is a matter of common awareness that I do so because and only because I take you to be offering me something in return. Or suppose that I testify to your merits where the exchange-motive is equally a matter of common awareness among those others as well as among you and me. Or suppose that I offer you association with me, and reflected glory, in a context where the exchange-motive enjoys the same general salience.

It does not take a great deal of reflection to realize that in such situations the service I discharge may not bring off the desired effect in the domain of esteem. Depending on what I look for in exchange, the allegedly favourable attention, testimony or association that I offer is likely to look completely cynical and insincere. And so far as it looks insincere then it will be incapable, to that extent, of credibly manifesting esteem on my own part or of generating the esteem of others for the person in question.

But though it may generally be impossible to enter productively into the regular exchange of esteem – into intentionally active, open exchange – it may well be possible for me to enter into forms of exchange that are not open or not intentionally active. A similar lesson goes through here to that which we elaborated in discussing the constraint on pursuit and competition.

To the extent that I can hide from you the fact that my offering favourable attention is tied to an exchange-motive, or to the extent that I can hide from others the presence of such a motive for offering you testimony or association, it should be clear that I may successfully generate esteem for you and win a reward in return. The exchange involved will indeed be a cynical exercise but it will be, nonetheless, a successful one.

Much more importantly, however, it transpires that the virtual exchange of esteem-proxies need not be counterproductive in the manner of the ordinary variety. It may be successful, and it may be successful even while being completely open or overt.

Suppose that I am in the habit of giving you favourable attention, testimony and association and that this habit is actively supported by the positive esteem that I feel for you. It may still be the case that were I not to enjoy certain rewards in return – most plausibly, certain rewards in kind – then I would take my attention, or my testimony, or my association elsewhere. I may not actually recognize that fact, and it may have no presence in my active motivation or reasoning. But it may hold nonetheless and it may show that my concern for the rewards that I reciprocally enjoy exercises a serious control over my behaviour; it may show that that behaviour – and, by symmetry, your behaviour – has an exchange structure. The concern for reciprocal rewards rides hard on our behaviour; it stands by, ready to intervene and reshape the behaviour, if it should cease to earn those rewards.

The crucial thing in this image of virtual exchange is that while I may offer you the relevant esteem-services only so far as I receive or expect a return in kind, my motive for offering them is not that I receive or expect a return in kind. I offer them because of being in the habit of thinking well of you, admiring this or that trait, and so on. The concern with reciprocation does not explain why I pay you favourable attention,



or offer favourable testimony or association. It only explains why you are one of those in the domain of those to whom I offer such goods – and offer them, in each case, for appropriate, merit-related reasons.

This picture of virtual exchange is not cynical. It is surely a plausible claim that as we give our friendship only where we find friendship in return, so in general we tend to give our favourable attention, testimony and association only where we enjoy such rewards – or perhaps other related rewards – in return. We do not love certain friends, or give them gifts, because they love us; we love them and favour them, in the ordinary run of things, because we like and identify with them. But it may nonetheless be true that were they not to love us or favour us in return, we would tend to invest in other friendships. And a similar lesson, as we see things, may hold with esteem-services. While duty may often require us to be impartial in these matters, our spontaneous offerings in the domain of favourable attention, testimony and association are generally going to be correlated positively with reciprocation. People are free to make these offerings in one or another quarter and it should not be surprising if, in general, they choose to make them where the returns are relatively good, not where they are relatively bad.

Nor do we have to read crass self-interest into this picture. The esteem of others is closely tied to self-esteem, in the sense that it is harder for someone to think well of themselves if those with whom they socialize fail to think well of them. But this means that if a person is to have and sustain a decent level of self-esteem, then they should choose to associate with those who share their values and interests and are generally inclined to think well of them. We think that it is entirely proper – certainly it is not a matter of narrow, impugnable self-interest – that, other things being equal, someone should try to maintain their self-esteem. And so we should not treat as cynical the observation that people tend to give the proxies of esteem only where they receive such proxies in return.

Another way of putting the upshot of the story is this. Were there a regular form of exchange involving esteem-services, then the existence of those services would be explained by people's desire for certain returns, whether in kind or not, and the sincerity of the service-providers would be in question. Where there is only a virtual form of exchange involving esteem-services, however, then the existence of the services may be explained by factors that satisfy the sincerity requirement. What will be explained by the providers' desire for returns need not be the existence but only the location of those services: it need not be the fact that they occur, only the fact that they occur at this or that location.

## 6. TOWARDS AN ECONOMY OF ESTEEM

The fact that the first sort of constraint is not overly restrictive means that there is room for a competitive economy in which people each pursue a good that is in significant demand and limited supply. The fact that the second sort of constraint is fairly permissive means that there is also room for exchange, and for competition in pursuit of exchange possibilities, in esteem-services. But the reality of the constraints makes it plausible that in each aspect the economy of esteem will have the character of a hidden economy.

### Competing for esteem

There are at least three different ways in which people can compete in the pursuit of esteem. One will be by competing in regard to performance. Another will be by competing for the sort of publicity that will maximize the esteem their performance earns. And a third will be by competing to frame their publicly observed behaviour in such a way as to maximize esteem.

Competition in performance will drive people to try harder within any domain to behave in an esteem-winning way or to try to locate their efforts in those domains of activity where they are most effective in attaining esteem. To take some obvious academic cases, we may expect students to try to win the admiration of their teachers, researchers to try and establish a position among their peer group, and academics generally to try and locate their efforts, whether in research, teaching or administration, in those areas where the estimative returns prove greatest.

But apart from competition in performance, we must also expect competition for publicity in any domain. For example, people will presumably want as large and significant an audience as possible to recognize their merits and as small and insignificant an audience as possible to recognize their demerits; they will want the audience to share a common awareness that their merits are recognized in this way; and they will want those who think ill of them to be inhibited from speaking ill and thereby spreading the poison.

The third area where we may expect competition is in what we described as the framing of performance. How someone is evaluated and esteemed for a given level of observed performance is a function of a number of things. First, which dimensions of behaviour are positively evaluated in the culture, and which negatively; second, which dimensions are used in the evaluation of their own behaviour; and third, which people are taken as the relevant constituency for supplying the baseline of comparison or for constituting the class among whom the person is positioned and ranked.

Once we are clear about these different ways in which people may compete for esteem – and no doubt there are others – we have a set of questions with which to probe and try to predict their behaviour in any setting. Think again of the academic context. Not only will we expect the forms of competition in performance noted earlier. We must also expect that people will compete in matters of publicity and framing too.

The publicity case is straightforward. Students and researchers will presumably want to ensure that their successes are noticed, their failures overlooked; that their success becomes a matter of common awareness; and that those who speak against them are challenged and perhaps discredited. What of competition in regard to framing? Here an example is provided by a pattern of behaviour often found among academic faculty, particularly those who do not score very well in mainstream assessment. They argue for the importance of those dimensions of evaluation that flatter them most: teaching, not research; or research in their own quarter, not the standard variety. They argue that among the standard dimensions, they should be evaluated by ones that happen to flatter them most, whether they be publication rates, citation rates, student reviews, or whatever. And they present themselves as part of that constituency among whom they can best shine: not among the high-scoring teachers in their own department, perhaps, but among academic teachers generally; or not among researchers in their subject but only among researchers who take their particular approach or pursue their particular specialization.

We do not say that in taking these initiatives people in the academic world are overtly and cynically seeking to promote their own reputations; that would not be a good strategy, if the constraint on pursuit and competition has any bite. Most of the time we think that the competition for esteem has a virtual character. People take the different paths they take for a variety of reasons: they work hard for the pleasure and sense of achievement it gives; they seek an audience for their work, out of a conviction that the work is worthwhile; they criticize the sorts of standards that would downgrade the work out of a passionate belief that those standards are inappropriate. It so happens, however, that they are reinforced in these efforts by the fact that their esteem is thereby increased. And were their efforts not to prove rewarding in that way, then the chances are that they would adjust and adopt other approaches. Their behaviour is shaped to the contours of a competition for esteem but the shaping is mostly achieved without conscious direction.

### **Exchanging In the Domain of Esteem**

These quick remarks should make clear that there is lots of room for the appearance of a competitive economy, however hidden, in regard to

esteem. But we should also notice the room for exchange in the domain of esteem: not exchange in esteem proper but certainly exchange in various esteem-services: in the provision of favourable attention, favourable testimony and favourable association.

Consider the following cases where academics enjoy reciprocal benefits in the domain of esteem.

1. Two academic parties – individuals or groups – benefit from professional association with one other: each earns some reflected glory, while neither loses; reflecting one's glory does not mean diminishing it.
2. A referee testifies to the merit of a student, or a fellow academic, and earns in return the reward of being seen to be able to place one of their students or associates in a post.
3. One person testifies to the merit of another's book by writing an endorsement for the blurb and earns in return the reward of being presented to readers as someone whose endorsement is worth having.
4. Two researchers each give favourable attention to the other's work, thereby enjoying the benefit of their manifest, mutual esteem.

It is perfectly plausible, and not necessarily cynical, to think that these forms of reciprocal benefit represent exercises in exchange, in particular virtual exchange. The idea is that each party acts out of habit or conviction or a sense of duty, or whatever, in taking the course described, but that, as a matter of fact, their so acting is rewarded by a reciprocal benefit; and that were it not so rewarded – in particular, were it to attract a penalty in the esteem stakes – then it would not be likely to be continued. The reciprocation is controlled by the interest of each party in enjoying esteem but the control is wholly virtual in character. Each party's interest in esteem stands by, ready to adjust the behaviour in the event of the wanted rewards failing to follow, but normally it has no direct role to play and can languish in the background.

The claim that these forms of reciprocation represent virtual, not actively intentional, exchanges can be borne out by considering some contrasting cases. Suppose A offers to pay B for allowing B to gain reflected glory through association with B; or suppose that a publisher offers to pay a high-ranking academic to express a good opinion, real or simulated, of a book; or suppose that one researcher suggests to another – cynically, not out of a sense of joint worth – that they should cite and praise one another's work. Most of us, we suspect, would reject such an offer out of hand as being quite objectionable. And most of us would find it implausible to imagine that such offers are commonly made. But no such implausibility, or objection, arises with the cases mentioned earlier.

### Understanding the Economy of Esteem

It is said that the first treatise on the Gulf Stream began with the sentence 'There is a river in the ocean'. As there is indeed a river hidden in the tumult of the ocean, so we suggest that there is an economy hidden in the whirl of social life.

We do not call this hidden economy of esteem to attention, however, just for the sake of improving the inventory of the social world. When we understand the ordinary economy, we identify aggregate, unintended consequences that affect individual life and we put ourselves in a position to investigate how far those effects can, by generally acceptable criteria, be improved. And as it is with the ordinary economy, so it is with the economy of esteem.

When people compete and exchange in the patterns illustrated earlier, they will collectively give rise to certain individually unintended consequences. Thus the fact that people compete in performance in any area may drive the baseline of evaluation and esteem higher and make it more difficult for each to achieve a high level of esteem there. The fact that achieving esteem in a given area gets to be more difficult – the cost in terms of effort and time goes up – may make it more attractive for them to look to other areas of esteem-pursuit or pursuit of satisfaction generally. And the fact that they compete in seeking suitable publicity for what they do in any domain may make it more and more difficult to achieve publicity: it may drive the cost in terms of effort or time or money quite high; indeed it may lead to a pareto-inferior outcome in which each does far more than they did previously but attains only the same result in terms of esteem.

These unintended consequences return to affect the individual scenarios of those agents who are collectively responsible for them. That the baseline of evaluation rises in a given area will tend to mean that overall performance rises too. That the costs of doing well in an area rise relative to the costs of doing well elsewhere will tend to drive people out of that area and into others. That the costs of achieving publicity increase, without any compensating benefit, will mean that the people who seek publicity will be worse off overall.

These effects are not ones about which we can easily remain indifferent. With certain areas most of us will cheer about a lift in people's performance, with other areas we will deplore it. Most of us will be concerned about the fact that people are leaving certain domains to make efforts elsewhere, while with other domains we will be delighted at the fact. And in most cases all of us will deplore the waste of effort found when everyone's publicity-seeking costs go up and no one among them benefits. Thus we can hardly avoid thinking about how such aggregate, unintended patterns might be shaped and channelled to better effect.

We began this paper by mentioning the way in which the forces of esteem and disesteem can avoid problems of enforcement and give rise to certain norms. Those norms may be beneficial in enabling people to avoid certain collective action predicaments – say, the littering problem – or, like the norm of revenge, they may do more collective harm than good. We cannot be indifferent about which norms prevail in our society and so we must be concerned about how far the forces of esteem and disesteem may be directed towards the generation of norms that we would all take to be for the common good. It may be that by setting up certain generally endorsed standards, for example – say, standards of conscientiousness in public life – we can activate forces of esteem and disesteem and improve the performance of public authorities. It may be that by making some information available – say, information about the harmful effects of secondary smoking – we can activate forces of esteem and disesteem and reduce the incidence of harmful private behaviour. And so on.

We call the economy of esteem to general attention, then, not just for motives of intellectual interest but also for reasons of practical concern. Charting the economy of esteem will certainly lead us to a better understanding of the social world but it should also make it possible to change that world for the better. Like any worthwhile exercise in economics, the enterprise envisaged here holds out exciting prospects on both the theoretical and the policy-making fronts.

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