

## Herbert Gintis and the societal origins of preferences.

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During the more than half century of our collaboration, my life and Herb's were bound together by a common and evolving scholarly project, by engagement with a political aspiration (broadly shared and sometimes contested), and by our love. He was more than a brother. My "brain wife" is what Elisabeth Wood, my (actual) wife, called him, witness that she was unavoidably to our daily phone exchanges: the loud exuberance of our joint exploration and discovery ("you won't believe what the Price equation implies!") and the heated, even shouted, debates (Herb to Sam: "you sound just like PL (Marxist-Leninist group)!". Sam to Herb: "you've never gotten over being in love with Talcott Parsons!" (more later on that).) We came to not care about whose lightbulb idea this or that new insight was, or even to remember. Beyond brothers, we were united by an unapologetic passion against injustice and untruth (with no need for scare quotes around either term.).

I have been asked by many outlets to write an academic style obituary for Herb, which I have found impossible to do for many reasons, but in part because, in a sense I would be writing my own. And, saying that *Schooling in Capitalist America* is a good book would seem odd, at best. Tom Weisskopf's comment in this issue beautifully describes Herb's contribution.

What I will do here, instead, is to reflect on an extraordinary early contribution in which Herb laid out a distinctive research paradigm of his own making. This is his "A radical analysis of welfare economics and individual development" published in the *Quarterly Journal of Economics* in 1972. He begins with: "...welfare depends not only on what an individual *has* but on what he/she *is* as well." Then, paraphrasing Marx's dictum that "By acting on the external world and changing it [the worker] at the same time changes his own nature." Herb proposed that "changes in the structure of economic institutions produce changes in ... paths of individual development." He concluded that economics should treat "preference structures as endogenous" in opposition to "neoclassical theory [that] takes as given individual 'tastes.'"

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In case you think the “radical” in the title of Herb’s paper is overblown, cast your mind back to the day. About the time Herb’s paper was published, Gary Becker and George Stigler explained the title of their “*De Gustibus Non Est Disputandum*” this way: “One does not argue about tastes for the same reason that one does not argue about the Rocky Mountains – both are there, and will be there tomorrow, and are the same to all men.” But two decades after their affirmation of the conventional canon, the Rocky Mountains seemingly had shifted, and Becker titled his collected essays *Accounting for tastes*. In the book he quoted Marx’s dictum (must be a first for Becker) and he called Herb’s work “pioneering, but ... marred by an excessive ideological slant.”

Today stating that preferences are endogenous risks being charged with banality, not controversy or error. A book by the leading microeconomist David Kreps based on the 2022 Kenneth Arrow Lectures is titled *Arguing About Tastes: Modeling How Context and Experience Change Economic Preferences*. Models of cultural evolution inspired by population biology and anthropology due to Alberto Bisin and Thierry Verdier and others formalize the idea of endogenous preferences and have been added to the economists’ toolbox.

Far from ideological, Herb’s “Radical Analysis...” paper is a model of pluralism. He draws on sources (in French and German as well as English) from history, psychology, sociology, and politics, in addition to economics. And his main methodological stroke was to hijack Parsons’ structural functional sociology to clarify and extend Marx’s insights about culture and human development. The result was an odd couple: Parsons had recently advanced the idea that money, markets, bureaucracy, social stratification were all what he termed “evolutionary universals” a concept antithetical to Marxian thinking. But Parsons gets more references in Herb’s paper than does Marx. (Herb dedicated his dissertation, which had the ultra-Marxian title “Alienation and Power,” to Parsons.)

Parsons, at the time probably the most admired sociologist in the world, was not impressed. He took the time to write a long critique, also published in the *QJE* with a response by Herb, who at the time was a second year assistant professor in the Harvard Graduate School of Education. Those were different times.

Economics was then schizophrenic about endogenous preferences. Microeconomic theorists dismissed the idea, while “everybody knew” what John Kenneth Galbraith wrote, namely, that owners of companies paid for advertising to affect consumer’s preferences, and that

James Dusenbery's idea that the degree of satisfaction with our consumption bundle depends on what others are consuming made sense. But Herb went beyond these commonplaces and the "sociologists [who] emphasize the direct social mechanisms—family, school, and media" to propose a surprising and subtle general theory of the way in which societal institutions shape the evolution of preferences.

The common element in family, schools, and media, the three mechanisms that Herb identified with "institutional" mechanisms affecting preference development, is that some actors – parents, teachers, advertisers -- intentionally shape the preferences of others, for example, whitewashing the history of slavery in the U.S. in high school courses so as to promote more patriotic feelings. Herb did not doubt the force of what I will call indoctrination; but he held that a set of societal influences on preferences that he termed "cybernetic" are at the same time more pervasive and less visible.

The key idea, borrowed from Marx, is, Herb wrote, that "the individual develops capacities for deriving welfare from "alternative" activities directly through the pattern of activities and social relations available and ...into which she enters in ...daily life... [such that, for example] the pattern of available commodities plays a direct role in determining the pattern of individual preferences..." One does not develop a taste for classical music, for example, if the price of concerts or digitally available music is prohibitive. When Herb and I taught the history of economic thought at UMASS he enjoyed engaging (and mystifying) students by inverting the classical understanding to say that exchange value determines use values: you do not develop a taste for something that you cannot afford.

Available jobs and the social relationships that they entail also shape preferences: 'individuals choose their particular path of individual development on the basis of the existing patterns of work activities.' A result is "that a particular set of work activities is "brutalizing" or "alienating" does not mean merely that it has low immediate welfare value. It means as well that individuals serving in these positions undergo detrimental patterns of individual development."

The paper is marked by remarkable modesty and circumspection: "On the empirical level," Herb wrote, "we cannot hope to know, given the present state of social sciences, the impact of alternative institutions on individual development." This was a recurrent topic at the time Herb was writing his paper, as we enjoyed a beer and the jukebox at Charlie's Kitchen at the end of the afternoon on Fridays. I had been working over these years on questions of

inequality and was looking for empirical cases to test a set of Marx-inspired hypotheses. One afternoon we hit on the idea that studying schools would fit the bill. Schools are deliberately designed to affect students' values, their credentialing and other functions allocate access to economic privilege, and (importantly) they generate masses of data that we could use to develop econometric tests of our ideas. The result after some years was our *Schooling in Capitalist America: Educational Reform and the Contradictions of Economic Life*.

Ideas stemming from Herb's model of endogenous preferences were central to that work. In his "Radical Analysis..." Herb had written that the market in labor provides price signals – relative wages for various kinds of work – “as a means of inducing paths of individual development compatible with motivations and capacities necessary in an alienated and bureaucratic work environment.” In his reply to Parsons the same year that we published *Schooling...* he elaborated:

the educational system "supports" the economy most directly by selecting and generating noncognitive and nontechnical personal attributes relevant to operating in the hierarchical division of labor, that it fulfills this function through the correspondence between the structure of social relations constituting the economic sphere on the one hand and the educational on the other.

Herb's "correspondence principle" was a radical departure from the usual account of what schools do, focusing on their effects on preferences rather than skills, and depicting schools as contributing to the reproduction of the capitalist order not by indoctrination imposed by an elite, but instead with the assent of working class parents mindful of what it would take for their children to succeed in the labor market.

A number of testable hypotheses were entailed by the correspondence principle along with his view that schools develop the “noncognitive and nontechnical personal attributes” of future workers. In his 1972 paper Herb proposed (and later demonstrated econometrically) that the economic returns to education could not be explained by the higher cognitive performance of those with more years of schooling. I had suspected as much based on what I was told by managers of trucking companies and warehouses in Nigeria as part of my dissertation research: for tasks like unloading trucks they were paying men with 4 years of primary education much more than those who had not been to school James Heckman and his co-authors, using more sophisticated techniques and better data, have reached the same conclusion (Heckman generously credits “Marxist economists”

with having come up with the idea.) Rick Edwards' psychometric study showed that the personality traits rewarded by higher grades in schools closely matched workplace supervisors' rankings of workers' suitability for promotion, a stunning confirmation of the correspondence principle.

Though recognized by those working the field (especially, it seems, those from the University of Chicago) Herb's early work has not yet received the recognition that it deserves, too much of the credit for his ideas being given to us jointly as authors of *Schooling*. Herb's "Radical analysis" was surely ahead of its time, and his inventiveness with the language: "personological unit objects combining relational and functional modalities" can be chalked up to Parsons, but wherever the phrase came from it was not exactly meme material. A standard riddle at the time: "What is the difference between Herb Gintis and Perry Anderson (for many years, the erudite editor of the *New Left Review*)?" The answer? "The words Perry Anderson uses *are* in the dictionary."

In the 1990s we returned to the question of endogenous preferences, with the formation of a research network of which I was a member along with Colin Camerer, Ernst Fehr, Daniel Kahneman, Ed Glaeser, Margo Wilson, Matthew Rabin, David Laibson, George Loewenstein, Paul Romer and others. Herb led the group along with the anthropologist Robert Boyd, a pioneer in the modeling of cultural evolution. Curiously, in the 1980s Herb and I had each independently begun studying evolutionary modeling of human behavior (how was that possible, given the daily phone conversations?). So had (also coincidentally) a number of other leftist economists including Ugo Pagano, Bob Rowthorn, Robert Boyer, and Geoffrey Hodgson.

Responding to the experimental findings of behavioral economics, we asked: what were the societal conditions that could have supported the cultural or genetic evolution of preferences leading humans to cooperate even with strangers and to contest injustice collectively? Though devoted to a question unrelated to our earlier studies of schooling, our methods in *A Cooperative Species* provide a further example of Herb's initial approach in "Radical Analysis...". We did not represent preference change as indoctrination by dominant elites, but instead as the result of the decentralized and often unwitting actions of individuals responding to the constraints and opportunities of their daily lives.

Using the methods of cultural evolution and socio-biology along with data from anthropology and population genetics we provided an answer, published in *A Cooperative Species: Human Reciprocity and its Evolution*. We dedicated the book to our age mates James Chaney, Andrew Goodman, and Michael Schwerner, whose lives were taken in the struggle for civil rights in the U.S., the year Herb and I met.

And now Herb is gone, leaving a gaping hole in my life and in the lives of so many touched by his imagination, open-minded passion (not to be confused with serial dogmatism), brilliance across mathematics and the social sciences, and affection. But what a gift he has left us, starting with one of his very first publications half a century ago!