

## Markets, politics and freedom in the work of Hannah Arendt

Kevin Quinn (Bowling Green State University, USA)

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Let me start this paper by describing my motivation, as an economist, for studying Hannah Arendt. I have been concerned for some time with the political implications of economics--"political economy", if you like, but in a sense different from the one that term has been given in mainstream economics, where it means the application of rational choice theory to agents of the government, with the result being an elaborate "scientific" architecture for the everyday cynicism about people's motivation--in this case the public agent's ostensible motivation of serving the "public interest"--that is the ideological product of capitalism just as surely as any of its more visible, material products.

What I mean by the term is, instead, the relationship between the economy and the polity and the sense in which they represent different realms of life, or, to use Michael Walzer's term, different "spheres of justice". By assuming that a "scientific" examination of the polity would apply the same conceptions of agency and rationality that have been employed in economic analysis, the mainstream political economist has already begged in his or her very endeavour the question I want to ask. For it is notoriously the case that the application of the rational choice machine spuriously confirms its own propriety to whatever sphere it is applied to--that apparent disconfirmations simply call for a more subtle definition of the objective function. One would think that embarrassment at the failure to produce a convincing explanation in rational choice terms of the most basic aspect of political agency--the very willingness to vote--would have brought the whole enterprise to a crashing halt. Like the alchemist's philosopher's stone of old, though, the heavy artillery of game theory is being wheeled out in more and more sophisticated models, in the hope of converting the lead of individual self-seeking into the gold of cooperation or collective action. With their "iterated prisoner's dilemmas" and the like, it never seems to occur to these theorists that they may themselves be imprisoned--unable to break out of a discourse that prevents even the best of them from making contact with reality.

Let us take as a starting point the most sophisticated and least narrow version of a rational choice approach to politics, Jon Elster's well-known essay "The Market and the Forum", not only because of its sophistication (knocking down straw-men is no achievement, after all) but because he explicitly considers, before rejecting, Hannah Arendt's distinctive views about politics.

It will turn out, I hope, that seeing in what ways Elster misses his object in his criticism of her will motivate a positive characterization of what she is in fact doing.

Elster compares three views of politics. One essentially "privatizes" politics in two senses: first, it involves what he calls an instrumental view of the political, with politics seen as a means to accomplishing private ends; second, political agency is not seen as different in kind from private agency. He then arrives at the other views by dropping first the second component of the private view and then the first as well. He takes Habermas' approach as paradigmatic of the second view, in which political agency is different in kind from private agency--involving reaching a rational agreement, an exercise in what Habermas calls communicative as distinct from instrumental rationality; but where politics remains instrumental, essentially a means of deciding what we should do to pursue our private goals. In this view, he emphasizes the way, for its proponents, the process of rational deliberation

may result in a transformation of people's pre-political preferences. Still, transformed or not, they remain private in the sense that they are preferences about what to do in our non-political, private lives: making the economy run better, for example. The point is to arrive at a "rational" consensus about these matters.

Finally, we come to the third view, of which view Arendt's is a well-known example, in Elster's view. This view drops both components of the private view, imagining political agency to be different in kind from private agency and, in addition, making politics an end in itself. Views such as these, which include for Elster, besides Arendt, both Mill and Tocqueville's view of the educative effect of political activity, along with modern versions of a participatory politics which value participation in itself—think of the notion of "empowerment" as it has been used in this context—are all vitiated by the fact that "the benefits of participation are by-products of political activity. Moreover, they are essentially by-products, in the sense that any attempt to turn them into the main purpose of political activity would make them evaporate." (Elster, 1986: 121.)

Elster's examples of the genus of which he finds this particular fallacy a species are interesting. He uses Parfit's arguments for rule utilitarianism, the paradoxes of which many of us are perhaps more familiar with as they appear in Robert Frank's work, *Passions Within Reason*. The idea is that our goals may be better served by having the disposition to genuinely cooperate. The paradox is that choosing on the basis of instrumental rationality to have a disposition to cooperate—and thus a disposition not to be instrumentally rational, since genuine cooperation involves refraining from defecting in one-off prisoner's dilemmas—cannot be successful. Frank therefore ends up having parents choose, using instrumental rationality, to raise their children as genuine cooperators, so that they may be materially more successful.

Elster also looks at Hirschman's characterization of Mill's idea that participation is valuable in itself: " 'the benefit of collective action for an individual is not the difference between the hoped for result and the effort furnished by him or her, but the *sum* of these two magnitudes'" and comments: "could it really be the case that participation would yield a benefit even where the hoped-for results are nil...Is it not rather true that the effort is itself a function of the hoped-for result, so that in the end latter is the only independent variable?" (Elster, 1986: 125.)

In characterizing Arendt's view as an example of this same fallacy, he cites two passages from her work, which I list here:

'The public realm was reserved for individuality; it was the only place where men could show who they really and inexchangeably were. It was for the sake of this chance, and out of love for a body politic that made it possible to them all, that each was more or less willing to share in the burden of justification, defense and administration of public affairs'

'(in the American town assemblies) citizens participated neither exclusively because of duty nor, and even less, to serve their own interests but most of all because they enjoyed the discussions, the deliberations, and the making of decisions.'

(Elster, 1986: 126.)

Especially in the second passage, Arendt would appear to be guilty of the problem Elster has noted: "Politics...is on a par with other activities such as art, science, athletics or

chess. To engage in them may be deeply satisfactory, if you have an independently defined goal such as 'getting it right' or 'beating the opposition'. A chess player who asserted that he played not to win, but for the sheer elegance of the game, would be in narcissistic bad faith—since there is no such thing as an elegant way of losing, only elegant and inelegant ways of winning.” (Elster, op. cit.)

So Elster concludes that this third view—that politics is non-instrumental in the strong sense, an end in itself—is incoherent; and ends advocating some form of the second view, that while the agency displayed in our political lives cannot be reduced to the private, instrumental rationality of homo economicus, that, nevertheless, the political is a means of pursuing non-political ends: “if thus defined as public in nature, and instrumental in purpose, politics assumes what I believe to be its proper place in society” (Elster, 1986: 128.)

Elster's view seems to me to be an unstable view, perched precariously between the two “extreme” views he rejects. He never satisfactorily explains what he means by the “public nature” of the process, instead launching a passel of objections to Habermas' own formulations of what this might mean.

Ultimately, I want to argue, Elster's objections to Arendt work only by smuggling in the perspective of the rational chooser, who would indeed be acting incoherently if he or she deliberately sought what is essentially a by-product. But it seems to me to be essential to understanding Arendt that this perspective is rejected from the outset. Look again at the first passage from her work that Elster quotes, her claim that the Greeks valued the political, the public realm as “the only place where (they) could show who they really and inexchangeably were”. This seems to me to escape completely the net of his strictures on valuing an activity for what is essentially a by-product of that activity. Nor do I think he helps his case by his citation of chess, science, art, etc--the whole range of what are standardly—since Alisdair McIntyre's brilliant *After Virtue*--referred to as “practices”: as McIntyre's book pointed out, the goals of a practice are “internal to the practice”. This means that the goal of playing chess is “excellence”—not winning, not money etc. To engage in a practice is fundamentally to participate and contribute to the tradition that the practice represents by pursuing excellence in its terms. And, had Arendt, anachronistically, read McIntyre, I believe she would have been happy to call the political the “practice” par excellence, the “practice of practices”. There simply is a fundamental non-instrumentality to a practice that Elster's choice-theoretic perspective simply cannot accommodate—in fact, it is already stretched to the breaking point trying to accommodate what he admits to be “the public nature” of the process.

To pursue this point, I turn now to Arendt's *The Human Condition*, the work where she lays out her conception of the public realm in greatest detail. From her very first discussion of the meaning of the “public realm”, I think it can be appreciated how far we are from the Elsterian conception. She gives two senses to “the public”:

it means, first, that everything that appears in public can be seen and heard by everybody and has the widest possible publicity. *For us, appearance—something that is being heard and seen by others as well as ourselves—constitutes reality.* Compared with the reality which comes from being seen and heard, even the greatest forces of intimate life—the passions of the heart, the thoughts of the mind, the delights of the senses—lead an uncertain and shadowy kind of existence unless and until they are transformed, deprivatized and deindividualized, as it were, into a shape to fit them for public appearance.

(Arendt, 1958: 45-6, emphasis added.)

And, second:

the term 'public' signifies the world itself, insofar as it is common to all of us and distinguished from our privately owned place in it. This world, however, is not identical with the earth or with nature, as the limited space for the movement of men and the general condition of organic life. It is related, rather, to the human artifact, the fabrication of human hands, as well as to affairs which go on among those who inhabit the man-made world together. To live together in the world means essentially that a world of things is between those who have it in common, as a table is located between those who sit around it; the world, like every in-between, relates and separates men at the same time.

(Ibid: 48.)

A good deal more would seem to be at stake in politics in Arendt's view than in Elster's. We seem here to be in a different "world"—no pun intended. As many commentators have noted, the notion of the "world" in Arendt is deeply indebted to her teacher, Martin Heidegger. The world, for Heidegger, is where "being" discloses itself. Unlike Heidegger himself, Arendt out and out identifies this world with "the public and political space which plural human beings can form among themselves" (Canovan, 1992: 112.) Thus as Canovan notes, for Arendt, "the public realm is important...because it is only in the public realm that reality discloses itself." (Ibid: 111.) The point as it pertains to Elster is one that Arendt makes over and over again: the focus of distinctively public action is not on "our common needs"; nor is it, pace communitarians of all stripes, any common conception of "the good life"; what simultaneously relates and separates us, the focus of our distinctively public concerns, is the "world" we have in common. The "separation" is as crucial as the relation: the keynote of Arendt's politics is plurality ("Not Man, but men inhabit the world"). Canovan writes about Arendt's "insistence that plurality is vitally important because it allows reality to be experienced, her understanding of freedom as the experience of that reality in the space cleared by the multiple standpoints of plural men, and her evident concern that the loss of that many-sidedness is equivalent to the loss of reality" (Canovan, op. cit.: 113).

The other side of "world-disclosure" is "self-disclosure". And again, the stakes are very high, for Arendt. Only on the public stage, can we become individuated, achieve distinction, disclose who we really are. (Note, too, that this is by no means a sociological point, the platitude that we are created as individuals by society: it is politics, not society, which individuates, for Arendt.) In fact, the availability of a public world is for her the only source of "earthly immortality":

The common world is what we enter when we are born and what we leave when we die. It is what we have in common not only with those who live with us, but also with those who were here before and with those who will come after us. But such a common world can survive the coming and going of the generations only to the extent that it appears in public. It is the publicity of the public realm which can absorb and make shine through the centuries whatever men may want to save from the natural ruin of time. Through many ages before us—but now not any more—men entered the public realm because they wanted something of their own or something they had in common with others to be more permanent than their earthly lives.

(Arendt, 1958: 50.)

“But now not any more”—What has happened? First, people stopped seeking immortality in the public realm when they came to believe Christianity’s message that they were possessed of eternal life. But second, and much more crucially, capitalism has succeeded in eclipsing the public realm completely by absorbing the public in the private realm: this “instrumentalization” of politics—which Arendt calls the emergence of the “society”, a monstrous hybrid of the public and private—is, for Arendt, capitalism’s greatest crime.

And socialism is no help at all: Arendt sees it as the logical continuation of what capitalism began in this respect: her favorite quote from Marx is to the effect that socialism seeks as its goal “the withering away of the state” and the replacement of politics with “the administration of things”. The “public” as Arendt understands the term has as its correlate “the private”. The latter realm, in Athens and in Rome, was the dark realm of necessity, where what Arendt calls the *animal laborans*—the laboring animal—engages in the endless biologically induced cycle of production and reproduction—consuming in order to produce in order to consume and repeat the cycle over and over. Out of this realm of the natural, the necessitous—the truly “privative” private realm, in Arendt’s etymology—people (“men” actually, in Arendt—and in fact, since obviously women in Athens and throughout most of history have been confined to this dark realm) emerged into the light of the polis, from the natural into the artificial, the monism and singularity of their herd-like species being into plurality and freedom, from life—which we share with all animals—into “the good life”, which makes us human.

The economic growth which might have served to make this experience universal, not the privilege of the few, has instead resulted in the replacement of the public realm with “national house-keeping”. (“Society is the form in which the fact of mutual dependence for the sake of life assumes public significance” (Arendt, op cit: 43). In contrast to the public realm, where, for Arendt, the notion of rule is out of place – where we neither rule nor are ruled—the household is characterized by rule. And “although it is true that one-man, monarchical rule, which the ancients stated to be the organizational device of the household, is transformed in society...into a kind of no-man rule”—and here she has in mind both the invisible hands of the capitalist economy and bureaucratic rule in a socialist economy—“...the rule by nobody is not necessarily no-rule; it may indeed, under certain circumstances, even turn out to be one of its cruelest and most tyrannical versions.” (Arendt, 1958: 37.) Nor does the fact that, with capitalism, the consumption/production cycle takes place on an ever-increasing scale mitigate the essential meaninglessness of the process, the enslavement to the necessitous that it represents: on the contrary, this “unnatural growth of the natural” is the mark of society, in which “all members consider whatever they do primarily as a way to sustain their own lives and those of their families” (Ibid: 43.)

In light of all this, perhaps we owe Elster an apology: although not representing any “scientific universal” but a contingent fact of history, a tragic fact, his claim that the private rules the roost, that the political is instrumental to the economic, would, we are bound to say, meet with Arendt’s assent. The bright light of the public—in her analysis—has truly been eclipsed. Without a genuine public, moreover, we are both “world-less” and “Self-less”.

Without the ability to get out of the private and into the world, confined to “making a living”, we can hardly be said to have selves at all. In fact, she would find the term “individualism”, accepted so widely as a description of modern societies, by liberal boosters as well as communitarian critics, to be a complete misnomer as applied to the herd-like and homogeneous nature of modern life. As Canovan notes, Arendt, “instead of seeing modern

society as impersonal, rational and individualistic...sees it as stiflingly uniform, paternalistic and monolithic" (1992: 121.)

To see, finally, what it means to lose the world, and how the economist—whether Elster or, in this case, Adam Smith—keeps us from recognizing our loss, I want to end with a long quote from Arendt on Adam Smith, which occurs soon after she has given the definition of the public that was quoted above.

What the modern age thought of the public realm, after the spectacular rise of society to public prominence, was expressed by Adam Smith when, with disarming sincerity, he mentions 'that unprosperous race of men commonly called men of letters' for whom 'public admiration makes always a part of their reward..., a considerable part in the profession of physic; a still greater perhaps in that of law; in poetry and philosophy it makes almost the whole.' Here it is self-evident that public admiration and monetary reward are of the same nature and can become substitutes for one another. Public admiration, too, is something to be used and consumed, and status, as we would say today, fulfills one need as food fulfills another: public admiration is consumed by individual vanity as food is consumed by hunger. Obviously from this point of view the test of reality does not lie in the public presence of others, but rather in the greater or lesser urgency of needs to whose existence or non-existence nobody can ever testify except the one who happens to suffer them. And since the need for food has its demonstrable basis of reality in the life process itself, it is also obvious that the entirely subjective pangs of hunger are more real than 'vainglory', as Hobbes used to call the need for public admiration. *Yet even if these needs, through some miracle of sympathy, were shared by others, their very futility would prevent their ever establishing anything so solid and durable as a common world. The point then is not that there is a lack of public admiration for poetry and philosophy in the modern world, but that such admiration does not constitute a space in which things are saved from destruction by time.* The futility of public admiration, which daily is consumed in ever greater quantities, on the contrary, is such that monetary reward, one of the most futile things there is, can become more 'objective' and real." (emphasis added) (1958: 51-2.)

Now it seems to me—and I won't belabor the point—that the terms of Elster's critique are already present in the passage from Smith that Arendt comments on here. So that if one is prepared to think of public participation as satisfying a need on the rational chooser's part for esteem just as food satisfies his or her need for hunger, then the inevitably subsidiary, secondary—indeed for Smith even contemptible—and certainly the *at most instrumental* character of public life will follow as a matter of course. I hope I have said enough to convince the reader that this is not in fact how Arendt thought about the public and the public world.

## References

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