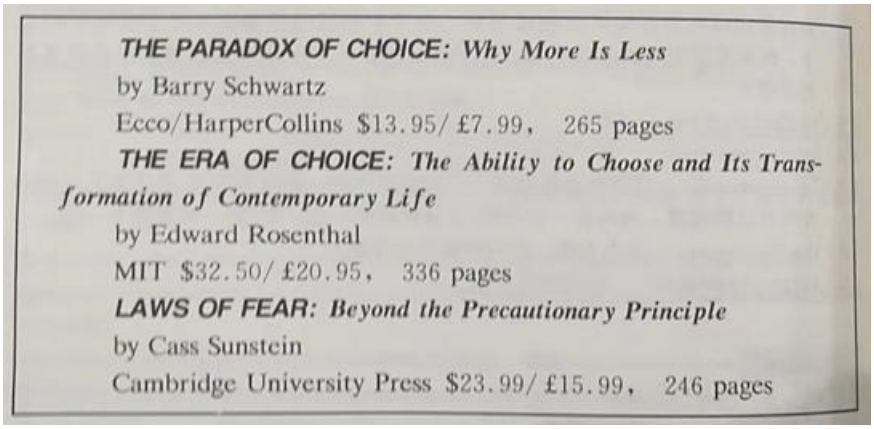
Choice Words on Having Too Much Choice

Human beings are not adept at making decisions. Three academics try to explain why we rarely gain from a pick-and-choose society, writes James Harkin.

■ James Harkin



THE PARADOX OF CHOICE: Why More Is Less
by Barry Schwartz
Ecco/HarperCollins $13.95/£7.99, 265 pages
THE ERA OF CHOICE: The Ability to Choose and Its Transformation of Contemporary Life
by Edward Rosenthal
MIT $32.50/£20.95, 336 pages
LAWS OF FEAR: Beyond the Precautionary Principle
by Cass Sunstein
Cambridge University Press $23.99/£15.99, 246 pages

1. Schwartz was right, at least, to say that they had better things to do with his time than spend his afternoons shopping for jeans. His book is an elegant introduction to the preoccupations of contemporary social theory , one of the few in the past decade to have broken through the solid wall between developments in social science and the ordinary reader.

2. It is vividly written and perfectly poised -- the very mode of how to introduce thorny economic concepts to the general reader. But it is also flawed. Schwartz is right to argue that we face an abundance of choices but his book misunderstands which way the intellectual winds blows. Our daily lives are buffeted by choice, says Schwartz, and this state of affairs can be called consumerism. That much is true, but consumerism -- a society based around mass consumption --- is as old as the washing machine and dates back 50 years to the birth of the welfare state and the onset of the cold war.

3. Seven years ago, a skinny American political theorist called Barry Schwartz strolled into The Gap in search of a new pair of jeans. It took cardinal error of entering into dialogue with a salesperson and was in turn bombarded with a bewildering array of choices -- slim fit, easy fit, relaxed fit, baggy, extra baggy. The selection was endless and, at least daunting. But he tried them all on, just in case.

4. Schwartz emerged from his afternoon in The Gap with a pair of “easy fit” jeans and grudge against the easy pervasiveness of choice in contemporary societies. “Before these options are available,” he tells us on the second page of his

cultishly influential book *The Paradox of Choice,* "a buyer like myself had to settle for an imperfect fit but at least purchasing jeans was a five-minute affair. Now it was a complex decision in which I was forced to invest time, energy and no small amount of self-doubt, anxiety and dread."

5. We might well have an abundance of options, he argues, but that multiplicity of choice conceals within it hidden costs. Against the ideology that glorifies our freedom to choose, Schwartz proceeds to throw up all kinds of clever objections and disastrous consequences -- our decisions, our regret when we make the wrong choices, the congestion that can result when all of us want the same thing, and out inability to being liberated by the banquet of choices available to us, he concludes, we have become enslaved, tyrannized and paralyzed by it.

6. What distinguishes contemporary society is less our lust for consumption than the difference and lck of morale with which we roll up to make our choice. If all of the books under consideration are to be believed, the real debate to be had is about the complications that arise from our abundance of choices. Far fro being confident consumers, they all agree, our decision-making as consumers is just as often fraught, guilt-ridden, inept or plain wrong-headed.

7. The Paradox of Choice strikes at the heart of the "hard" social science. It aims its daggers at the foundation stone that draws together the disciplines of modern economics and political science, the ides of the "utility-maximizing consumer". This utility-maximizing consumer -- a consumer whose desires are not specified, other than to say that whatever he wants more of it -- bubbled up into the rest of the social sciences from neoclassical economics.

8. At about the same time as the economy of mass consumption in the years after the School World War, it forged the beginnings of a new type of political economy -- the so-called game theory, rational choice theory or public choice theory. This was a distinctively North American discipline that, over the past 50 years, has succeeded in drawing in other logical models from mathematics and decision theory and then pushing them out to become the most influential paradigm within the social sciences.

9. What is distinctive about Schwartz's argument is that he seeks to undermine from within the whole idea of self-interested, utility-maximizing consumer. Using some of the most celebrated research on the face that the very act of maximizing our desires tends to leave us all worse off. It assures, for example, that it is really rational to want more of a substance rather than just enough; it assumes that we are capable of making rational choices and of taking responsibility for those choices without regretting them later. Worst of all, it assumes that we make choices as isolated individuals.

10. Drawing another trump card from the theory of choice, Schwartz argues that many

the goods that we seek are positional — having the best haircut in the class or nicest view of the lake from our country house, for example — which it is impossible for us all to achieve because we are all pushing through the same narrow turnstile. This ends up pitting all of us against each other, fruitlessly jockeying for position.

11. *The Era of Choice* is not as polemical in its tone as Schwartz's book but it is even more eclectic in its intellectual influences. What Edward Rosenthal wants to demonstrate in this volume is that the ability to choose "has transformed what we are as persons ans as a society". It has not only moulded out lifestyles and our conceptions of ourselves, he maintains, it ha worked quietly behind the scenes to influence intellectual trends within science, the arts and the humanities, making a contribution to the development of everything from existentialism to postmodernism.

12. Rosenthal seems uncertain from when exactly he would date the "era of choice" -- are different points he suggests that it began in the 1950s or the 1970s. His book is a little flabby, with digressions into everything their way in insight. It is written at a breathless intellectual pace but it throws out to many ideas and original suggestions that it is impossible to go away empty-handed.

13. As a management studies teacher, Rosenthal probably came to choice through operations research, a rather shady-sounding discipline invented during the Second World War to help co-ordinate military strategy , which subsequently became the basis for the basis for the modern science of management. Our choices are at their most fraught when they have outcomes that we cannot know in advance; what operation's research has donated to social theory is its highly sophisticated criteria for judging risky decisions. Rosenthal is at his most readable when he tries to use those logical models to explain how we take decisions under conditions of uncertainty. Both he nd Schwartz make much of the idea that humans are not always adept at weighing up risks. We may be happy to smoke ourselves to death.

14. More damagingly, both are alive to the fact that contemporary societies appear to be intensely risk averse when it comes ti the detrimental effects arising from human activity -- and, specifically, the harmful effects posed by modern technology. In doing so, they are borrowing from a fruitful body of work looking at decision-making under uncertainty. Pioneered by people such as Cass Sunstein. Sunstein, a professor at the University of Chicago and one of the most important contemporary political economists, has made it his mission to understand better the anomalies that arise when the utility-maximizing consumer comes to make risky decision. His latest tome, Laws of Fear, is based on the Seeley Lectures that he gave at Cambridge University in the U.K last year and is a good summation of his work.

15. Like Schwartz and Rosenthal, Sunstein prefers to think broadly. What Sunstein calls the "salient sources fo fear" include "terrorism, the war in Iraq, global warming, crime, mad cow disease, water pollution and genetic modification of food, among others."

16. The problem as he sees it, is that, at least in contemporary societies, citizens consumers suffer from systematic "probability neglect", whereby they ignore the probability of harm and focus on the worst possible outcome, irrespective of how likely it is to occur. A principle that tries to cope with this kind of decision-making , and is becoming increasingly influential, is called the precautionary principle. Beginning in Europe, it has slowly colonized much of the world and its governmental institutions, and is championed by many environmentalists and some social democrats. Put simply, it suggests that in risky situations we should fear the worst and then play safe. Sunstein is sympathetic to many of the social and political issues under consideration but the burden of his book is to argue that the precautionary principle is an incoherent and potentially dangerous response to them . Once we admit that taking risks is a necessary part of the human condition and that no choice are without risky consequences, the precautionary principle cannot fail to be utterly paralyzing, he argues.

17. The idea of ourselves as utility-maximizing consumers, it seems, is not as healthy as it is cracked up to be. If the intellectuals are on to anything, it has foundered on our fatigue, the complexity of the decision-making process and our befuddlement when asked to assess risks.

18. At the end of his heroic journey through social theory, Rosenthal finds himself disillusioned with the whole idea of choice, urging us to break out of this "vicious spiral" that is "occupying more and more of our attention and our resources". Schwartz states, a little baldly, that "we would be better off if we embraced certain voluntary constraints on our freedom of choice, instead of rebelling against them".

19. Sunstein is cautious about the recent profusion of government public health campaigns -- justified by the precautionary principle -- that, he says, attempt to blunt the maximizing desires of citizens by pointing up the dangers involved in smoking or drinking or eating too much. Such campaigns, he points out, are tempted to scarce us with worst-case scenarios rather than rolling out the established risks. Sunstein agrees that it is a dangerous game to play but has no objection to it in principle.

20. The idea of the utility-maximizing consumer has its uses but it turns out to be too shallow a foundation on which to construct either a asocial theory or a human identity. No sooner had the ideology of consumer choice won the intellectual battle against its statist competitors, it seems, than the cracks began to appear in its intellectual offering. It is as if -- left to do its own thing -- the whole idea

of consumption over-vaulted itself and fell into a mire of complexity and incoherence.

21. But there is cause for hope. None of the books under consideration is written by an economist, yet all pay heed to the magnificent arsenal of games and logical models made available by the new political economy of choice. The solution to our dilemmas over choice and decision-making, to paraphrase the economist Paul Samuelson in one of the foundation texts of public choice theory, must be there somewhere whthin the concepts. The problem is how to find it.

From Financial Times, October 2005