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Rationality, irrationality and functionalist explanation

In a provocative account Jon Elster argues that functionalist explanation is of little value in the social sciences (Elster, 1979, pp. 28-35). I wish to argue that on the contrary it is of great value, perhaps especially in making sense of some odd mixes of the rational and the irrational in social life. In particular, functionalist explanations make sense of certain collectively deficient outcomes in complex situations, of the creation and maintenance of various norms and norm systems, and of the institutionalization of conventions. For the first of these, individually rational actions produce collectively irrational results. For the second and perhaps the third, what would otherwise be simply dismissed as individually irrational actions are collectively reinforced to produce outcomes which may benefit an institutionally defined group but may also be generally detrimental to the interests of the larger society which supports that group. Finally, for the third, the convention which arises in a particular context may be explainable only with reference to various extra-rational considerations, but it may well seem to be collectively irrational in much the same way Elster suggests evolution may be irrational (Elster, 1979, pp. 4-18). The convention may seem to be a 'local maximum' which an institution or society cannot readily abandon in order to seek a better outcome at an alternative convention which can be reached only after an initial setback.

This is a slightly revised version of a paper presented at the colloquium on "Irrationality: Explanation and understanding" held in Paris, at the Maison des Sciences de l'Homme, 7-9 January 1980.

Social Science Information (SAGE, London and Beverly Hills), 19, 4/5 (1980), pp. 755-772

By Elster's definition,

an institution or a behavioral pattern X is explained by its function Y for group Z if and only if:

- (1) Y is an effect of X;
- (2) Y is beneficial for Z;
- (3) Y is unintended by the actors producing X;
- (4) Y (or at least the causal relationship between X and Y) is unrecognized by the actors in Z;
- (5) Y maintains X by a causal feedback loop passing through Z. (Elster, 1979, p. 28).

Most so-called functionalist explanations, Elster contends, are missing one or more of these five features and are therefore deficient as functionalist explanations or even, all too often, as explanations. Elster finds only one example of a full-fledged functionalist explanation in the social sciences: "the attempt of the Chicago school of economists to explain profit-maximizing as a result of the 'natural selection' of firms by the market" (Elster, 1979, p. 31).

In the usual theory of the firm (or what might better be called the theory of firms in the market), the firm maximizes profits. Actual observation of their behaviour suggests that managers do many things, such as decide by rule of thumb, but they do not consciously maximize profits.¹ Hence, Armen Alchian argues that profit maximizing behaviour (as opposed to intention) arises by survival of the fittest.² Now, if we define X as a relevant rule of thumb, Y as profit maximizing, and Z as the set of firms, we have a full functionalist explanation. Those firms which follow X (without knowing its value) survive by unintended profit maximizing. The rule of thumb may spread among the set of firms either by takeover or imitation. (The imitators may imitate irrelevant genuflections as well while failing to grasp the role of the associated rule of thumb.)

Among the defective functionalist explanations, two are of interest as explanations in their own right. When Elster's features 1-4 apply but feature 5 does not, we have an *invisible-hand explanation*. When features 1-3 and 5 apply but 4 does not, we have a *filter explanation*. Filter explanations will be of some importance in the following discussion. One might imagine that, in a situation to which a functionalist explanation fully applied, the relevant actors in Z would eventually come to understand what was at stake. Thereafter, feature 4 would no longer apply, and the original functionalist explanation would have evolved into a filter explanation.

Such an evolution, of course, is a mark of the success or cogency of the relevant functionalist explanation as well as, perhaps, a mark of the success of social science in changing the understanding of relevant groups.

Collectively deficient outcomes

One of the classic functionalist accounts in sociology is Philip Selznick's analysis of the peculiar perversion of the intended role of the Tennessee Valley Authority (TVA) after its creation under the Roosevelt administration in the thirties (Selznick, 1949). Aside from flood control and rural electrification, TVA was intended to stimulate participation by the 'grass roots' in regional policy making. One might readily deduce that, to get the grass roots to participate, they had to be organized, and that the easiest way to organize them would be to fall back onto already extant organizations even though the latter might not be ideally representative. The organizations to which TVA quickly turned were the land grant colleges and other institutionalized agricultural interests. These represented certain interests better than others. In general, large commercial farming interests and the land grant colleges dominated small farm and popular recreational interests, contrary to the apparent intent of the original legislation, which foresaw a large programme of conservation. But TVA in its perverse form had survival value because, among other considerations, it had power to influence subsequent Congressional debate and certain Congressional careers. This aspect of its survival may be summarized in functionalist terms. Define:

X: de facto grass roots policy of TVA (in its modified form);

Y: electoral and other success of Z (because supported by TVA and its 'grass roots');

Z: congressional supporters of X (as de facto worked out).
Now X causes Y, which benefits Z; Y may have been unintended and unrecognized by Z; and Y maintains X via Z.

This argument for the TVA has recently been generalized to explain what is popularly regarded as the excessive growth of the American national bureaucracy. Morris Fiorina argues that Congress is "the keystone of the Washington establishment" because members of Congress benefit in their careers from the unintended growth of the bureaucracy.³ Define:

X: growth of bureaus (which get their budgets from Congress and which are therefore responsive to congressional requests for constituency assistance);

Y: re-election of members of Congress (who indulge their constituents by intervening in bureaus);

Z: members of Congress.

Because they spend more time servicing constituents, members of Congress delegate more power of decision and resources to bureaus so that, although this is not intended, constituents have increased dealings with bureaus.

There is feedback from congressional careers to growth of the bureaucracy in at least two ways. (1) The growth of bureaucracy produces more demands by constituents and therefore more occasion for members of Congress to seek the ombudsman role. (2) Playing ombudsman distracts members of Congress from legislative and oversight roles, so that they devolve more discretion onto administrative agencies. The result is the selected survival of the fittest members of Congress — those whose constituency and interest group service wins them enough additional votes to lift them above the status of marginal re-electability. Newer members of Congress learn from the successes of, say, Paul McCloskey and the late William Green that constituency service pays off at re-election time. Survival behaviour seems to have been learned very quickly by the large number of Democrats elected from traditionally Republican and marginal districts in 1974, the Republicans' Watergate trough.

On Fiorina's account the feedback loop is enhanced by more than one mechanism. The recent devolution of power onto subcommittees in the House of Representatives enhances particular members' opportunities for politicking to get re-elected, as was presumably intended. But it also simultaneously creates little 'subgovernments' of members of Congress, bureaucrats, and interest group representatives who "make numerous day-to-day policy decisions.... If they so desire, most congressmen now have the opportunity to head up a subgovernment. By protecting a few agencies under their jurisdiction and accommodating a few concerned interest groups, the congressman buys electoral credit from the latter and wields influence over the former" (Fiorina, 1977, p. 66). Alas, such perverse behaviour is sanctioned when "We, the people, help to weed out congressmen whose primary motivation is not reelection" (Fiorina, 1977, p. 40). This is a strictly rational ac-

