



Ontology and the Individual

By/Par

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Although it is the case that methodological research in the field of economics has grown considerably in recent years, relatively little has focused on the nature of the individual. A recent welcome exception is provided by John Davis (2003). Here Davis sets out to analyse and compare orthodox and heterodox conceptions of the individual (agent) in economics. The former is typically taken to be the familiar rational *homo economicus*, when the latter is characterised as a socially embedded person. Davis' analysis takes the form of two tests: the individuation test, which is meant to distinguish individuals from each other at any point in time, and the reidentification test, which is meant to (re)identify individuals through change (or over time). Davis concludes that, whilst orthodox economics fails on both counts, heterodox economics fails to pass the reidentification test.

I question, from the outset, the usefulness of giving wildly unrealistic accounts such as those of mainstream (or 'neoclassical') economists any attention, as Davis does in the first part of his book. Do we really need to concern ourselves with Davis' specific approach to scrutinising *homo economicus*, when we already know it to be a fiction and where mainstream economists admit as much themselves?

More interesting then is the second part of his book, in which Davis chooses to examine the individual in heterodox economics. Though not without partial insights, I remain uncomfortable with his approach on two counts, one relating to his tests, the other to his object of scrutiny. In this part of the book Davis chooses to focus on Sen's capabilities approach to assess a socially embedded individual. Davis places particular emphasis on the individual's ability to choose freely and/or combine her capabilities.

First, Davis chooses to limit his engagement with the fit between theory and reality and, instead, to apply a couple of tests in order to decide on the solidity of the notions of the individual advanced by the different schools. But Davis' tests, if they are to be at all insightful, are necessarily embedded in a theory of their own with both presuppositions and implications at the level of theory. Davis appears not to be unaware of this, but seeks instead to distance himself from the initial ontological analysis:

Of course, a critique in terms of the supposed basic presuppositions of a concept can always be challenged by questioning those basic presuppositions. Are they the right ones? Are they properly formulated? Did one carry out the ontological analysis that produced them correctly? These questions can be examined independently of their application to a subject matter being investigated, as they long have been by philosophers. However, in this book I concentrate on the task of application in the hope that it will illuminate the most basic requirements involved in talking about individuals in economics in an ontological way. (Davis, 2003:14)

My concern, however, is that while there is indeed a division of labour between uncovering the general and most basic properties and entities of the world (traditional or philosophical ontology), and the elaboration of specific entities at a more substantive level (scientific ontology), the latter cannot simply be submitted to a mere two-questions test, however 'ontological', without invoking the ontological framework that led to uncovering the given entities and their associated basic presuppositions.

In sticking with his two tests, Davis finds himself, as we shall see, drawing on the said framework in an *ad hoc* fashion or even, at times, shifting away from theory altogether. Thus when Davis comes to assess the conception of embedded individuals (in heterodox economics) for the reidentification test, we find him reasoning as follows:

Does the socially embedded individual framework, then, pass or fail the reidentification test? ... Formulating the test for the embedded individual conception helps bring out the implicit assumption in this conception that capability needs to be understood in the strong, real opportunities sense for individuals to be reidentifiable.... A fair response, I think, is that many, perhaps most, **individuals in the world today** are not able to acquire this stronger kind of capability. (Davis 2003:159, my bold).

On this count, however, Davis is assessing not the validity of any theoretical conception of the individual, but, despite his earlier stated intentions, the *reality* (as he perceives it) *out there today*. Such confusion is not surprising since, though not without insight, the arguments are forced into a straightjacket by the two-question test and into what becomes effectively an ontologically flat plane. Distancing oneself from ontology, to frame such complex issues, does not appear the most helpful way forward.

In what follows, I will briefly examine Davis' discussion of reflexivity and self-imposition in the context of the individuation test and explain my concern with the reidentification test. Davis goes to great length in his tests to emphasise the notion of reflexivity. And he sets out to demonstrate that individuals are indeed reflexive. My specific concern is that his argument remains circular because he does not invoke in this context the basis on which we are agents.

A solution to this problem can be found by explicitly drawing on ontological presuppositions. Starting from the premise that the (social) world is open, in the sense that it

is not characterised by event regularity, leads us to reject, as Davis does elsewhere, a deterministic account of social reality. This amounts to (unless we believe all is chance, despite evidence to the contrary) saying that individuals have real choice or agency. By further emphasising that social reality is structured, that is, is not reducible to only one ontological realm, and that distinct realms both interact with and emerge from one another, we can say that structure both facilitates and constrains individual actions. On this count, group identities, group intentionality (what Davis terms “collective intentionality”) and group actions can easily be understood as emerging from individuals.

Hence, there need be no confusion as to whether individuals melt into one another as a result of group interaction. This is precisely because their interactions lead to emergent entities that are *irreducible* to those individuals and act back as autonomous structure onto those individuals (who go on to transform these emergent entities and so on). This follows from the dynamic nature of the structure agency mode of social transformation, which Davis presents, but fails to make the core of his argument (since the core of his argument lies in the two tests that he devised).

Davis is concerned to facilitate our understanding of the notion of the individual in both economics and wider social theory. The point, though, is that Davis’ desire for simplification by choosing to adopt two tests is both insufficiently illuminating and potentially confusing. As Davis points out, that the individual is self aware, self reflexive, self regarding and so on, has been entertained in philosophy and is studied more closely even in psychology. And this is both useful and insightful. But we do not yet need to draw on such substantive accounts of the individual, when it suffices that we reject both voluntaristic and deterministic accounts of the social realm. A notion of constrained agency (or choice), in which individuals and emergent social structure are not conflated, but are seen to interact and to transform each other respectively, explains that individuals are not reducible to groups.

I am further concerned with the way the question of reidentification over time is being discussed. This is no doubt a complex question and Davis is brave in making an attempt to answer it. Having said this, I am not sure that taking (freedom of choosing and/or combining one’s) capabilities as a benchmark and a test criterion for the individual in economics is either useful or representative. And if freedom to combine one’s capabilities stands for agency and reflexivity, which further stands for identity, the test seems somewhat circular. There is much more to an individual than agency. I would suggest, in addition, that notions of continuity over time need to be more deeply addressed and developed here, as indeed does the notion of path dependent change. These, I would argue, are crucial notions, such as are necessary to evaluate a sustainable notion of the individual over time and need to be considered within a more rigorous theoretical, and specifically ontological, framework.

Furthermore, Davis’ focus on reflexivity and the question of its *voluntary* nature appears to be somewhat problematic, in so far as it is made central to the reidentification test. This move does not seem justified and leads him to potentially erroneous conclusions. Consider the following passage:

That is, this particular understanding of capability does not support the idea that individuals can be reidentified across change in this way, because it does not include the idea of individuals being able to exercise the individuating capacity freely to self-impose group participation upon themselves. Therefore, were this realized functionings interpretation of the concept of capability the appropriate one, embedded individuals would not be reidentifiable across change in their social involvements. (Davis, 2003:159)

The problem is easily and better understood, however, at the level tendencies and powers versus the actual outcome at the level of events, which will typically be the result of a combination of powers in play. So it may be the case that someone acts against her desires, because of group pressure or even torture, and in this sense her actions may well be said to be imposed by the other as the outcome seems to go against her prime wishes. But this is not to say that reflexivity is lost and that we no longer have an individual. That would be simply to conflate the internal motivations, the external structures (such as the group), the adjustment to the group (an internal and/or external dialectical processes) with the ultimate decision that is manifest, which is likely to be a combination of all these. As such, the emphasis on the voluntary nature of actions (decisions) is not a criterion to distinguish individuals from one another. Thus we can be constrained to act against our wishes and still remain individuals.

I am concerned, ultimately, with Davis' choice of object of scrutiny in non-mainstream economics. His designated economic individual or agent does not appear to be representative of heterodox economics more widely. In choosing Sen's account as the one that is, according to him, most likely to pass the reidentification test, he leaves out other substantive accounts. Why single out this account rather than another? And if, according to Davis, this is because he wants to give heterodoxy the best possible chance of passing the tests, what leads him to conclude that Sen meets this requirement? He might instead have more usefully established a conception at a sufficiently generalised level of abstraction, one that is shared by heterodox economists, and proceeded on this basis to examine such a notion of the individual for ontological rigour (this is indeed what Davis does in chapter nine, though seemingly as no more than as an after thought).

A further contention that seems relevant to theorising the individual is that fact and value are related in the sense that facts lead to value. But Davis makes this point only towards the end of his book (in chapter nine), and so it hardly figures in his discussion. As he rightly points out, this is a position that is shared by heterodox economists in opposition to orthodox ones. This position is heavily bound up with the further (heterodox) ontological presupposition that the world is not atomistic, but that people are interdependent. In other words, the fact of our connectedness means that our actions will affect the lives of others and that they can therefore not be taken (ever) to have a neutral effect (hence the non neutrality of facts). Thus whatever our notion of human flourishing, facts are observed, interpreted and reacted to in a way that is not neutral to flourishing.

As Davis recognises, positing interconnectedness and accepting that facts and values are inseparable are features that help unite heterodox economists, and cohere with the latter's rejection of a priori mathematical modelling. It is precisely by addressing such theoretical considerations explicitly that we can understand what really distinguishes the orthodox from the heterodox, what unites the different heterodox traditions and what notion of the individual they ultimately entertain. My concern is that Davis' tests do not go, and indeed are not able to take us, far enough in addressing these issues.

In sum, Davis covers in "The theory of the individual in economics" a wide range of approaches to conceptualising the notion of the individual both in economics as well as in a range of other disciplines, including sociology, philosophy, psychology and history. And this certainly sets us thinking in the right direction. My concern, however, is ultimately that the breadth of the material covered in Davis' book does not make up for lack of theoretical depth, both in his choice of what to single out for scrutiny and in the way in which the conceptions of the individual are examined. I would recommend Davis' book as an introduction of what is out there in terms of conceptions of the individual in economics and other social sciences. I would further take it as providing an incentive to develop a notion of the individual in a dialectical process engaging with heterodox economics embedded in a much more ontologically rigorous framework, where the latter seems indeed ineluctable.

Let me conclude briefly by explicitly referring to the title of my review. Theorised entities such as markets, individuals, institutions and so on (scientific ontology) have ontological presuppositions that, typically, concern the nature of the basic structures of reality (traditional or philosophical ontology). The process of unveiling such presuppositions informs us about the overall consistency of theories, where we will often find that the scientific premises are in contradiction with the basic structure of reality posited. It is in this sense that we can effectively 'test' for the adequacy of any conceived entity, such as the individual. A second possibility is to work directly at substantiating a notion of a chosen entity, in this case the individual (thus engaging in scientific ontology). It is on this count that I am concerned that Davis' choice to adopt a two-test framework leads him to conflate the two levels of analysis just outlined and that, in the process, he foregoes the rigour of both.

BIBLIOGRAPHY

Davis, John B., *The theory of the individual in economics: Identity and Value*, Routledge, 2003