

***THE STATUS STRUGGLE. A RECOGNITION-BASED INTERPRETATION OF THE
POSITIONAL ECONOMY***

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Abstract: Competition for positional goods is an important feature of contemporary consumer societies. This paper discusses three strategies for a normative evaluation of positional competition. First it criticizes an evaluation in terms of people's motives to engage in such competition. A reconstruction of an American debate over the status-motivation of consumer behavior shows how such an analysis founders on the difficulties of distinguishing between status and non-status motives for consumption. Second the paper criticizes an approach based on assessing the (positive and negative) externalities of positional competition. This approach is plagued by the methodological difficulty of determining the relevant externalities and their weight. The paper then puts forward a third kind of evaluation, in terms of recognition relations. Starting from Axel Honneth's theory of recognition I will propose to think of positional competition as a struggle for one kind of recognition that is necessary to personal autonomy, i.e. recognition according to the principle of achievement. Finally, the paper discusses the question how we can assess the legitimacy of interferences with positional competition. I argue that the recognition-based approach has a better response to this question than the externalities-based approach, especially with regard to the liberal objection that such interference is a violation of personal freedom.

Key Words: positional competition; positional goods; consumer society; status; motivation; externalities; happiness research; recognition; Axel Honneth.

Introduction

It is in the nature of some goods that they cannot be available to all.¹ As a result, the possession of these so-called positional goods confers status upon their beholders. Since human beings have always been striving for status, it is unsurprising that key positional goods such as political power, money and honor have been the subject of struggle throughout human history. These timeless struggles notwithstanding, we can discern a specifically modern discourse that focuses on the contribution of competition for positional goods to a level of economic growth that is unique to modern societies; a discourse about the advent of a consumer society inspired by a drive for conspicuous consumption.

The emergence of these themes implies that there has been a shift in what is considered the dominant positional good conferring status in society. This shift is commonly described as a shift from the aristocratic struggle for honor in feudalism to the egalitarian struggle for money and consumption goods in capitalist societies.² Closely connected to this

but analytically distinct, the shift may be interpreted as a shift in the *means* by which positional goods are to be acquired. From this perspective the transition from pre-modern to modern society has been a shift away from violent means (war, robbery and dueling) and ascription based on one's place in the social structure (social estates), toward achievement in market competition as the dominant means of acquiring positional goods. The dominance of the market in allocating positional goods is significant because market competition (unlike violence and ascription) not only serves as a means to attribute status, but also as a stimulus to improve productivity. Therefore market competition has the 'side effect' of enhancing the general level of welfare (the invisible hand), which in turn enlarges the circle of competitors for positional goods. When more people have resources at their disposition, more people are able to join the race for social status. Contrary to some commentators' beliefs, economic growth therefore exacerbates the intensity of positional competition.³ This makes the fair distribution of positional benefits a hot topic in normative theory. The aim of this paper will be to discuss several strategies for the normative evaluation of positional competition. It will criticize two kinds of evaluations (in terms of motives and in terms of externalities) and it will propose a third one, an evaluation in terms of recognition.

I will start with a reconstruction of a contemporary American debate over the consumer society. Here one side argues that Americans have massively engaged in status-based overconsumption of luxuries, while the other side maintains that in fact people are spending more on necessities. An analysis of this controversy serves to introduce several distinctions in terms of the motives why people consume. I will argue that in the last instance such an evaluation founders on the difficulties of distinguishing between status and non-status motives for consumption. (section 1). The second section will discuss the widely-used strategy to assess positional competition in terms of the externalities it creates. Although this is an improvement over an evaluation in terms of motives I will argue that an externalities-based evaluation is often inconclusive, amongst others because positive externalities from positional competition play a larger role than is most often recognized (section 2). The third section proposes an alternative interpretation of positional competition, based on a theory of recognition. Starting from Axel Honneth's theory of recognition I will propose to think of positional competition in terms of one kind of recognition that is necessary to personal integrity, i.e. recognition according to the principle of achievement (section 3). Lastly the paper discusses the question how we can assess the legitimacy of interferences with positional competition. It will be argued that the recognition-based approach has a better answer to this question than the externalities-based strategy, especially with regard to the liberal objection that such interference is a violation of personal freedom (section 4).

1. A Motivational Evaluation of The Consumer Society

We will start with a reconstruction of a clash of opinions in the American debate over the consumer society. An analysis of two contrary positions taken in this debate will help us introduce the theme of positional competition and determine whether a normative evaluation in terms of motives for consumption is useful.⁴

On one side of the debate we find the position taken by Juliet Schor in her book *The Overspent American* (1998). She argues that the 'new consumerism' that invaded America in the 1980s and 1990s has produced 'mass overspending': 'By this I mean that large numbers of Americans spend more than they say they would like to, and more than they have. That they spend more than they realize they are spending, and more than is fiscally prudent. And that they spend in ways that are collectively, if not individually, self-defeating.'⁵ Schor's critique of the consumer society is classical in that she follows a longstanding tradition of identifying status-seeking or emulation as the main motive why people continuously try to upscale their consumption patterns. Outdoing others or at least keeping up with them (the proverbial Joneses) is the main reason why people tend to consume more and more. Schor recognizes that there might be other motives at work, but these play a secondary role at best.⁶ Her critique is all the more classical since she maintains that the correctness of this explanation is untouched by the most fundamental shift in consumption habits of the last decades; from conformism in consumption choices to identity creation and differentiation in consumption styles. Put somewhat caricaturally, while in the 1950s and 1960s the challenge was to have the same car, clothes and holiday destination as the neighbors had, now the need is for creating a personal and authentic identity that marks one off as original, authentic and different from others. However, while this shift changes the rules of the game, it doesn't change the stakes: 'People may no longer have wanted to be just like all others in their socio-economic class, but their need to measure up with some idealized group survived.'⁷ As a remedy for this status struggle Schor advocates voluntary downshifting; making our identity and happiness less dependent upon our consumption patterns and thus consuming less.

At the other side of the debate Elizabeth Warren has attacked this position as 'The Over-Consumption Myth'.⁸ A detailed comparison of consumption patterns of the 1970s and 2000s shows, she believes, that people nowadays do not spend more on clothing, food (including restaurants), luxuries, major electronic and other appliances, etc. Instead, spending has risen on a few crucial *necessities*: houses, health insurance, (second) cars, childcare, college tuition fees and taxes. Now according to Warren the crucial difference is that while in the 1970s the standard family was a single-income family, in the early 2000s the dual-income family has become dominant. She calculates that a standard family in the 1970s earned \$39.000 dollar, the aforementioned necessities ate up \$21.000 so that \$18.000 was left for discretionary expenses. In the 2000s the same standard (but now dual-income) family earns

\$68.000, spends \$51.000 on necessities and has \$17.000 left for all other expenses; even a little *less* (!) than the 1970s family (all figures inflation-adjusted). In proportions of household income this means that in the 1970s 54% went to necessities while in the 2000s this is 75%⁹ (the causes of this shift will be addressed below). According to Warren, with such a large proportion of income earmarked for basic expenses, the contemporary family has little leeway in case of illness, unemployment or care responsibilities for older family members. In contrast to the 1970s family, the reservoir of the wife's time and potential earning power is already used up. Families wanting to survive on a single income in the 2000s have an even harder time, since prices for most of the necessities have risen for them as they have for everybody else.¹⁰

What to think of this clash of opinions? For the sake of argument, I will not dispute Warren's analysis of the figures. Instead, I want to look at whether the items she designates as 'necessities' in fact are better classified as status-driven goods. If so, then although Warren would be right on the facts, Schor would remain right on the diagnosis.

Following this strategy, let's introduce the theme of positional goods by making a crucial distinction; that between positional goods as such and the positional aspect of goods. 'Positionality' as a general category means that the utility derived from a good is (amongst other things) dependent on the extent to which other people possess or make use of the same (kind of) good.¹¹ All goods potentially have this feature of interdependent utility, i.e. potentially have a positional aspect. Calling a good a positional good therefore is merely shorthand for saying that its utility is interdependent to a large extent, that is, compared to the positionality of other goods. Survey research has found that goods clearly differ in the extent to which people treat them as positional. For example, income is more positional than leisure, i.e. people prefer less income to more if this makes them have more income than others, while they prefer longer vacations to shorter ones even if others have even longer ones than they do.¹² Warren therefore cannot dismiss the 'Overconsumption Myth' simply by pointing to the fact that expenditures for items typically associated with status seeking (luxury goods such as expensive food and clothing, gadget-like appliances) have not gone up proportionally to income. We have to investigate whether the items that she calls 'necessities' have an (important) positional aspect.

Schor's position on this question is not surprising: it is implied in her analysis of status and emulation that the struggle for these items has a positional character. Although she also often mentions examples such as luxury food, clothing or jewels, she doesn't exclude goods like houses or education from her analysis: even for these 'more basic' goods status according to her is the driving force.¹³ So we cannot frame the controversy between both authors simply as a divergence of opinions on the facts about the kinds of goods that actually dominate people's expenditure patterns. Surprisingly, Warren for her part does not deny the positional

aspect involved in her list of ‘necessary goods’. For example, she explicitly states that both houses and education are now subject to ‘bidding wars’. Indeed the insight that there is a bidding war for these goods is the key to her explanation for the surprising outcome of her comparison of the 1970s and 2000s families. The fact that expenditures for necessities have gone up is only intelligible in light of the acknowledgment that these goods have been subject to bidding wars, combined with the fact that families bring a second income as ‘artillery’ to this war.¹⁴ The massive entrance of women in the labor force meant that per household more money became available for use in these bidding wars.

If Warren does not deny the positional aspect of the items in her category of necessities, then why does she criticize the Overconsumption Myth? At this point, there seem to be two argumentative strategies available to her. Both refer to the *motives* people have for consumption. The first strategy is to maintain that people value these goods for their intrinsic qualities, not for their status aspect. The second strategy is to argue that although people’s valuations are inspired by status, they are merely trying to ‘keep up’, not to outperform others. The two strategies are not mutually exclusive; one can argue that people are largely motivated by intrinsic values and in so far as they are motivated by status, it is by keeping up with the general (middle class) standard of living. Indeed, such a combination seems to be a good interpretation of Warrens texts. Increased spending is not driven by a desire to outdo others, but merely by a desire to be able to lead a ‘decent middle-class life’, that is, being able to live in a relatively safe neighborhood, sending one’s children to a good school and giving them chances to go to college, being able to insure oneself against illness, etc. It is in that sense that spending for the aforementioned items (75% of the consumption budget!) would not be ‘frivolous’, ‘luxury spending’ or ‘overspending’.

The first strategy relies on a motivational distinction related to a distinction in two kinds of positionality or forms of ‘social scarcity’ that Fred Hirsch made in his *Social Limits to Growth* (1977). The distinction is already built into Hirsch’s definition of the positional economy: ‘The positional economy (...) relates to all aspects of goods, services, work positions and other social relationships that are either 1) scarce in some absolute or socially imposed sense or 2) subject to congestion or crowding through more extensive use.’¹⁵ The first part refers to ‘direct scarcity’ where ‘satisfaction derives from scarcity itself’, while the second part refers to ‘incidental scarcity’, where ‘satisfaction derives from intrinsic characteristics but is influenced by extensiveness of use’.¹⁶ The second form of scarcity Hirsch also called ‘congestion’, which can be either physical (houses in suburbs, deserted beaches, roads) or social (opportunities for leadership positions, access to prestigious schools, etc.).¹⁷ What is important for our purposes is that this distinction in practice is not as hard-edged as one might think. As Hirsch himself noticed, many goods suffering from incidental scarcity also have a direct scarcity aspect. For example, top job opportunities or educational

positions in prestigious institutions are desired both for their intrinsic value (sense of fulfilment, personal development, etc.) and for their status value.

Now if we look at Warren's list of necessities, at least three of them seem to be primarily purchased for the status they confer: a house, child care and college tuition fees. It is remarkable that all three of these goods refer to the motive of seeing one's children succeed in their lives.¹⁸ Rising expenditures for the other necessary items are the consequence of being a dual-income family: taxes are proportionally higher because of higher total household income and expenditure on cars is higher because having a second car is practically necessary with two jobs (expenditure per car is the same as in the 1970s). We might say these are 'defensive' expenditures, necessary only once the decision is made (because of the importance of keeping up in spending on houses and education; and other motives to work in addition) to maintain a dual-income family. Let's therefore concentrate on the primary items of houses, care and education. One interpretation would be that people want these goods for their intrinsic characteristics but (since all others want them as well) congestion and bidding wars are the inevitable consequences. But here the ambiguity of the intrinsic/status distinction comes to the forefront. For what is the 'intrinsic enjoyment' of these goods? What kind of motive is it to 'see one's children succeed in life'? We can just as well say that these expenditures are motivated by status (at least in the form of keeping up with others – see hereafter). After all, the status of one's children for most people is a part of their own status or a more encompassing concept of family status.

Of course people *themselves* think these goods are valued for their intrinsic characteristics. Schor at great length documents how people have increased their expectations as to the necessity of possessing many consumer items and earning a higher income.¹⁹ The relevant question for our purposes is how accurate these judgments are. Schor argues (correctly, I think) that most people – either consciously or unconsciously – are often in denial about their true motives: 'Saying that you chose a certain neighbourhood because it has a "certain class of people" feels less socially acceptable than saying it is safe or has good schools. Safety, good schools, better quality, saving money – these are all acceptable consumer motives in a way that status is not.'²⁰ The first strategy therefore doesn't unequivocally support Warren's case, to say the least. Although there is no denying that people sometimes or to some extent desire goods for their intrinsic characteristics, for the expenditures in her category of necessities as well as for other consumer goods this desire seems to be mixed up with a desire for status that is at least as important.

Much the same can be said about the second strategy available to Warren, based on a further distinction between two status-related motives for consumption: improving one's status vis-à-vis others and keeping up with others for the status we already have. Both motives display a concern for status, but the legitimacy of 'keeping up' seems to be different from that

of trying to be superior to others. Warren partly bases her argument upon this distinction, in so far as the idea of a middle-class living standard functions as a benchmark for judging the legitimacy of purchases. The problem is that – as with the distinction between intrinsic and status value - both motives in practice tend to get mixed up. As Schor notices, ‘securing a place means going upscale. But when everyone’s doing it, upscaling can mean simply keeping up. Even when we are aiming high, there’s a strong defensive component to our comparisons.’²¹ The dynamics of positional competition make it impossible to keep up without upscaling. Warren of course doesn’t have to deny that upscaling takes place, only that it is done from the motive of outdoing others. But here she can only be partly right: logically at least *some* will have to get ahead before others can try to keep up with them. Moreover, at this point we have to ask ourselves whether it actually matters what their exact motive is.

Motivational analysis seems to be instrumental toward the normative goal of defending a specific view on individual responsibility in consumption choices. In as far as one maintains that consumption is mainly driven by intrinsic characteristics of goods, and only partly by a concern for status (and then, only by the more reasonable motive of ‘keeping up’), one can defend that the individual is not to blame. This is why Warren uses the concept of necessities and defends that downshifting is a sacrifice that cannot reasonably be asked of middle-class people. Of course, although she thereby legitimizes American’s consumer behavior under current institutions, she doesn’t think nothing should be changed. She advocates institutional reform, such as free school choice (to end the bidding war for houses) and a tuition freeze for public colleges (to end the educational bidding war). There is ‘overspending’; it just isn’t people’s own fault. Schor on the other hand relies on the motive of status to conclude that it is the individual who is responsible. Her advocacy of voluntary downshifting as a solution then follows from this line. Here we have two pure positions that link a view on motivation with a view on responsibility that in turn provides a view on the appropriate solutions.

We have to ask ourselves how strong these links between motivation and responsibility and the ensuing proposals for solutions are. One problem is that we saw how motivational distinctions are easily deconstructed. People’s motives are mixed in several ways, which may also change from person to person. Another problem is that for both authors the pure positions just mentioned are left behind as soon as it comes to solutions. Warren in her book provides a whole chapter on personal advice (with sections such as ‘Stay home?’ and ‘The Other Solution: No Children?’) while Schor also – albeit rather briefly - advocates institutional solutions, such as taxation, redistribution and restriction of advertisements.²² This is rather revealing. That an analysis of consumption motives doesn’t provide a solid foundation for assigning responsibilities is one thing; that it also fails to point to clear strategies for solutions makes matters even worse. More fundamentally, it doesn’t make clear

what (if anything) is actually wrong with the fact that certain goods or certain quantities of goods are consumed from a concern for status and position. The relevant question therefore should be not whether or to what extent positional competition is inspired by status or not, but whether and when a particular form of competition is legitimate or not – by reference to criteria independent from the motives that inspired it.²³ The most commonly used strategy that engages in such a motivation-independent evaluation is in terms of externalities.

2. An Evaluation based on the Calculus of Externalities

This section will start with an exposition of the relevant aspects of the work of economist Robert Frank, probably the most prominent contemporary writer who maintains that positional competition in many circumstances creates negative externalities.²⁴ Subsequently I will discuss whether the concept of externalities provides an adequate way to deal with positional competition from a normative point of view.

Frank has little sympathy for evaluations based upon the morally suspicious character of the motive of status-seeking. People do not (or at least not predominantly) engage in positional struggles from a concern about status for status' sake, but because by winning they provide 'real rewards' for themselves that otherwise are unavailable to them. Thus it is individually rational for them to engage in such struggles.²⁵ Real rewards, such as houses in safe neighborhoods, attractive partners or a bright future for their children are often distributed in accordance with relative position, so quite naturally people compete for the best slots. This is not because they value the status that comes with having better houses, partners and children's futures than others, but because they value the utility those things bring them. The problem is that in those cases people's evaluations are necessarily determined by a 'frame of reference' that is social or contextual in nature. Just as one's evaluation of the temperature differs according to what one is used to, so the choice of consumption options is determined by other people's consumption styles. For example, whether we consider an object 'handsome' or 'carefully crafted' depends upon the context of the goods available in our society.²⁶

Why then and when is positional competition problematic? On Frank's account the difference in costs and benefits for the group on the one hand and the individual on the other hand is crucial. Positional competition is a problem as soon as the costs that it brings to the group exceed the benefits it brings to individuals. To illustrate, he draws the analogy with several forms of animal competition. One of his examples is that of the antlers of the male elk.²⁷ Each male elk gains an advantage over others in the competition for female elks when he has larger antlers. Because of this advantage, the elk's antlers have grown ever larger. As a consequence of this, the weight of the antlers made it more difficult to escape predators.

Larger antlers therefore are advantageous for the individual, but disadvantageous for the species. For animals the extent to which ‘nature’ lets the competition proceed is the point at which the disadvantages are so great that the survival of the species is in threat. At this point the elk’s antlers do not grow further (neither does the peacock’s plumage, another example Frank mentions). This doesn’t mean, however, that this equilibrium level is the optimal outcome for the species as a whole – it simply is the level at which competition between individuals becomes absolutely destructive for the species.²⁸ (things may be even worse for humans who do not have a predator that restricts the burdens that their internal competitions imposes on the species as a whole).

So how does an evaluation of positional competition in terms of externalities normally proceed? In essence Frank argues that it is analogous to environmental pollution externalities. Just as a firm polluting a nearby river imposes negative externalities on local communities that it doesn’t take into account, so people consuming goods or striving for higher positions in educational or work hierarchies do not take into account the negative externalities they thereby impose on others, who will have to work harder or spend more to achieve the same position as before. The solution is also analogous. In the case of environmental pollution the state may impose taxes on firms which compensate for pollution – these taxes act as a disincentive to engage in polluting behavior. Similarly, taxes (income or consumption taxes, either for specific goods or across the board) may provide disincentives for people to engage in positional competition. Frank therefore outlines a detailed proposal for a consumption tax that he thinks will be beneficial in the American situation.²⁹

There are two problems with such an analysis of positional competition along the lines of negative externalities. One is the problem whether it provides a valid reason for the state (or any other institution) to interfere with positional competition; discussion thereof will be postponed to section 4. This political-philosophical problem only arises when we have established that positional competition does indeed create negative externalities. That is far from self-evident, however. For it might just as well be the case that positional competition creates positive externalities.³⁰ When are there any negative externalities in positional competition; or, more precisely, when are positional externalities negative, all things considered? This problem will occupy the remainder of this section.

In some cases the overall balance is rather easy to determine. Positional competition between Lennon and McCartney over being the best Beatles songwriter definitively brought more positive than negative externalities. However great the costs in terms of interpersonal conflicts, physical exhaustion or jealousy from their ambitious wives, the enjoyment of millions of music lovers easily outweighed all of it. However, things are rarely so clear-cut. What about the externalities arising from positional competition for jobs and consumer goods in general, such as we discussed in the last section? The costs of positional competition are

often discussed in the context of debates over economic growth as a matter of the *frustration* that growth causes for participants in the economy. Fred Hirsch famously hinted at this when he remarked that ‘the race gets longer for the same prize’ and that ‘if everyone stands on tiptoe, no one sees better’. Frustration can take two forms, corresponding to Hirsch’s distinction between ‘direct’ and ‘incidental’ social scarcity. Direct social scarcity (for goods whose value arises from their scarcity) leads to frustration for those with low rank, because economic growth doesn’t buy them the status that they thought they would be able to buy with higher income. Incidental social scarcity (for goods whose quality decreases as they are more extensively used) leads to frustration for those who already have high rank, because they have to share the previously deserted exotic island or the by now congested highway with numerous newcomers.³¹

The use of both these forms of frustration for the argument that positional competition has negative externalities, has been criticized. The first source of frustration is the effect of unrealistic expectations about economic growth. Nobody can realistically promise that growth can ever make high status available to everyone in the same proportions.³² High rank, as the positional good *par excellence*, cannot be distributed to all. As to the second form, frustration of the formerly happy few finds its counterpart in the gains for those who have become able to access the previously unaffordable good (the highway or holiday destination). To focus exclusively on the losses of a small group to the detriment of the larger group is therefore to give in to ‘a selfish defense of middle-class privilege’, as one commentator noted.³³ For those who previously had to stay at home, a crowded beach is an enormous improvement over no beach at all. So in both cases an analysis in terms of externalities leads to problems. In the first case it is highly contentious whether the cost is something that should enter the externalities calculus; frustration because of unrealistic expectations probably should be borne by the individual (but what costs should be borne by the individual? see section 4 for this problem). The second case has a different structure. The cost here enters the calculus but there is a positive externality offsetting it - the problem is how these costs and benefits should be properly calculated.

If we abstract from these arguments about frustration, we can generalize about the problems of assessing the costs associated with positional competition. Let’s take as an example person A, who buys an expensive new computer. What happens when he does this? First of all he experiences a utility gain because of his possession of the computer, which has both an intrinsic and a status component. Secondly negative externalities are imposed on B, C and D, his friends with whom he often exchanges information about computer technology and who now feel dissatisfied with their own possessions. But this is not all. There also is the work effort A had to engage in, in order to pay for the computer. Work in standard economic theory has negative utility; it is an effort, which has to be compensated with salary. To be

complete, however, we should also draw into the equation eventual positive utility from work, to the extent that it provides self-esteem, purpose in life, companionship, etc. Finally, computer salesman E and producer F experience a utility gain from the income received because A purchases their products. All in all, the utility components of this act may be called quite ‘a mixed baggage’... And there is even more. B, C and D experience social pressure to buy similar computers. This is a negative externality, but it induces them to work harder, which may have positive and negative externalities for them (just like it had for A). This in turn results in them buying new computers as well: again, positive utility (intrinsic and status-wise); although now also a new negative utility arises for A, whose original status advance is cancelled out. Meanwhile, this might have spurred E and F to innovate – a positive externality for G, H, I and all other computer consumers in society.

The message is that a competitive economic system raises countless externalities (indeed, what is an externality in the example just given and what isn't?).³⁴ It's part of having competition for goods that the outcome is a positional hierarchy with a mix of costs and benefits. It is hardly conceivable that we will be able to judge whether the ‘consumption society’ as a whole generates more costs than benefits (negative externalities, overall). Yes, we do spend more time and resources while keeping in the same place vis-à-vis others. But by doing so we generate technologically more advanced products, a higher standard of living in general, we enjoy our work (or not), etc.; things we wouldn't have had without such a generalized positional competition for income and favorable consumption patterns. We may also get environmental degradation and a lack of willingness to spend on public goods in general. But the concept of externalities hardly helps us determine what should weigh heavier in a context where innumerable effects emerge whose value is hard-to-measure. Seen in this light, the difference between those favoring more competition and more welfare (measured in conventional economic terms) and those in favor of restraint may be a difference in their estimations, both of the actual positional character of most goods and of the magnitude of the externalities involved.

At this point some may want to rely on the emerging field of happiness research, which empirically measures ‘subjective well-being’. This research has established two results that taken together present us with a ‘paradox of income and happiness’. First, above a certain level of income (roughly \$20,000) the average level of happiness in a country doesn't rise with additional increases in average income. Second, within countries richer people are substantially happier than poorer people.³⁵ The main implication is usually taken to be that the value of economic growth is limited or absent for already developed countries. People do not get happier on average and their changes in happiness due to improved relative standing vis-à-vis others are offset by these others whose happiness due to relative standing declines. One might feel tempted to take this as an indication that externalities from positional struggles for

income and consumption must be negative overall: the costs in time and effort spent in competition are not offset by corresponding or higher gains in subjective well-being. However enlightening this research may be in itself, there are also problems using it as the basis for a normative theory evaluating positional competition. Happiness research might prove inconclusive for assessing the value of economic growth, because two of the five factors that it identifies as most important to happiness relate directly to the economy: ‘work’ and ‘financial situation’ (the other three are ‘family relationships’, ‘community and friends’ and ‘health’).³⁶ So even if extra growth doesn’t make people happier, not growing might cause widespread distress because of its negative effects on work and personal finances. This suggests that the value of economic growth is increasingly in the game of competition itself, not in the outcomes in terms of income and consumption goods. This should at least be reason to caution in the interpretation of happiness research.³⁷

So where do we stand? The analysis of externalities is an improvement over an evaluation based on elusive motives. Nonetheless, the identification of costs and benefits is far from self-evident. It is especially difficult at the general level of society to draw a conclusion about the value of positional competition in the ‘consumer society’. But also for specific goods, an identification of the relevant externalities is problematic. Especially, the methodological problems of determining which consequences should (not) be included into the externalities calculus and of what weight to ascribe to each consequence might prove intractable. This is not a knockdown argument against externalities calculations. I will now first present an alternative normative theory of positional competition and then compare it to the externalities-based approach on two scores: the methodological problems just mentioned (end of section 3) and the political-philosophical problem of justifying interference (section 4).

3. Recognition as an Interpretation of Positional Competition

Status-seeking is an attempt to be recognized by others. From that perspective, it seems quite natural to start an analysis of positional competition from the concept of recognition. Interpreting status as (a specific form of) recognition brings us to the heart of what it is about; an attempt to appear to others in a certain light. It doesn’t ask ‘what does positional competition cost?’, but rather ‘what kind of social relation is involved?’ At the same time it provides an opening to a normative theory, at least if we grant that recognition also serves as a normative concept: people *should* be recognized in certain ways.³⁸ This section will lay out such an analysis. It will suggest that taking this line we can evaluate concrete instances of positional competition by asking the question: what form of recognition is appropriate for this good?

Axel Honneth’s theory of recognition provides the point of departure. Slightly diverging from his scheme, I propose to distinguish four different forms of recognition, based on two different distinctions. The first distinction is that between recognizing others for who they are (as persons), or for what they do (as performers in a specific practice); this is the familiar distinction between achieved and ascribed status. In legal relations and in relations of friendship and love, we recognize people solely for what and who they are. The difference is that recognition in legal relations obeys a strict form of equality (equality before the law) while in the case of love we do not regard people as in all respects equal to ourselves. In love, relations hold between people in virtue of their unique characteristics, not in virtue of a characteristic in respect of which they are all similar (such as legal status). The asymmetry in the parent-child relation is the primary example of this. Whereas ascription for the law automatically follows from one’s birth, love has to be ‘ascribed’ on a case-by-case basis between people involved in love relations. Nonetheless we value others for the person they are, in love as much as in law.

	<i>Equal</i>	<i>Unequal</i>
<i>Person</i>	Legal subject	Love
<i>Performance</i>	Contribution	Achievement

Table: *forms of recognition*

Our second category contains two different ways of recognizing people for their performance. In the first case a person is recognized for his practical performance as a valuable contribution to a common practice, i.e. as a form of cooperation. In the second case recognition of a performance is as an individual achievement that contrasts positively or negatively to other’s achievements; as something ‘outstanding’, ‘average’, ‘mediocre’, etc. Correspondingly, the other is recognized as higher or lower in rank – he is recognized as unequal (that is, a more or less valuable participant) to other performers in the same practice. This distinction is somewhat different from the law/love distinction in that both perspectives will often be applicable to one and the same performance (while law and love forms of recognition mostly apply to separate domains or fields of action³⁹). Typical work performances for example are almost always both considered under the aspect of contribution and of achievement. This difference doesn’t render the contribution/achievement distinction obsolete. Even where the same performance is concerned, contribution and achievement provide clearly different forms of recognizing the agent: either as equal or as unequal in status.

In the following, I will concentrate on these two forms of recognition related to performance. Both are related to Axel Honneth’s third form of recognition. According to

Honneth, the principle of merit (or achievement) is to govern our cooperative relations. Cooperative relations are the relations that result from the ‘cooperative division of labor’ in our societies. In modern times, people primarily direct their capacities and talents toward activities performed as paid labor. The resulting social order provides a place for everyone to be esteemed in accordance with their contributions. According to Honneth, this expresses ‘solidarity’ in a modern sense:

‘In modern societies, therefore, social relations of symmetrical esteem between individualized (and autonomous) subjects represent a prerequisite for solidarity. In this sense, to esteem one another symmetrically means to view one another in light of values that allow the abilities and traits of the other to appear significant for shared praxis. Relationships of this sort can be said to be cases of “solidarity”, because they inspire not just passive tolerance but felt concern for what is individual and particular about the other person. For only to the degree to which I actively care about the development of the other’s characteristics (which seem foreign to me) can our shared goals be realized.’⁴⁰

This passage brings out the relevant sense of equality: it is about esteeming others ‘symmetrically’. Nobody’s contribution is exactly ‘equal’ to another one’s, neither in the sense of ‘identical’ nor in the sense of ‘of equal value’. The value of the contribution is not what is at stake in this form of recognition, or at least not its value to the sustenance of the practice that it is a contribution for. What is at stake is the value of the contribution *qua contribution*, i.e. its value as an effort of someone to participate to a shared praxis; as an exercise in teamwork, so to speak.

Against this harmonious picture of social solidarity through cooperation aimed at common goals, a rather different image of social integration through paid labor is that of a meritocratic struggle for individual rewards. Interestingly, elsewhere Honneth seems to give this interpretation to his third form of recognition.⁴¹ Anyhow, both forms of recognition have to be clearly distinguished: recognition for one’s performance as a contribution to a shared practice and recognition for one’s performance as an individual achievement. In the first case we recognize each others as equal in our status of contributors to a shared practice, while in the second case we recognize each other as unequal: your achievement in sport, science or art can be and is effectively evaluated as *better* than mine and so your status (in this practice at least) is higher than mine.⁴²

Not all practices embody this achievement form of recognition; not all of them establish a ranking of performances and match these superior achievements with rewards. Those practices that do not are purely ‘shared praxis’, where performances are only

considered as equally important contributions. Insofar as practices are (also) considered under the aspect of achievement, they are practices in which a struggle for positional goods takes place. Positional competition refers here both to high rank or high status itself and to the possession of goods because of that status (the latter may refer both to the internal goods the production of which is the subject of the practice and to external goods or rewards attached to one's high position). For example, positional competition in a piano contest is both about gaining the status of winner of the contest and about gaining the prize attached to it; being able to buy a house in the fanciest and most expensive neighborhood of town means both gaining that house itself (with its attendant advantages in terms of safety, comfort, etc.) and gaining the status of resident of that neighborhood (the first example refers to a productive praxis, the second to a consumptive praxis – but that difference is not essential). The principle of achievement raises some normative demands for these practices where positional competition is judged legitimate; like the principles emanating from the other forms of recognition, it is a critical principle. It demands that social opportunities for achievement recognition will be maximally guaranteed. Philip Pettit and Geoffrey Brennan have recently mapped out several ways in which any individual can try to have his performance esteemed by others.⁴³ Referring to their map of strategies, one can say that a society that maximally enhances each individual's opportunities for engaging in these strategies fulfills the demands of the principle of achievement. This is the relevant standard to evaluate in how far society lives up to its ideal. The status struggle then is as open and fair as it can be.

For normative theory the introduction of this fourth form of recognition raises a puzzle. In Honneth's theory every form of recognition is a necessary precondition for the overarching normative ideal of personal autonomy in the sense of 'individual identity formation' and 'individual self-realization'.⁴⁴ This ideal is in threat as soon as a person is not recognized in the relevant sense or is deliberately misrecognized (disrespected) – and this takes a different form for each form of recognition.⁴⁵ The question is how achievement fits into this scheme: why would individual achievement be a necessary condition for personal autonomy, identity formation and self-realization? For if achievement is established as one form of recognition it has to be such a necessary condition, parallel to Honneth's other forms of recognition. This might seem strange since by definition recognition on the basis of individual achievement cannot be granted to everyone. In a hierarchy based on achievement like in any hierarchy some must be at the bottom. Honneth seems to recognize this problem, when he remarks that in modern society there is a 'hegemonic, thoroughly one-sided valuation of achievement'.⁴⁶ But how can we call such a form of recognition necessary to personal autonomy, while knowing beforehand that not everybody will be granted recognition in this respect? Doesn't this legitimate a struggle in which the losers are deprived of an essential form of recognition unavailable to them; left without any complaint that the social

order is to blame since they have only themselves to blame for their insufficient achievements?

Honneth's theory doesn't address this question because it conflates meritocratic achievement and cooperative solidarity - and in the latter model, everybody is granted recognition for his or her performances; every performance has at least some value for the shared practice. But this silence on the question is unavailable to us if we separate both principles because they represent two ways of recognizing people, not one.⁴⁷ Another solution is to grant the principle of achievement its full normative force but to argue that it is 'contained by the social welfare state by making a minimum of social esteem and economic welfare independent of actual achievement and transforming them into individual rights claims.'⁴⁸ I can see how this would guarantee people minimum economic welfare but given that this is done through application of the principle of legal equality - thus through the application of *another* form of recognition - I fail to see how this provides social esteem. Of course the scope of the principle of achievement is counterbalanced by the three other recognition principles. But *as far as* it reigns, social esteem is allocated on the basis of achievement alone. If this principle represents a separate and proper form of recognition, it has to find its normative force in itself.

The most promising argument for the contribution of achievement to personal self-realization seems to me to lie in the *possibility* of having one's performances recognized as superior to others.⁴⁹ It is such a possibility that is largely absent in a society in which the status order is fixed and that is present only under the modern condition of a fluid status order on the basis of achievement. Within such an order, being able to participate in forms of positional competition is the relevant normative contribution to personal autonomy, rather than winning (one of) them. This might be disappointing to those who do not see their performances recognized as superior contributions and it might even provoke resentment amongst those who always (tend to) lose. Nonetheless, the fact that a dynamic status order provides opportunities for the talented to translate their talents into activities with attendant results is a great normative improvement over a fixed status order in which such opportunities are absent. In conclusion, it is true that the normative value of this form of recognition is therefore unlike that of the other three forms; it only rests on the value of a *chance for* recognition in the relevant respect, not on a guarantee of full recognition itself. But this does not diminish its value - in a sense it even heightens it, since when one is recognized by others under this form one knows it is not just by virtue of a fact pertaining to one's position (in a legal system, a family or a work practice); it is by virtue of the quality of one's own performance. What more could contribute to individual self-realization?

Now that we have seen how the principle of achievement is integrated in a normative theory of recognition, we can state how this recognition-theoretic framework is relevant to our

question of how to assess the normative value of positional competition. We identified positional competition with one form of recognition, governed by the principle of achievement. Positional competition will have to be judged problematic for those goods whose allocation is embedded in a social relation for which this specific form of recognition is inappropriate. Conversely, it will be unproblematic in so far as the recognition relation is appropriate. This instantly provokes the question how we determine the appropriate form of recognition for these social relations. There is no magic formula to answer this question. Whereas we saw that the methodological difficulties with the externalities approach are significant (see section 2), here we seem to encounter a rather analogous set of problems. The recognition-based approach may therefore be thought to face an equally pernicious predicament as the externalities approach. This time it doesn't take the form of calculating effects but of assessing the appropriate form of social relations.⁵⁰ It will not help to refer to socially imposed conventions or intuitions concerning the shape that social relations ought to take. The only way to determine the form of these relations is to have a substantive argument about it on a case-by-case basis – it is a deliberative challenge.

Therefore in the end the choice of framework (externalities or recognition) is between a methodology of calculation and a methodology of deliberation.⁵¹ The former gains its apparent attraction from its claim to exactness and determinateness. But the contentious issues do not disappear just because they are hidden in the assumptions about what goes into the calculus. There will always have to be an argument about the way we 'frame' the details of these evaluations: neither alternative provides a deductive machinery of answers. However, in my view the recognition approach should be favored, both because it brings out the question in a way which is both more open to different kinds of arguments and because it is more closely related to our first-person perspectives of what is at stake in positional competition; a justification for allowing practices in which some persons will gain superior positions vis-à-vis others; not just a calculation of benefits and costs. In addition to this, I will maintain the recognition-based approach compares favorably in response to the problem of justifying interferences with positional competition.

4. The Legitimacy of Interference

When and why is it legitimate to impose constraints on positional competition; i.e. to interfere with people's attempts to outdo or keep up with others? This question brings our discussion from the general question of 'normative evaluation' of positional competition to the political-theoretic domain. Any negative evaluation of an instance of positional competition (on whatever normative basis) still relies on a subsequent argument why interference would be justified. Providing such an argument is the 'proof of the pudding' for the approaches that we

have considered. The exercise will be comparative in nature. I first discuss the objections raised against intervention in positional competition on the basis of negative externalities and then ask whether the alternative of a recognition-based theory provides a more convincing response.

As a preliminary matter, however, one objection to interference has been that it is unnecessary to begin with because positional competition can be solved by technological means. Let us briefly rehearse this objection first. Some have argued that technological means can extend the supply of positional goods more than pessimists believe (and if supply is extended, these goods by definition aren't absolutely scarce anymore). Therefore there is no real limit to the satisfaction of demand for these goods. As the struggle for a positional good intensifies, its price rises and this makes people seek for either more supply of this good or for substitutions in 'the material economy' (i.e. the realm of non-positional goods).⁵² It may be granted that increasing supply can be effective with regard to Hirsch's category of 'incidental social scarcity', i.e. goods suffering from physical and social congestion. Technology can be used to build more roads and alleviate traffic jams, build new houses to relieve pressure from popular suburbs, etc. (the only limit here is probably population growth – the Malthusian theme). Nevertheless, with regard to 'direct social scarcity' this strategy cannot be successful. Of course one can offer substitutions for directly scarce goods, but these will not have the same status value as the original products. This category therefore provides a real problem, especially since it not only encompasses snob goods and luxuries, but (as we already saw) also many of the goods sometimes classified as 'incidentally scarce': educational opportunities, top jobs and high incomes. Given the importance of these goods in the debate over the consumer society (see section 1), we may therefore conclude that technological improvements will be mostly unable to provide a real solution for cases where many compete for positional goods. Only intervention of some form can address this problem; and the question remains whether, when and why this is legitimate.

Let's first consider the analysis based on the concept of externalities. This approach runs into an objection (common to most forms of utilitarianism) that it is prepared to trade off one person's utility against someone else's, without consideration of the breach of personal freedom involved. More specifically, the charge is that restricting some people actively engaged in positional competition (e.g. by taxing their income) in order to further the interests of others is an unwarranted breach of their freedom to act. This objection represents a well-known problem in the general literature on externalities. An example from that literature is the spread of pornographic material. Suppose that pornography offends some people, who are not party to the transactions but experience the psychic costs of being confronted with such material. Should this count as a reason for prohibiting pornography?⁵³ Another example: what about people having a preference for not seeing others with uncombed hair? Should

government prohibit uncombed hair because it offends them; or allow it but offer them compensation?⁵⁴ In these and similar cases, some suffer costs because of other people's behavior, but that in itself doesn't seem to be a sufficient reason to intervene. It might just as well be the case that all things considered it is wiser to demand of the party that bears the costs to adjust themselves to the inconvenience. Robert Frank seems well aware of this and he concludes that questions of the assignment of rights in these cases of conflict are 'quintessentially practical ones'.⁵⁵ One has to carefully balance costs and benefits to both sides. Nonetheless, he maintains that positional competition creates negative externalities that should be corrected for. His most prominent example is that of top earners creating 'expenditure cascades' all down the line of the income pyramid. They put large costs on all others while curtailing their income would have little effect on their subjective well-being; so Frank defends that intervention - by way of taxation - is legitimate.⁵⁶

Is this a sufficient answer to the objection? One way of solving the problem is to state that what counts for other kinds of externalities should count for positional externalities as well: as soon as there are costs imposed on others, intervention is legitimate. Why should things be different for positional externalities? This doesn't really help, however. Positional externalities *are* different from other externalities in at least one respect: they spring from our concern with relative position. The question is whether such a concern is more like the concern for uncombed hair (the offended should bear the costs) or rather more like a concern for environmental pollution (the offender should be interfered with). Frank thinks that since the individual *can't* solve the problem, regulation has to.⁵⁷ But why is regulation preferable to doing nothing? Why can't the costs of positional competition remain what they are, a nuisance that we deal with in the private spheres of our lives? What we need (if we want to be able to legitimize interference in at least some cases) is a reason to interfere with this 'holy barrier' of (some forms of) liberal theory; a normative reason pointing to concerns sufficiently strong to override the concern for protection of a private sphere of production and consumption. Relatively clear harms (like environmental pollution) have broken the barrier; but why and when should positional competition? It may be the case that constraining positional competition for ordinary consumption goods, for example, may make everyone better off and therefore constitute a Pareto-improvement.⁵⁸ But still, some people would rather be allowed to play games that they know decrease their utility than give someone else the right to interfere with their freedom to do so. And especially in the case of consumption goods, why shouldn't the burden be placed on individuals to voluntarily retreat from positional competition? The externalities-based approach doesn't seem capable of any answer other than merely repeating that there are net benefits in terms of utility.

Here the recognition-based approach may fill in the gap. Its practical requirements flow from a link between forms of recognition and principles of distribution. According to

Honneth's theory, the three forms of recognition correspond to different forms of distributing goods: according to need, legal equality and merit.⁵⁹ The distributive principle corresponding to achievement (the 4th recognition form) would then be merit. This is a somewhat misleading term that suggests that a certain distributive share is (morally) deserved. A more accurate but also more burdensome label would be 'distribution according to the rules of the game', i.e. according to the competition rules that determine which achievements are of value. Whether the game is the market system or a non-market contest for excellence, distribution is appropriate as long as these rules are correctly applied (remember, this may include someone winning by 'chance', which wouldn't be merited in a moral sense, but still the only legitimate outcome). Now when should goods be distributed according these rules of the game? And when, by contrast, should these rules be exchanged for some other distributive principle? The answer is that the distribution of each good should be guided by the distributive principle corresponding to the form of recognition that is appropriate to the social relation in which the allocation of that good is embedded (see end of section 3 where this formula was introduced). For example, when we consider higher education to be a good that should be embedded in a recognition relation of legal equality, then everyone with the talents to do so has the right to participate in that good, regardless of his financial abilities. Contrariwise, when the appropriate relation appears to be one of achievement then positional competition can have free reign (a mix of principles might also be most appropriate, leading to more complicated practical arrangements).

The strong point of such a perspective is that the same normative source from which relations of individual achievement receive their legitimacy, is also the source from which the other recognition relations receive their legitimacy: personal autonomy (see section 3 and references therein). This means that there is no a priori most legitimate recognition relation and therefore no corresponding most legitimate way of distributing goods. But when there isn't one such privileged distributive principle there also is no need for a special reason to interfere with such a principle in order to defend a distribution according to one of the other possible distributional principles. This structure provides an alternative to the (liberal) construction of personal freedom to engage in positional competition as the normatively privileged benchmark with the requirement of special reasons to interfere with that freedom. On the contrary, all distributive principles are equal on a general level; the relevant question is whether they are *appropriate* to the specific good in question. And this in turn depends on the appropriate form of recognition in that field. If an inappropriate distributional relation (and therefore an inappropriate recognition relation - the two come together) governs the allocation of the good in question then we have a case of misrecognition: an impairment of the underlying general criterion of personal integrity in one of its specific forms. For instance, imagine that positional competition makes college education unaffordable for some, while we

judge that in this field the appropriate form of recognition is that of legal equality (since personal integrity demands that all talented persons have equal opportunities to be educated). From such a situation we may conclude that there is a basis for restricting such a form of competition and bringing it in line with the requirements of the principle of legal equality. In such a way, a theory of recognition gives a framework to deal with these hard trade-offs between different forms of activity representing different social relations, instead of solving the conflict from the outset by claiming that interference with one of these forms is always suspect.⁶⁰ There is no morally best form of distribution for all goods. There only is a general normative criterion (personal autonomy) that serves as a guide to choose the best recognition relation and corresponding distributive principle for each case. This is the way in which a recognition-based approach can answer the objection that proves fatal to the externalities approach.

5. Conclusion

This paper has discussed three ways of evaluating positional competition: on the basis of the motives people have for engaging in such a competition (section 1); on the basis of the externalities it creates (section 2) and on the basis of a normative theory that treats positional competition as exemplary for the social relationship of recognition based on individual achievement (section 3). It has criticized the first two and defended this third strategy. Furthermore, it has attempted to show how such a recognition-based interpretation provides a better basis for explaining why intervention in specific instances of positional competitions may be legitimate (section 4). This leaves several matters for further investigation, of which I want to mention three.

First, this paper didn't address the question whether intervening with one form of positional competition would merely cause other form(s) of positional competition to intensify. If these other forms of competition were evaluated as legitimate to begin with, this might not be much of a problem. But insofar as such intensification causes new problems for the social relations in these domains, there would emerge a problem. In the background, the question looms whether there is such a thing as a fixed amount of human time, energy and resources spent in positional competition (so that we only have to deliberate over the question how to allocate it to different activities); or whether the amount is flexible. The idea that economic growth has spurred more people than ever to engage in positional competition would be an indication pointing to the second option. That would also raise the question whether it is possible to decrease the overall amount of time and energy spent in positional competition. However interesting this question and related ones, this paper has been

moderately skeptical about our possibilities of saying anything conclusive about positional competition on a general level.

This relates to a second question, whether a recognition-based approach has anything to offer for a general evaluation of ‘consumer society’ (section 1). It might seem that this is not the case, since the recognition-based approach points so clearly to a case-by-case analysis of specific goods. Nonetheless, a rule of thumb could be to say that since (following Honneth) each form of recognition is necessary for personal autonomy, each of the corresponding social relations will need some ‘social space’ to develop, i.e. will need to govern some set of social relations. This is not automatically guaranteed, for in each society there is an underlying competition between these four relations of recognition, resulting in a permanently precarious and temporary equilibrium.⁶¹ As a general rule, none of the forms of recognition (and corresponding distributive principles) should therefore usurp too much social space at the detriment of the others. Wherever and however such usurpation occurs, it is warranted to restore some social space for the other three recognition forms in order to maintain the opportunities for people to achieve personal autonomy in all its aspects. The implication would be that where too much of our social space is occupied by positional competition for consumer goods this is problematic; not because one act of competition in isolation is so, but because these acts add up. Whenever that will be the case, will be extremely difficult to determine. In practice it may therefore be wiser to restrict our efforts to local analyses of concrete goods and refrain from overly general claims.

A last question that remains to be answered is how positional competition should be restricted, once it is judged justified to ‘intervene’ in a broad sense. There are a variety of feasible strategies. For example one might prohibit positional competition by distributing the good in question in another way (for example, providing mandatory equal education for all instead of allowing private schools). This might be compensated by stimulating positional competition for other goods, such as art or science, where pure prestige rather than material rewards are one’s prize of winning. Another collective strategy is not to forbid positional competition entirely but to mitigate its intensity – here taxing income or consumption is the most general strategy, besides a host of particular strategies such as mandatory vacation days, equal salaries for people working on the same level within organizations, restrictions on advertising in public spaces, etc. etc. The merits of all these and other strategies require separate arguments, both theoretical and practical, that are beyond the scope of this paper.

¹ I would like to thank Joel Anderson, Paul de Beer, Bert van den Brink and Marcus Düwell for comments and discussions on drafts of this paper. Also I would like to thank the participants to the international workshop on the ‘Economics of Frugality’ in Antwerp (April 2006), where an earlier version of this paper was presented.

² Coelho provides a lucid account of how positional competition between emergent European nation states induced them to adopt pro-growth policies and leave behind the pre-modern social structure where status was merely tied to political authority. See Philip R. P. Coelho ‘An Examination into the Causes of Economic Growth. Status as an Economic Good’, in: *Research in Law and Economics 7* (1985): 89-116.

³ John Gray, ‘Classical liberalism and the politicization of poverty’, in: Adrian Ellis and Krishan Kumur (eds.). *Dilemmas of Liberal Democracies. Studies in Fred Hirsch’s Social Limits to Growth* (London: Tavistock, 1983), 174-184, at p. 179. David Reisman, *Theories of Collective Action. Downs, Olsen and Hirsch* (London: Macmillan, 1990), p. 281.

⁴ The reconstruction in this section does not claim that the writers mentioned engage in a motivational analysis explicitly. It does claim that their texts are intelligible when reconstructed as if following such a strategy of evaluation.

⁵ Juliet B. Schor, *The Overspent American. Why we want what we don’t need* (New York: Harper Perennial, 1998), p. 20-21.

⁶ Ibid., p. 104. See for a good exposition of different ‘social’ consumption motives Judith Lichtenberg, ‘Consuming Because Others Consume’, in: David A. Crocker and Toby Linden (eds.). *Ethics of Consumption. The Good Life, Justice, and Global Stewardship* (Lanham: Rowman & Littlefield, 1998), 155-175.

⁷ Ibid., p. 10; see also p. 57-60. See for an analysis of this shift also Joseph Heath, ‘The Structure of Hip Consumerism’, in: *Philosophy and Social Criticism 27* (2001): 1-17.

⁸ Elizabeth Warren, ‘The Over-Consumption Myth and Other Tales of Economics, Law, and Morality’, *Washington University Law Quarterly 82* (2004): 1485-1511. See also Elizabeth Warren and Amelia Warren Tyagi, *The Two-Income Trap. Why Middle-Class Parents Are Going Broke* (New York: Basic Books, 2003). For a remarkably similar position see Jerome M. Segal, ‘Consumer Expenditures and the Growth of Need-Required Income’, in: David A. Crocker and Toby Linden. *Ethics of Consumption. The Good Life, Justice, and Global Stewardship* (Lanham: Rowman & Littlefield, 1998), 176-197.

⁹ Figures rounded up for presentation. Warren, ‘The Over-Consumption Myth’, p. 1503-1504. Similarly Warren and Warren Tyagi, *The Two-Income Trap*, p. 50-51.

¹⁰ Warren and Warren Tyagi, *The Two-Income Trap*, p. 52.

¹¹ The dependence is a negative one; one person’s possession of a positional good makes other persons worse off. The contrary phenomenon is that of one’s possession of a good making others having the same good better off. This is the case for so-called ‘solidarity goods’; see Cass R. Sunstein and Edna Ullmann-Margalit, ‘Solidarity Goods’, in: *Journal of Political Philosophy*, 9(2)(2001): 129-149, at p. 132, where they distinguish solidarity goods from positional goods, which they call ‘exclusivity goods’.

¹² Sara Solnick and David Hemenway, ‘Is more always better?: A survey on positional concerns’, in: *Journal of Economic Behavior & Organisation 37* (1998): 373-383; Sara Solnick and David

Hemenway, 'Are Positional Concerns Stronger in Some Domains than in Others?', in: *The American Economic Review* 95(2)(2005): 147-151.

¹³ Schor, *The Overspent American*, p. 85-86 (on education) and p. 32-33 (on houses).

¹⁴ Warren and Warren Tyagi, *The Two-Income Trap*, p. 28.

¹⁵ Fred Hirsch, *Social Limits to Growth* (London: Routledge & Kegan Paul, 1977), p. 27.

¹⁶ Hirsch, *Social Limits to Growth*, p. 21.

¹⁷ Note that the common element for both cases of positionality is inelastic supply. For direct scarcity, supply cannot be extended without decreasing utility because then the good will be abandoned as a status good (a 'snob' item that becomes progressively available for everyone is going to be substituted for something still scarcer by the elite who first used it as a sign of distinction). For incidental scarcity, when supply is extended this will increase everyone's utility as far as it relates to intrinsic characteristics of the good.

¹⁸ This is true even for houses because price differentials to a large extent can be explained by the school district they are in, at least in the US given the rule that one has to send children to the public school of the district the house is in.

¹⁹ Schor, *The Overspent American*, p. 15-17.

²⁰ *Ibid.*, p. 95.

²¹ *Ibid.*, p. 96.

²² Warren and Warren Tyagi, *The Two-Income Trap*, p. 163 ff. Schor, *The Overspent American*, p. 163-165.

²³ To be honest: both authors also talk about (motivation-independent) social costs of positional competition. For Warren these are mainly the costs of household financial problems and bankruptcy (Warren, 'The Over-Consumption Myth', p. 1510). Schor identifies a variety of social costs of excessive consumption (Schor, *The Overspent American*, p. 60-63). Their reasoning at these places is rather ad-hoc, however.

²⁴ Robert Frank, 'Are Positional Externalities Different from Other Externalities' (2003). Downloaded from <http://www.brookingsinstitution.org/GS/Events/externalities.pdf>. See also Robert Frank, *Luxury Fever. Why Money Fails to Satisfy in an Era of Excess* (Princeton: Princeton University Press, 1999), p. 146 ff. and Robert Frank, *Choosing the Right Pond. Human Behavior and the Quest for Status* (Oxford: Oxford University Press, 1985). For a similar diagnosis in terms of externalities see also Joseph Heath, 'Liberal Autonomy and Consumer Sovereignty', in: John Christman and Joel Anderson (eds.), *Autonomy and the Challenges to Liberalism. New Essays*. (Cambridge: Cambridge University Press, 2005) and Joseph Heath, 'Should Productivity Growth Be a Social Priority?', in: Andrew Sharpe & France St-Hilaire & Keith Banting, (eds.) *The Review of Economic Performance and Social Progress 2002: Towards a Social Understanding of Productivity* (Centre for the Study of Living Standards, 2002), p. 227-241.

²⁵ Frank, *Luxury Fever*, p. 133-135.

²⁶ *Ibid.*, p. 131.

²⁷ *Ibid.*, p. 149.

²⁸ *Ibid.*, p. 151.

²⁹ Ibid., p. 211 ff.

³⁰ Roger D. Congleton, 'Efficient Status Seeking: Externalities, and the Evolution of Status Games', in: *Journal of Economic Behavior and Organization* 11 (1989): 175-190.

³¹ Hirsch, *Social Limits to Growth*, p. 7.

³² Adrian Ellis and Anthony Heath, 'Positional competition, or an offer you can't refuse?', in: Adrian Ellis and Krishan Kumur. *Dilemmas of Liberal Democracies. Studies in Fred Hirsch's Social Limits to Growth* (London: Tavistock, 1983), 1-22, at p. 15.

³³ Jonathan Gershuny, 'Technical change and "social limits"', in: Adrian Ellis and Krishan Kumur. *Dilemmas of Liberal Democracies. Studies in Fred Hirsch's Social Limits to Growth*. (London: Tavistock, 1983), 23-44, at p. 23.

³⁴ The literature on externalities emphasizes the elusiveness of the concept. See e.g. Daniel Hausman, 'When Jack and Jill Make a Deal', in: *Social Philosophy and Policy* (1992): 95-113; Don Herzog, 'Externalities and Other Parasites', in: *The University of Chicago Law Review* (2000): 895-923; and Michael J. Trebilcock, *The Limits of Freedom of Contract* (London: Harvard University Press, 1993), p. 58-77.

³⁵ Richard Layard, *Happiness. Lessons from a New Science* (New York: The Penguin Press, 2005), p. 32; Robert Lane, *The Loss of Happiness in Market Democracies* (New Haven: Yale University Press, 2000), p. 19 ff.; Richard A. Easterlin, 'Building a Better Theory of Well-Being' (IZA Bonn: Discussion Paper No. 742, 2003); Richard A. Easterlin, 'Income and Happiness: Toward a Unified Theory', in: *The Economic Journal* 111 (2001): 465-484; Bruno Frey and Alois Stutzer, *Happiness and Economics. How the Economy and Institutions Affect Well-being* (Princeton: Princeton University Press, 2002); Andrew J. Oswald, 'Happiness and Economic Performance', in: *The Economic Journal* 107 (445)(1997): 1815-1831. See also Robert Frank, *Luxury Fever*, p. 64 ff.

³⁶ Layard, *Happiness*, p. 63.

³⁷ I do not think this problem has to be conclusive, since the contribution of work and finances to happiness may itself be only contingently symptomatic of a culture that values positional competition for these goods – so that a shift in social valuations would also mean a decline of their importance. Moreover, work opportunities and sustainability in personal finances may be only partially dependent upon continuing economic growth. Nonetheless, to the extent that work and finances will remain a basic concern for most people and economic growth remain necessary to provide them, happiness theory does not support the conclusions that some people draw from it as unequivocally as one might expect. Another problem lies in the familiar objections against subjective well-being as a normative criterion. Even if it might be true, as proponents claim, that modern empirical research into happiness ('subjective well-being') is more adequate in measuring what actually makes people happy than Bentham could have ever imagined, still one can question the status of these empirical findings for a normative theory. E.g. people might adapt their preferences to their misery so that the happiness they report seems more favorable than it really is (a point often made by Amartya Sen).

³⁸ In this text, I will not argue for this point. For the case for attributing normative force to recognition, see Axel Honneth, 'Zwischen Aristoteles und Kant. Skizze einer Moral der Anerkennung', in: Axel

Honneth, *Das Andere der Gerechtigkeit. Aufsätze zur praktischen Philosophie*, Suhrkamp, Frankfurt am Main, 2000, 171-192.

³⁹ Even for these there may be instances of collusion, such as legal rules about family relations. See Axel Honneth, 'The Point of Recognition: A Rejoinder to the Rejoinder', in: Nancy Fraser and Axel Honneth, *Redistribution or Recognition? A Political-Philosophical Exchange* (New York: Verso, 2003), 237-267, at p. 255.

⁴⁰ Axel Honneth, *The Struggle for Recognition. The Moral Grammar of Social Conflicts* (Oxford: Polity Press, 1992), p. 129.

⁴¹ Axel Honneth, 'Redistribution as Recognition: A Response to Nancy Fraser', in: Fraser and Honneth, *Redistribution or Recognition?*, 110-197, at p. 140-1. He does recognize that this 'principle of social order represents a moment of material violence, insofar as the one-sided, ideological valuing of certain achievements can determine how much of which resources individuals legitimately have at their disposal.' However, the violence here is caused by the one-sidedness of our valuation of achievements, not by a tension between the cooperative and the competitive aspects of an individual's performance (similarly, *ibid.*, p. 263-4). See also *ibid.*, p. 149 where Honneth more explicitly reconciles both aspects (achievement is to cause mutual esteem).

⁴² There is one qualification that has to be made. Achievement as a form of recognition does *not* necessarily refer to merit in moral sense: we do not have to make any presuppositions that the higher status accruing to a superior performance was deserved (this is especially relevant in the context of the market, where superior performance is not necessarily merited in the moral sense). The only relevant presupposition of achievement is that the ranking of performances and the ensuing status order is considered to be legitimate by most or all participants, for that practice.

⁴³ She can (i) try to strategically choose an area of performance that fits her talents, (ii) try to present her performance as favourably as possible and (iii) try to enhance publicity for her performance. See Geoffrey Brennan and Philip Pettit, *The Economy of Esteem. An Essay on Civil and Political Society* (Oxford: Oxford University Press, 2004), p. 69.

⁴⁴ Axel Honneth, 'Redistribution as Recognition: A Response to Nancy Fraser', p. 173-178 for an explanation of the relations between these concepts.

⁴⁵ *Ibid.*, p. 135-6.

⁴⁶ *Ibid.*, p. 141.

⁴⁷ Another solution at which Honneth hints is the multiplication of the number of possible status orders – everybody receives recognition *within* a group, while these groups struggle against each other for social hegemony. But this also creates a social hierarchy with winners and losers, albeit at the level of different groups.

⁴⁸ *Ibid.*, p. 149.

⁴⁹ Recently, Honneth has emphasized the positive, emancipatory force of the achievement principle in criticizing existing practices. See Martin Hartmann and Axel Honneth, 'Paradoxes of Capitalism', in: *Constellations* 13(1): 41-58, at p. 53-54.

⁵⁰ The difference can be interpreted as one of assigning status instead of assigning weight. See Elizabeth Anderson, 'Practical Reason and Incommensurable Goods', in: Ruth Chang (ed.),

Incommensurability, Incomparability and Practical Reason, Cambridge, Massachusetts: Harvard University Press, 90-109, at p. 104-6.

⁵¹ The question about positional competition is not very different in this respect from many others in normative philosophy. See for a similar opposition Henry Richardson's criticism of cost-benefit analysis compared to the alternative of 'intelligent practical deliberation' in 'The Stupidity of the Cost-Benefit Standard', in: *Journal of Legal Studies* 2000, pp. 971-1003.

⁵² Gershuny, 'Technical change and "social limits"', p. 26; David Reisman, *Theories of Collective Action*. Downs, Olsen and Hirsch, p. 273-275.

⁵³ Michael J. Trebilcock, *The Limits of Freedom of Contract*, p. 65.

⁵⁴ Don Herzog 'Externalities and Other Parasites', in: *The University of Chicago Law Review*, 67(3)(2000): 895-923, at p. 911.

⁵⁵ Frank, 'Are Positional Externalities Different from Other Externalities', p. 23.

⁵⁶ *Ibid.*, p. 24-25.

⁵⁷ *Ibid.*, p. 28.

⁵⁸ Joseph Heath, 'Liberal Autonomy and Consumer Sovereignty', p. 221-222.

⁵⁹ Honneth connects his forms of recognition to distributive principles as follows: '...the content of what we call "just" is measured here in each case by the different kinds of social relations among subjects: if what is involved is a relation shaped by an appeal to love, then the neediness principle has priority; in relations shaped by law, the equality principle gets priority; and in cooperative relations, the merit principle holds.' Honneth, 'Redistribution as Recognition', p. 181. See for a similar proposal David Miller. *Principles of Social Justice* (London: Harvard University Press, 1999). Honneth discusses the difference between Miller's and his proposal as follows: 'I would ask only speak of distributional principles in an indirect sense, where these types of moral respect have consequences for the distribution of particular goods'; Honneth, 'Redistribution as Recognition', p. 182).

⁶⁰ An interesting question is whether this renders a theory of recognition perfectionist and whether that would count against it. Joseph Heath (2005) critically discusses several perfectionist strategies to criticize consumer sovereignty and proposes to base the critique of conspicuous consumption on the non-perfectionist theory of market failure (negative externalities). But such a theory is itself morally non-neutral, although that feature remains most often implicit.

⁶¹ There may also be mixes of recognition forms. For example, Honneth recognizes that market relations do not only have to be ruled by the principle of achievement, but also have to be curbed by the principle of legal equality (Axel Honneth, 'The Point of Recognition', p. 251). Similarly, family relations are always both regulated by love and by law, making for uneasy compromises between the influences of these respective sources of recognition.