

# Collective opinion formation of individuals socially embedded in a power structure

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## Abstract

The homo economicus rationally thinks and acts free of social influence. Yet, in real world, individual is socially embedded. His/her opinion, perceived as adhesion degree or commitment to values, norms and diverse concepts, depends on a social power process which determines the opinions evolution for eventually reaching a final compromise shared by members of a group. I show how the individual's position in the power structure resolves the weight of his/her initial opinion in the compromise, why initial opinions of some individuals are not necessarily taken in consideration (dictatorial structure) and when sub-groups have different final opinions. I confront the significance of the compromise with the current philosophical literature about the we-intention of a group and I mention several economic topics which could be reviewed in the light of collective opinion formation and structural power.

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## 1. Introduction

For economics based on homo economicus, the individual has intentions, preferences and acts without being compelled by others. He/she<sup>1</sup> may act as a member of a group or a coalition, but always forms his opinion individually. Individual economic behaviors are atomistic and rational: homo economicus rationally instruments to define his preferences and actions. This behavior con-

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<sup>1</sup> To facilitate readability, in the rest of the paper, we use “he” to mean he/she and “his” to mean his/her.

sists in making decisions as efficiently as possible, which supposes an optimization of individual preferences or interest subject to the constraints of other individual's behavior. In this sense no individual is submitted to the will of others. Constraints only reduce the space of possible choices, but these latter depend on own preferences of individual who has just rationally instrumented. This necessarily supposes that each individual has no limitation of cognitive capacities for understanding the whole complexity of the society in which he is involved. Even if game and bargaining theories focus their analysis on situations in which the individuals are usually involved in a conflict of interests, they rationally choose between alternative decisions, given their expectations about the behavior of the individuals with whom they interact. Consequently, their choices only depend on their own preferences and their rationality to reach a Cournot–Nash equilibrium or several equilibria in repeated games, not enforcing an agreement.

While most of the game-theoretical discussions deal with problems where the participants are in conflict, such as the prisoner's dilemma, Schelling (1977) and Lewis (1969) analyzed social conventions as regularities in the resolution of recurring coordination problems. These were situations characterized by the interdependent decision processes in which common knowledge and common interests are at stake. The convention is thus a mode of coordination that emerges in a group in order to allow the collective resolution of problems in which uncertainty and limited rationality make decisions difficult. Convention is more an equilibrium situation than an agreement that sustains itself because it serves the interests of everyone involved. In this sense, convention essentially remains located in the field of strategic rationality. During the 1980s and 1990s, the French school – see Salais and Thévenot (1986); Thévenot (1986), Orléan (1989); Dupuy (1989), Boltanski and Thévenot (1991, 2006), Gomez (1994); Thévenot (2002) and Lévy (2002) – added a new dimension to the theory of conventions. The French school's theory is a guide for action where several identical situations in several groups can be solved with different conventions. This plurality of forms of coordination due to the multiplicity of considered “worlds” requires that people will deliberate in order to find a compromise by aiming at a common good that would encompass the different “worlds” (Thévenot, 2002). Nevertheless, these authors do not analyze the deliberations between the actors that result from a power relationship, which integrates the interdependence of the actors' capacity to influence others. Thus, while in conventional theory, individuals are socially embedded, their behaviors do not result from a power structure (see Section 1).

For all the above, individuals are submitted to “social” requirements, but the atomistic conception of the individual and instrumental rationality suffice to explain individual behavior in terms of group requirements: rules or norms constitute additional constraints to those usually assumed in standard constrained optimization analysis, which follows the Arrow's proposal (1951:7) concerning most economic models that “individual values are taken as data and are not capable of being altered by the nature of the decision process itself”. Yet as far back as 1954, Buchanan asserts that “individual values can and do change in the process of decision-making”. Furthermore, Sen (1995), concerning social choice theory, considers that its traditional form “is considerably reduced by its tendency to ignore value formation through social interactions”. He adds that the homo economicus “can significantly misrepresent the nature of social consensus and values.” He shows that important problems “call for value formation through public discussion”. Individual instrumental rationality is not sufficient to approach this type of problem because, on one hand, the homo economicus preferences ignore the general objective function of the individual, which is “left unspecified in traditional social choice theory”. On the other hand, he is kept in the dark concerning social interaction, which implies misunderstanding of human behavior, as is obvious for the sociologist and several heterodox economists.

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