

Solidarity Goods*

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I. INTRODUCTION

A. COMMUNITY AND CONSUMPTION

IN the history of political thought, many people have objected to the pervasiveness of cash exchanges in capitalist economies.¹ The fundamental concern often involves the potential effect of money in “flattening” social experiences and eliminating important qualitative distinctions among social goods. Perhaps the concern has been vindicated in practice; but there is another side of the picture. In many ways, social norms and practices, far from having been flattened by money, have worked to “unflatten” money. “There is no single, uniform, generalized money, but multiple monies: people earmark different currencies for many or perhaps all types of social interactions . . . [P]eople will in fact respond with anger, shock, or ridicule to the ‘misuse’ of monies for the wrong circumstances or social relations”.²

One of our major goals here is to describe some related phenomena—to offer an account of important, but insufficiently noticed, features of the relationships among economic markets, social practices, public policy, and law. Many critics of market relationships have emphasized their apparently atomistic and alienating nature, and the asocial, highly individualistic attitudes that markets seem to express and to inculcate.³ Undoubtedly this account contains truth; but here too there is another side. Daily consumption patterns reflect a range of social, even communal impulses. In their consumption choices, consumers relate not only to products but to other customers as well. In consuming mass-produced

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¹See, e.g., Georg Simmel, *The Philosophy of Money*, trans. Tom Bottomore and David Frisby (London: Routledge & Kegan Paul, 1978; originally published 1900).

²See Viviana Zelizer, *The Social Meaning of Money* (New York: Free Press, 1994), pp. 18–19.

³See Jon Elster’s illuminating discussion of the themes of commodity fetishism and alienation in *Making Sense of Marx* (Cambridge: Cambridge University Press, 1985), pp. 100–7.

goods people often seek, and find, a sense of solidarity and belonging. The impulse toward shared experiences and toward multiple forms of solidarity—sometimes toward simultaneous inclusion and exclusion—persistently reasserts itself.

In these respects, the decisions of ordinary consumers are enmeshed in efforts to build networks of common experiences and identifications. Advertisers of goods are well aware of this point and sometimes attempt to exploit it for economic gain.⁴ But even when they do not, a distinctly social impulse plays a large role in consumption choices and in the practices that emerge from them. Consumers' enjoyment in finding solidarity thus offers another perspective on mass consumption, one very different from that offered by those who emphasize the risks of alienation and fragmentation.

B. A DICHOTOMY UNSETTLED

We shall argue that these points greatly unsettle a standard view about the legitimate role of government. That standard view distinguishes between two different situations. The first involves public goods, defined as those with two characteristics: they cannot be provided to one person without being provided to many or all (“nonexcludability”), and consumption by one person does not detract from the consumption opportunities of others (“nonrivalrous consumption”). For familiar reasons, individual consumption choices will typically lead to insufficient production of public goods (national defence, clean air and water), and here government legitimately intervenes to pick up the slack.⁵ But—the standard view continues—the analysis is very different when no public good is involved. Here the presumption, often based on ideas about autonomy, is strongly against government interference with individual choices.⁶ When pure private goods are involved, it becomes necessary to show why government should override private consumption choices in the particular case, perhaps by pointing to an absence of information, perhaps by suggesting problems in the genesis and effects of the underlying wants.

We aim here to show the inadequacy of this familiar dichotomy, and to do so by emphasizing a single point: *ordinary consumption choices are frequently produced, in whole or in part, by the perceived consumption choices of other people*. In other words, people often choose as they do because of what they

⁴For a recent collection of examples, see Malcolm Gladwell, *The Tipping Point* (Boston: Little, Brown, 2000).

⁵We are understanding the case of public goods to include a large class of market failures, including those kinds of market failure that go under the categories of “externalities” and “transactions costs that impede bargaining”. Nothing turns on the view, purely for purposes of exposition, that the idea of public goods is the basic one here. If that view seems wrong, consider the category of “public goods” to be a placeholder for all cases in which the standard problems arise from relying on private choice and individual bargaining.

⁶We bracket here the complexities raised by the need for property rights and contract rights, which emphatically limit free individual choice.

think other people are choosing.⁷ When this is the case, a respect for individual autonomy⁸ does not necessarily imply full respect for consumption choices, even if public goods are not involved. On the contrary, an understanding of the dependence of individual choices on the perceived choices of others suggests three distinctive contexts for government action, each justifiable by reference to the interest in autonomy itself. The most general point, uniting the three contexts, is that in some circumstances people are likely to settle on a bad equilibrium—an outcome that is both stable and inferior, by their own lights, to an outcome that, with relatively small prodding, they can be induced to select instead.

The first and simplest context involves governmental correction of *pluralistic ignorance*: ignorance, on the part of some or many, about what most people are actually thinking and doing. It is entirely legitimate for government to dissipate pluralistic ignorance, and the dissipation is likely, in the settings discussed here, to have large behavioral effects. The second involves cases in which government is needed to help overcome collective action problems that people sometimes face in reaching their desired situation of shared consumption. The third involves cases in which the consumer's choice (a) produces harm to self (and possibly to others), and (b) is made largely as a result of similar choices of others that (c) the typical chooser wishes had been otherwise. The third context involves an unusual kind of collective action problem, which individuals may have difficulty in solving on their own, and which, in principle, government should help solve in the interest of the public as well as of individual autonomy. For the most part, we shall take people's preferences as given, and attempt to show how law might help people given those preferences; but we will also make reference to the possibility of increases in objective rather than subjective value.

We shall proceed as follows. Part II offers a catalogue of different sorts of goods, tied to the social dimension of consumption and to the relationship between individual choices and the perceived choices of others. Part III offers a more detailed account of why and when the actions of others are relevant to choice, with particular reference to clubs, informational cues, and reputational considerations. Part IV turns to issues of law and policy. We identify some distinctive collective action problems and show how government might help in their solution. Applications include smoking, using drugs, discrimination on the basis of race and sex, drinking, and gambling. The analysis bears in part on the widespread phenomenon of “compliance without enforcement”—situations in

⁷Without exploring the issue of solidarity, or the possible role of government and law, the interdependence of demands across individuals for some goods has been noted by economists as far back as Veblen. For disparate treatments see e.g. Thorstein Veblen, *The Theory of the Leisure Class* (1899); Harvey Leibenstein, “Bandwagon, snob and Veblen effects in the theory of consumers' demand”, *Quarterly Journal of Economics*, 64 (1950), 183–207. (We are grateful to Kenneth Arrow for these references.) See also Timur Kuran, *Private Truths, Public Lies* (Cambridge, Mass.: Harvard University Press, 1996).

⁸We aim here to bracket controversial questions about how autonomy should be understood and to use the term in a way that can appeal to people even if they disagree about what autonomy really entails.

which the mere existence of a law produces compliance, without the need to expend public resources on the prevention of violations.

II. GOODS AND PERSONS

There are many possible relationships between individual choices and the perceived choices of others. Some goods have the value they do independently of whether other people are enjoying or consuming them. Call these *solitary goods*. The value of a cup of coffee in the morning, or of exercising on the treadmill, may be unaffected by whether others are drinking coffee or exercising. The value of other goods depends, at least in part, on whether or not other people are enjoying or consuming them too. Call these *social goods*. Social goods divide into *solidarity goods* and *exclusivity goods*. Solidarity goods have more value to the extent that other people are enjoying them.⁹ The value of magazines or television programs focussing on a current topic may increase significantly if many other people watch or read them. Exclusivity goods, in contrast, diminish in value to the extent that other people are enjoying them. The value of owning an art lithograph, or of vacationing in a holiday resort, may go down, perhaps dramatically, if many others have the same lithograph or access to the same resort. Both producers and consumers attempt to generate a wide range of solidarity goods and exclusivity goods.¹⁰

We will later introduce some complexities, but it is worthwhile to note here the possibility of non-linear and varying value functions. Consider Harley Davidson motorcycles, which are considerably more expensive than other motorcycles, apparently no better, and not advertised by the company. They sell well largely for one reason: people want to identify with the set of users. It is reasonable to think that the value of identification would be reduced if the number of users increased dramatically, or if the Harley Davidson became known as the vehicle of choice among, say, investment bankers. A number of goods and activities have characteristics of this kind.

A. SOLIDARITY GOODS: IN GENERAL

In many cases, goods become more valuable because and to the extent that they are being widely enjoyed. Consider a popular movie, a presidential debate, a national monument, a drink before dinner, a visit to a historic site, or a

⁹To some people, the term “solidarity” might be taken to suggest more intentional agency than we are suggesting here, as in the view that solidarity connotes a conscious decision to associate or stand by certain people or goals, notwithstanding the risks or costs involved. In most of the cases we discuss, a somewhat weaker kind of solidarity is involved. Indeed we see solidarity as a possible unintended by-product of solidarity goods.

¹⁰Compare the discussion of the search for better relative position in Robert H. Frank, *Choosing the Right Pond* (New York: Oxford University Press, 1985); the point is related mostly to our treatment of exclusivity goods, as discussed in more detail below.

millennium celebration. These are goods that are worth less, and possibly worthless, if many others are not enjoying or “purchasing” them too. Part of what people are willing to pay for, when they enjoy or buy the good, stems from the range of benefits coming from the fact that other people are also enjoying or buying it. Some goods would not be worth consuming, or even having for free, if others did not consume them too. Sometimes the good, taken as a solitary good, has negative value. Producers of goods and services are well aware of this fact; they know that the number of viewers and users will increase, sometimes exponentially, once popularity is known to exceed a certain threshold. When solidarity goods are involved, the fact that many other people are enjoying them creates *positive solidarity externalities*.

The value associated with a solidarity good may be intrinsic, instrumental, or both. People may find it intrinsically pleasurable to enjoy something that others are enjoying too, like a best-selling novel or songs on the car radio. Or they may think that if many people enjoy the good, this will lead to valuable social interactions, even to shared policy initiatives, business associations, or friendships.¹¹

To qualify as solidarity goods, it is not necessary that the relevant goods be enjoyed by people who are literally in each other’s company. Some goods are *public* solidarity goods, whereas others are *private* solidarity goods. Public solidarity goods are those that people like to enjoy in the company of others (consider civic celebrations). Private solidarity goods are those that people like to enjoy by themselves, but in the knowledge that others are enjoying them too. Movies in the theatre have, for many, the quality of public solidarity goods; movies rented for use on the VCR have, for many, the quality of private solidarity goods.

¹¹Solidarity goods have an interesting relationship to network effects, which have received extensive recent investigation. The standard definition of network externalities refers to increases in the value of some goods that come from the mere fact that many people are using those goods. For example, a fax machine, or a telephone, may be worth a great deal more by virtue of the fact that other users constitute a network. Network effects turn some goods into solidarity goods of a specific kind. But the category of solidarity externalities, as we understand it here, is larger than the category of network externalities, above all because we are emphasizing solidarity in consumption. The increase in value from a television situation comedy, stemming from the wide viewing audience for that show, is not what is meant by a network externality. Relatedly, many solidarity goods are not restricted to the causal connection that leads to the standard consequence of network effects, which is increasing returns to scale. See Michael Katz and Carl Shapiro, “Network externalities, competition, and compatibility”, *American Economic Review*, 75 (1985), 424; Philip Dybvig and Chester Spatt, “Adoption externalities as public goods”, *Journal of Public Economics*, 20 (1983), 231; Mark Lemley and David McGowan, “Legal implications of network economic effects”, *California Law Review*, 86 (1998), 479. On the distinction between network effects and network externalities—terms often used interchangeably—see S. J. Liebowitz and Stephen Margolis, “Network externality: an uncommon tragedy”, *Journal of Economic Perspectives*, 8, #2 (1994), 133–50 at 135 (suggesting that “network effects” apply to markets with increasing returns to scale and “network externalities” should be restricted to markets in which increasing returns create suboptimal conditions).

B. SOLITARY GOODS AND EXCLUSIVITY GOODS

Many goods are solitary goods. Their value is quite independent of whether other people enjoy them. For such goods, it does not matter whether many, few, or none are involved. Some people have this attitude toward sporting events and television programs. Drinking a glass of orange juice in the morning, driving a Toyota Camry, or exercising on a treadmill are typical examples for many people.

Exclusivity goods are valued to the extent that they can be enjoyed in small groups or alone. The fact that others are enjoying them makes them worth less and perhaps much less. This is true for certain status-related goods, sometimes described as positional goods,¹² and it is also true for goods that allow or create solitude—a beach house, for example, in a remote area. Often exclusive or near-exclusive enjoyment is a large part of value. In the extreme case, an exclusivity good has the value it has because only one person is able to enjoy it. Of course producers exploit this property of some goods, by emphasizing their rare or unique character; scarcity may be intentionally manufactured for this purpose, as in the case of the “rare commemorative coin”, printed in limited editions.

C. SEMI-SOLIDARITY GOODS AND CLUB GOODS

As the Harley Davidson example suggests, there is an interesting class of goods that do not quite fit any of the three categories; call these *semi-solidarity goods*. For such goods, it is undesirable to see *either* increases in use above a certain point *or* decreases below a certain point. You might choose to attend a political rally only if it is neither very large nor very small. You may want to go to a restaurant, but you will not go either if it is very crowded or if you will be almost alone there. Something similar is often true for decisions about clothing. Many people do not want simply to follow the crowd, but they also do not want to stand out too much. The goods should be popular, but not too popular. For semi-solidarity goods the number of users matters and may be crucial to choice. But value neither increases nor decreases continuously as a function of that number.

In a related process, people may want to create organizations that represent an ideal combination of solidarity and exclusivity. Many clubs thus provide a special set of semi-solidarity goods. Such clubs are valued partly because they allow a certain group, defined in specified terms, to enjoy goods and activities in common, while at the same time excluding others, also defined in specified terms. Within economics, considerable attention has been given to “club goods”, created when a group of people bands together and benefits from sharing a public

¹²The term was coined in Fred Hirsch, *Social Limits to Growth* (Cambridge, Mass.: Harvard University Press, 1976). See Frank, *Choosing the Right Pond*; Robert Frank, *Luxury Fever* (New York: Free Press, 1999), for general discussion.

good, from which they exclude others.¹³ Examples include athletic associations, exercise facilities, health maintenance organizations, and political groups with common activities. Club goods typically suffer from crowding, which leads to a reduction in the quality of experience of the relevant services.¹⁴ It is partly for this reason that clubs erect certain barriers to participation through, for example, membership and initiation fees, ceremonies of various sorts, and selection procedures.¹⁵

For many clubs, moreover, members enjoy not only the provision of some shared service but also certain common characteristics with other members;¹⁶ this enjoyment has an exclusionary aspect. The preferred characteristics may include gender, geography, education, wealth, religion or race. Here the sharing of club goods may well produce increasing benefits as the number of desired members increases (subject to the risk of crowding), but the benefits decline, for many or for all, if undesired members join. What members like is not only a set of common experiences, but the fact that other people, not defined in the same way, cannot enjoy those experiences. In fact group identity often depends on the right mix of solidarity and exclusivity.

D. WHO, NOT HOW MANY: PARTNERSHIP AND FRATERNITY GOODS

Sometimes people care not only about the sheer number of consumers but also and perhaps more importantly about their *identity*, about who they actually are. Six, or sixty, relevant people may be the critical ones for you; the fact that those people, in particular, are enjoying the relevant good (or not enjoying it) is what makes you especially like it. When the relevant group is relatively small, the choice may help establish or signal a partnership, and people may be said to be enjoying *partnership goods*. In the limiting case, consider a close friendship or a marriage, where the fact of joint consumption may be crucial to the underlying choice (of restaurants, or movies, or vacation resorts). If more than the two people are also enjoying it, consumption by others may be irrelevant and value may stay constant.

An important feature of some goods is that value increases when a certain number of relevant people enjoy them, but consumption by others reduces value. We have seen that this is true for some clubs; it can also be true in friendships and fraternities, and also in neighbourhoods, teams, clubs, ethnic groups, and nations. People may like a good more when it is enjoyed by a large number of people thought to be relevantly like them; advertisers often try to exploit this fact

¹³See Richard Cornes and Todd Sandler, *The Theory of Externalities, Public Goods, and Club Goods* (Cambridge: Cambridge University Press, 1986), p. 347

¹⁴*Ibid.*, p. 348.

¹⁵See Lee Iannaccone, "Sacrifice and stigma: reducing free-riding in cults, communes, and other collectives", *Journal of Political Economy*, 100 (1992), 271–91 at 276–89, for a discussion, in this vein, of religious organizations as clubs.

¹⁶Cornes and Sandler, *The Theory of Externalities*, p. 385.

and consumers may react accordingly whether or not they do. But once people in another category start enjoying the good, value decreases, sometimes dramatically.

In the case of “pure” solidarity goods, people care about the sheer number of consumers, and in the case of partnership goods people care about who the consumers are. But the preceding points suggest an additional class of goods, call them *fraternity goods*, where people care about fellow consumers falling under a certain description or belonging to a particular category (for example, students, Catholics, athletes, gays). Fraternity goods have a discriminatory aspect: not only do you enjoy the party more to the extent that more Catholics come, but your enjoyment decreases if non-Catholics participate too. Here we are generalizing the idea of discriminatory clubs¹⁷—groups self-consciously formed to create club goods that include the local public good of exclusion (subject perhaps to legal controls, themselves subject in turn to constitutional constraints). Ordinary consumer products can have the same feature, with more informal rules of inclusion and exclusion, as, for example, when people of a certain type wear certain clothing, perhaps displaying signals (consider the Harley Davidson motorcyclists) that outsiders fear, reject, or do not entirely understand.

III. VALUES AND REASONS

A. THE RELATIONAL CHARACTER OF GOODS

Thus far we have been writing as if goods qualify or fail to qualify as one of the various types because of what they “are”. But this is an oversimplification. The nature of a good, for any particular person, depends not only on its innate qualities but also on how particular people relate to it. Here people differ from one another, often dramatically. It is not possible to “read” the nature of the good, along the dimension that we are discussing, off the good itself; it is necessary to know how people react to it, and people, groups, and even cultures typically vary along relevant dimensions.

A faculty lounge may be a solidarity good for some people, who like it best when it is crowded. But it may be a solitary good for others, who go for the coffee, and who do not care how many people are there. And it may be an exclusivity good for others, who like it best or perhaps only when it is empty. A Jane Austen novel may be a solitary good for some, but for the members of a Jane Austen Society, it may be a solidarity (or a semi-solidarity) good instead. Strictly speaking, then, the notion of a solidarity good is a relational one: a given good may be a solidarity good to me, or to you, but not a solidarity good as such. It is therefore more precise to say not that goods *are* solidarity, solitary, or exclusivity goods, but that the value of a good is a function of its solidarity value, solitary value, and exclusivity value. These values can be combined in different ways,

¹⁷See *ibid.* at p. 347.

both for different people and in the social aggregate. For some people in relation to some goods, solidarity value may be real and positive, but it is the solitary value of the good that drives consumption. For some people and some goods, exclusivity value is crucial and makes consumption likely, while for others the exclusivity value of the good may be positive but of trivial importance. It is easy to imagine a continuum of values and many possible variations.

B. VARYING VALUE FUNCTIONS

We have said that there can be complex value functions with respect to both solidarity goods and exclusivity goods. These functions may include discontinuities as well as sudden shifts in direction. There are goods for which value steadily increases with the number of people who consume or enjoy them. There are goods for which value increases up to a certain number of consumers, but does not increase after that point. Perhaps those who watch a presidential debate need to know that millions of people are watching, but the number of millions is not important. We can imagine an exclusivity good for which value decreases with the increase in the number of consumers, but from a certain point it stays constant. Perhaps a beach is an example: once it is crowded, it does not much matter, to the privacy lover, how much more crowded it gets.

C. DECREASES AND INCREASES IN VALUE

Why do some goods decrease or increase in value when others are enjoying them? The case of decreases is simpler. Some goods, to some people, are status goods or, somewhat more broadly, positional goods.¹⁸ Their value comes precisely from the fact that they are not widely accessible, and people like them because ownership provides a signal about the owner's status. Sometimes the most important point is the person's self-conception. Ownership of a rare good may enable the owner to think of herself as original, or as a person of refined taste; mass consumption of the good will make it seem vulgar. In addition, sometimes people value solitude and often people dislike crowds. Some exclusivity goods help to ensure solitude or relative solitude, and to prevent congestion or intrusion. People might enjoy going to a nature preserve, a museum, or a beach most when few others are there; and they might be willing to pay a premium to be able to do so.

There are several reasons why value might increase with the number of users:

¹⁸See Frank, *Choosing the Right Pond*.

1. People may be able to participate in valuable social interactions, and other activities, because of their consumption of certain goods. Part of what they get from those goods is the relevant social interactions. For example, those who watch a sports event or a popular situation comedy may be able to have a range of conversations by the water-cooler at work. Those who visit national parks may be able to talk about the visit with their friends (whether this creates or reduces value for the friends is another question). People who follow a presidential campaign may be able to understand and enjoy a range of newspaper articles and television programs that would otherwise be unintelligible.
2. The fact that a good is widely enjoyed may relieve people's anxiety about whether it is reasonable or legitimate to enjoy that good. People may not know whether it is appropriate or proper to enjoy a football game or a situation comedy or a cigar; the fact that other people enjoy it removes a potential sense of shame. Or people may feel proud that they are enjoying something on which others have placed a kind of stamp of approval.
3. People care about their reputations, and if certain people are doing something, it is often reasonable to infer that other people will think well of those who do the same thing, and possibly less well of those who do something different. The value of a certain activity or purchase may increase as its popularity increases, not because of the information provided by popularity, but because of the desirable reputational effects of joining the crowd (or the undesirable reputational effects of not joining the crowd). We can imagine cases in which reputational effects are the most important consideration in consumption choices. The phenomena of cascade effects and tipping points can sometimes be understood in the light of perceived reputational factors; when a critical mass is reached, a very large number of people may end up doing the same thing.¹⁹ A related point is that people may engage in a certain activity in order to signal their "type", and if large numbers of people will be listening, or if the signal is a distinctive one, the signal might be amplified, or amplified in the right way.²⁰

IV. THE ROLE OF MARKETS AND STATES

We now turn to normative issues. Solidarity goods are often generated spontaneously and without any governmental effort to steer people in their direction. But in some cases, people will have difficulty in coordinating their actions, often because of transaction costs, including a lack of information. In addition, some solidarity goods cause harm to those who use or enjoy them.

¹⁹See, e.g., Mark Granovetter, "Threshold models of collective behavior", *American Journal of Sociology*, 83 (1978), 1420.

²⁰On signalling, see Eric Posner, *Law and Social Norms* (Cambridge, Mass.: Harvard University Press, 2000).

When people are choosing certain goods because of an *inaccurate* belief that other people are choosing them, it is entirely legitimate for the state to correct their misperceptions. In the most interesting cases, people are choosing a good because of an *accurate* belief about what other people are choosing; but they wish that other people were choosing otherwise. There is an important sense in which the autonomy of these people is being violated.

Under reasonable assumptions, the relevant choices cannot be changed without public intervention. Government might therefore seek to alter an undesirable equilibrium in which people fail to converge on a solidarity good, when such convergence would be in their interest as they perceive it. Or government might intervene when people succeed in converging on a bad solidarity good, and non-convergence, or convergence on another good, would be in their interest as they perceive it. People might fail to converge on a good or service, or end up with a shared, bad course of action, even though non-excludability is not a problem in the least. Hence government action will be justified even if no public good is involved. This is the sense in which an understanding of solidarity goods provides a distinctive rationale for state intervention.

A. SOCIAL GLUE AND EXTERNAL BENEFITS

In thinking about the role of law, it is important to begin with a general point: A society that contains few solidarity goods is likely to have a wide range of problems. The claim is not that shared experiences and memories are pleasant (they may in fact be traumatic), but that they are important to social stability and many important social values. To the extent that solidarity goods help unify diverse people around common symbols and experiences, they can be an ingredient in social cohesion and peace (consider national celebrations, discussed below). When such goods are salient and numerous, people may be more likely to exhibit solidarity: they can come to see one another more distinctly and more directly as fellow citizens with common interests and experiences. A great deal of attention has been given to the idea of “social capital”, a term that refers largely to relationships that promote reciprocity.²¹ But it is also helpful to see that societies require a large degree of “solidarity capital”, that is, shared experiences that will help spur relations of trust. We hypothesize that, other things being equal, a large amount of solidarity capital will help spur altruistic behavior and help promote social norms that solve collective action problems.

Solidarity goods may also produce external benefits that are not adequately captured by individual choices. Assume, for example, that the benefits of educational programming, or public affairs television, are not captured by individual viewers; much of the benefit is obtained by others, who learn from

²¹See Robert Putnam, *Bowling Alone* (New York: Free Press, 2000).

those who watch. This is a conventional third-party benefit, and such benefits can come from solidarity goods as from all other kinds. But there are also distinctive externalities associated with solidarity goods—above all, the externalities that follow from various forms of social glue. If people are able to interact in productive and congenial ways in part because of the existence of solidarity goods, they themselves will certainly benefit; and third parties will benefit as well. The inculcation of group identity, or patriotism, and a general interest in public affairs, are cases in point. (This is not to deny the potential bad effects of patriotism and citizen engagement.) The problem here is generating a sufficient number and density of solidarity goods of the socially desirable kind.

Thus far we have been emphasizing subjective values. But if evaluation of social wellbeing does not depend solely on aggregated pains and pleasures, we might think that there is objective solidarity value to (for example) programs on civic topics, or to visits to pristine areas and cultural institutions, and that this objective value outruns their aggregative subjective solidarity value. If we think that the good effects of these experiences cannot be measured solely by reference to private preferences, objective solidarity value may be higher than the aggregate of subjective solidarity values. There are of course questions here about the extent to which government's role is merely to satisfy existing preferences, or whether it is legitimate for government to subject some such preferences to critical evaluation. For many people, some solidarity goods deserve public protection not merely to solve coordination problems—our primary emphasis—but because of the desirable effects of those goods on the development of preferences and beliefs; consider cultural subsidies and environmental protection, two topics to which we shall return.

B. PROBLEMS IN GENERATING AND PROVIDING SOLIDARITY GOODS: A SOLIDARITY GAME

As we have emphasized, people can and will generate solidarity goods spontaneously. Acting as a result of producer efforts or entirely on their own, groups of consumers turn certain products into solidarity goods.²² But in some circumstances, people will not be able to succeed independently. More particularly, the generation of solidarity goods can create a collective action problem involving coordination.²³ Here government has a possible role, both in the provision of information and sometimes through more directive routes.

We will offer a number of examples below. To see the basic point, imagine a simple two-person society. On plausible assumptions, such a society will fail to

²²See Gladwell, *The Tipping Point*.

²³See, e.g., Edna Ullmann-Margalit, *The Emergence of Norms* (Oxford: Oxford University Press, 1977), pp. 77–133; Douglas Baird, Robert Gertner, and Randal Picker, *Game Theory and the Law* (Cambridge: Harvard University Press, 1994), pp. 191–5.

produce a solidarity good—for illustration, a shared viewing of a late-night presidential debate—unless the collective action problem can be overcome. Assume that the benefit of individual viewing of the debate is 3; that the benefit of sleep, at the relevant time, is 4; and that the benefit of joint viewing of the debate is 5. The pay-off structure will look like this:

	Watch	Sleep
Watch	(5, 5)	(3, 4)
Sleep	(4, 3)	(4, 4)

Note that the best cell overall is obviously the upper left. It also provides a stable equilibrium, in the sense that once both parties are there, there is no incentive to deviate; this is not a prisoner's dilemma. It may, however, be a problem for the participants to get to the right place in the first instance. Row-chooser, not knowing what column-chooser will choose, will think this: If I choose W, the worst I can get is 3 (when I'm a lone debate-watcher, while column-chooser sleeps). If I choose S, I get 4 no matter what column-chooser does. If row-chooser has no idea what column-chooser will do, and if he seeks to be on the safe side and to maximize his worst-case scenario, he will choose S. Since the situation is symmetrical, column-chooser thinks the same way. The result may well be that the two will end up at (4, 4), which is also a stable equilibrium. What they need is a method that will bring them to (5, 5) instead.²⁴

The situation captured by the above matrix may bring to mind the coordination case known as Battle of the Sexes: while She may prefer going to the opera and He to the mud-wrestling, still both prefer to go together rather than going their own separate ways. This is a situation in which the participants want above all else to do the *same* thing, and the problem is how to coordinate on the one thing that each will choose. The battle-of-the-sexes case may therefore be seen as involving two (or more) solidarity goods, and it is in this sense a special case of the collective-action problem we are here discussing. In the general case of solidarity goods there is no assumption that the participants' overall preference is to coordinate. They simply have, among their options, one whose value for them increases to the extent that others choose it too.

Two people, or small groups, can usually solve this kind of problem on their own. A brief discussion, providing mutual assurances, should be sufficient.²⁵ The difficulty is far more acute in larger groups, where rational and boundedly

²⁴This is a version of the so-called assurance game. See Amartya Sen, *Choice, Welfare and Measurement* (Oxford: Oxford University Press, 1982), pp. 78–9.

²⁵For evidence, see Robert Ellickson, *Order Without Law* (Cambridge, Mass.: Harvard University Press, 1994).

rational people may settle on inferior options simply because communication and mutual assurance can be costly and difficult. Suppose for example that many people seek a method to celebrate the memory of Martin Luther King, Jr or of Yitzhak Rabin. It is possible to make some progress simply through private efforts and educational campaigns, dedicating a certain period to their memory. Some successful efforts might eventually generate significant solidarity benefits. But it is easy to imagine circumstances in which this will not happen. Perhaps people have difficulty communicating with one another, or perhaps they lack the relevant information (involving, for example, the solidarity benefits that would follow from simultaneity).

Under certain assumptions, the best approach will be a government advertising campaign or even the declaration of a national memorial event or holiday. Note that the main function of the advertising campaign or of the declaration in such circumstances is not coercive, but rather coordinating. The goal is to signal a solution that is preferred by all or most. Similarly, consider a situation in which a certain television program would have a great deal of value, both individual and collective, but if and only if large numbers of people watched it. In a period of numerous entertainment options, it might be difficult to coordinate on the best outcome, in which most or all watch.

Once the government provides the focal point, the desirable outcome is self-enforcing and does not require further monitoring and enforcement (as opposed to, say, paying taxes or maintaining clean air). As a real world analogue, consider the widespread phenomenon of “compliance without enforcement”—private compliance with laws that are enforced rarely or not at all, where compliance often reflects a solution to a problem of coordination,²⁶ and sometimes involves the production of solidarity goods.

It follows that when a solidarity good is involved, government might want to go far beyond the provision of information and mandate consumption, on the theory that such a mandate will not, by hypothesis, have high costs or produce significant complaints. If people really want to embark on a shared course of action, a government mandate will ensure that they are able to do what they want to do. Of course information might well be sufficient, and because it is less intrusive, it should be presumed preferable to mandates.

C. ILLUSTRATIONS: WHERE LAW CAN HELP

If an unregulated market underproduces solidarity goods, government and law might help. We now offer several possibilities, simply for purposes of illustration. Of course a detailed investigation would be necessary to establish whether and how coordination problems might be solved in the domains we identify.

²⁶See Robert Kagan and Jerome Skolnick, “Compliance without enforcement”, *Smoking Policy*, eds Robert Rabin and Steven Sugarman (Oxford: Oxford University Press, 1994).

i. Media Policy

As several of our examples suggest, much news and entertainment programming has the quality of a solidarity good. For many people, the value of such programming dramatically increases when many people are watching. There is no mystery why this should be so. Part of the reason is undoubtedly the social benefits that come after the show has been watched; various interactions are made possible through this route. Sometimes such programming provides desirable third-party effects. Sometimes it generates a range of external social benefits.

Consider in this regard Elihu Katz's discussion of Israel's one-channel television policy, ensuring, when it was first introduced to the country in the late 1960s, that television "controlled by the Broadcasting Authority was the only show in town".²⁷ From the standpoint of democracy, any such policy is obviously troublesome. But from that same standpoint, it is not only troublesome: within two years of the inauguration, "almost all households owned television sets, and almost everybody watched almost everything on the one monopolistic channel. . . . [H]awks and doves watched it—and largely believed it; Jews and Arabs watched it—and largely believed it; even Arabs across the borders paid attention. . . . Moreover, the shared experience of viewing often made for conversation across ideological lines. . . . [T]he shared central space of television news and public affairs constituted a virtual town meeting. . . . The lesson of the first twenty years of Israeli television is that participatory democracy may be enhanced, rather than impeded, by gathering its citizens in a single public space set aside for receiving and discussing reliable reports on the issues of the day".

Katz draws attention to the dark side of increasing segmentation of the television market and hence the decreased provision of solidarity goods on the media, in the form of dangers for "altruism, patriotism, collectivity orientation, ideological politics, or the civic need for a shared public space". It is not necessary to think that a one-channel policy is best or even tolerable in order to recognize that shared viewing, providing common experiences for most or all, can be extremely valuable from the democratic point of view. And if this is true, it makes sense for government to consider policies (for example, through public subsidies) that would ensure widely viewed, high-quality programming, and also to provide incentives (for example, through advertising) to let people know about it and to encourage them to watch. The point bears directly on communications policy, where a democratic government, responsive to citizen aspirations, might attempt not only to allow consumers to satisfy their preferences, but to develop preferences and values of a desirable kind.²⁸ It also makes sense for government

²⁷Elihu Katz, "And deliver us from segmentation", *A Communications Cornucopia*, ed. Roger Noll and Monroe Price (Washington: Brookings Institution Press, 1998), pp. 99–112 at p. 105.

²⁸This point raises many complexities. For discussion, see C. Edwin Baker, "Giving the audience what it wants", *Ohio State Law Journal*, 58 (1997), 311; Cass R. Sunstein, "Television and the public interest", *California Law Review*, 88 (2000), 499.

to consider other routes by which to promote goods that will have a large solidarity value. Many American cities, for example, subsidize sports teams through taxpayer funds, a subsidy that might be easier to justify with reference to the solidarity value, for many people in a heterogeneous city, of shared entertainment of this kind.

Compare the Federal Communication Commission's "fairness doctrine", now largely abandoned²⁹ but once requiring radio and television broadcasters to devote time to public issues and to allow an opportunity for opposing views to speak. The latter prong of the doctrine was designed to ensure that listeners would not be exposed to any single view—if one view was covered, the opposing position would have to be allowed a right of access. When the Federal Communications Commission abandoned the fairness doctrine, it did so on the ground that this second prong led broadcasters, much of the time, to avoid controversial issues entirely, and to present views in a way that suggested excessive uniformity.³⁰ Subsequent research has suggested that the elimination of the fairness doctrine has indeed produced a flowering of controversial substantive programming, frequently expressing extreme views of one kind or another.³¹

Typically this is regarded as a story of wonderfully successful deregulation, because the effects of eliminating the fairness doctrine were precisely what was sought and intended. But if solidarity goods are important, the picture is far more complicated. The growth of issues-oriented programming—expressing strong, often extreme views—has resulted in further balkanization of the speech market and greatly diminished the range of common experiences. It is reasonable to think that this is a problem for a democracy.³²

ii. Public Celebrations and Holidays

Much of the value of public celebrations comes from the fact that the celebration becomes a widely shared event, enjoyed by large numbers of people at the same time. For many people, a national holiday is emphatically a solidarity good, helping members of a heterogeneous nation create, and benefit from, a shared identity and shared experiences. When the government devotes a day to celebrate national independence, or to honor the memory of a person of significance, it is, on plausible assumptions, ensuring a form of coordination that private persons cannot easily provide on their own. National holidays, so deemed by law and accompanied by taxpayer funds, can be justified on this ground.

²⁹See *Syracuse Peace Council v. FCC*, 867 F.2d 654(D.C.Cir. 1989).

³⁰*Ibid.*

³¹Thomas W. Hazlett and David W. Sosa, "Was the fairness doctrine a 'chilling effect'? Evidence from the postderegulation radio market", *Journal of Legal Studies*, 26 (1997), 279 (offering an affirmative answer to the question in the title).

³²See Cass R. Sunstein, *Republic.com* (Princeton, N.J.: Princeton University Press, 2001), for a more detailed discussion.

A particular point here has to do with the *expressive* function of official (as opposed to purely private) action.³³ If the celebration does not have the imprimatur of the public as a whole, it is less likely to carry with it the signal that would produce the desired broad response. True, the public imprimatur may backfire when people do not trust the government, and it is also possible that some people will feel that the government has unjustifiably intruded on their freedom of action. But these adverse reactions are less likely to occur when the event in question is perceived to be a solidarity good.

iii. Culture and the Environment

Environmental and cultural amenities often have the value they do because they have been enjoyed by many people over time, and will be enjoyed by many people in the future. When law protects a historic site, and immunizes it from development, part of the justification is to ensure the solidarity value that comes from its continued existence. The same is true for protection of museums and pristine areas, enjoyed by many people as such. Wildlife refuges, operating as focal points that are also solidarity goods, have a similar function. This is not at all to claim that initiatives of this kind are defensible only or mostly as a means of providing solidarity goods. The basic justification must be made out on other grounds.³⁴ But insofar as public expenditures support areas and activities that can be enjoyed by many or all, the gains associated with solidarity value count in their favour.

D. BAD SOLIDARITY GOODS: DISSIPATING PLURALISTIC IGNORANCE

Notwithstanding their status as such, many solidarity goods can cause serious problems, stemming from the existence of harm to others or to self. Consider in this regard the following possible solidarity goods: criminal conduct, including conspiracy; use of illegal drugs or guns; dangerous driving; smoking; discriminating on the basis of race and sex. Many people are far more likely to engage in the relevant conduct if other people are doing so, partly because of informational and reputational effects, but also if and when the relevant experiences are genuine solidarity goods, providing increased enjoyment and reduced risk. The individual interest in engaging in activity that is harmful, to self and to others, may well increase if other people are doing the same thing.

If many important social bads are also solidarity goods, it is possible to imagine some distinctive strategies for the state, strategies that are both legitimate and highly promising. An initial goal should be to correct mistaken

³³See Cass R. Sunstein, "On the expressive function of law", *University of Pennsylvania Law Review*, 144 (1996), 2021.

³⁴See, e.g., Ronald Dworkin, "Can a liberal state support art?" in *A Matter of Principle* (Cambridge, Mass.: Harvard University Press, 1985), p.221.

signals of large social involvement, to the point where the numbers begin to “tip” in the opposite direction. Indeed, a whole approach to the problem of crime—the “fixing broken windows” idea—depends on the notion that crime is contagious, with epidemic-like qualities.³⁵ Most conspicuously, an appreciation of that role suggests a fresh approach for public officials, one that is both unobjectionable in principle and likely to be effective in practice.

Suppose that government wishes (by hypothesis legitimately) to deter people from engaging in a certain activity. Suppose too that most people who are choosing that activity do so with a mistaken belief about the number of other people who are choosing it also. For example, people might be purchasing unlawful drugs, or violating the tax laws, or engaging in “binge drinking” because they believe that this is what most people are doing. There should be no objection to government efforts to clarify the situation by making clear what the facts actually are. In fact, efforts of this sort are not only legitimate but also highly likely to work. Of various efforts to increase the level of voluntary compliance with the tax laws, the most demonstrably successful is simply to publicize the currently high level of voluntary compliance.³⁶ Once informed that most people comply fully, and voluntarily, many of those who would otherwise violate the law end up complying too. With respect to binge drinking, the evidence is even more striking.³⁷ Here universities have had great difficulty in producing successful strategies. But the level of binge drinking on most campuses, while high, tends to be far lower than most students think. Once the actual level is publicized, binge drinking is reduced still further. Part of the reason is that drinking is a solidarity good, and once the number of drinkers is shown to be surprisingly low, solidarity value decreases accordingly. The example is easily generalizable.

In such cases, government is attempting to counteract pluralistic ignorance—people’s lack of information about what other people are thinking and doing. When the choice of goods or actions is a product of the perceived behaviour of others, and when the perception is false, the most successful way of controlling behaviour may well be to tell people the truth. It follows that if government wants to increase the level of an activity, and when solidarity value is motivating the behaviour of many people, an appropriate strategy is to inform people that most other people are doing the same thing. So long as the government’s end is legitimate, there should be no objection to efforts of this sort.

A more difficult problem will arise if government decides that it is hard to dissipate pluralistic ignorance, or expensive to do so, and seeks to reduce or ban the relevant behaviour on the ground that, if well informed, people would not

³⁵For general discussion, see Gladwell, *The Tipping Point*.

³⁶See Stephen Coleman, *The Minnesota Income Tax Compliance Experiment State Tax Results* (Minneapolis: Minnesota Department of Revenue, April 1996).

³⁷H. Wesley Perkins, “College student misperceptions of alcohol and other drug norms among peers”, in *Designing Alcohol and Other Drug Prevention Programs in Higher Education* (Washington, D.C.: US Department of Education, ed. 1997), pp. 177–206.

engage in it. Ordinarily the proper response to insufficiently informed choices is to provide information. But if this is not feasible, it seems reasonable to say that government should steer people (through incentives if not through bans) in the direction of the choices that they would make if they knew the actual facts. Where the lack of information involves the relevant actions of others, however, the best way to respect autonomy is to have a strong presumption in favour of more information, and against more aggressive intervention.

Yet another problem, and possibly a less tractable one, will arise when the objectionable conduct in question is not strictly a solidarity good but rather falls under the category of partnership goods. Suppose that certain people are more likely to engage in the relevant conduct not because many or most others do, but because certain particular others do. When it is a particular reference group that matters, rather than sheer numbers, providing more information about sheer numbers will not solve the problem. Other strategies will have to be devised, perhaps involving disclosure of the numbers of those particular others; if the numbers are relatively small, the dissipation of pluralistic ignorance will have a desirable effect in this context as well.

E. BAD SOLIDARITY GOODS: SOLIDARITY AND NORMS

In many cases, people are far from ignorant about the number of others who are choosing the relevant goods. They know the facts and they are responding to what they know. On a standard view, the analysis is then straightforward: Does government have a legitimate reason to interfere with private choices because, for example, a public good is involved? We believe that the standard analysis is wrong, because it overlooks a collective action problem of a distinctive kind. This problem occurs when the typical chooser is choosing as he does because of the actual (not merely perceived) choices of others, and when the typical chooser wishes those actual choices were otherwise. Of course it is possible, under certain conditions, for people to solve this problem on their own, simply by communicating their wishes. But especially when large numbers are involved, people may have a hard time finding their way to their preferred solution.

The situation here is likely to be a coordination game of the type outlined above, with an important difference. The choice of the solidarity good for both (say, joint use of drugs) produces less value, for both players, than does *either* the choice of a solitary good for each (say, an early night at home for one, a night at the library for the other), *or* a solidarity good of a different kind for both. For risk-taking or discriminatory activity of various sorts, this will often be the situation. Sometimes people will engage in activity together even though they would be better off if they could agree not to do so, or perhaps to converge on some other joint project. People are stuck in a bad equilibrium, and it is difficult for them to find their way to a new one. Here the analysis would be similar in

structure to that offered with Watch-Sleep, but with government helping people to shift away from, rather than toward, the solidarity good.

In many of these cases, people receive little solitary value from the good or activity in question. Possible examples, for many people, include smoking, committing crimes, using drugs, carrying a gun, and driving dangerously. In cases of this kind, the solidarity value is all or part of what drives behaviour. Thus far there may be no problem. What we are supposing is that the relevant choosers wish to stop their practice.³⁸ They wish to be discouraged from doing what they do, through a general change in the practices of other people. Often their desire is to change a prevailing social norm, which helps make the solidarity good attractive. Notice in this connection that many employers, hotels, and restaurants that were forbidden from discriminating by the Civil Rights Act of 1964 actually supported the prohibition, as a way of breaking a self-defeating equilibrium. Or people might want, for example, to produce a population-wide norm against engaging in such risk-producing activity as reckless driving or smoking (solidarity goods for many), in part so that the social meaning of either action is not “bravery” or “rejecting oppressive convention” but “stupidity” or “irredeemable recklessness”.

Sometimes solidarity entrepreneurs succeed in this endeavour. But even assertive people can have difficulty in changing the prevailing norm, and the resulting social meaning, on their own.³⁹ Here government and law might help, and there should be no objection, in terms of legitimacy, to remedial efforts, even if no public goods are involved. If the problem is only one of coordination, information might be sufficient. If people nonetheless are unable to coordinate, a more coercive approach might be justified. Here government might attempt to produce a new situation, perhaps one in which solidarity value comes from shared activity of the different kind. Of course an approach of this sort might be ineffectual. What we are urging is not that government will succeed, but that there is no objection, in principle, to an effort, by the state as well as private actors, to establish a new equilibrium. An understanding of the solidarity value associated with certain activities thus suggests the legitimacy of policy initiatives designed to move people away from existing choices and toward an equilibrium that they genuinely prefer.

V. CONCLUSION

We have sought to provide some insights into the importance of both shared and exclusive experiences in the choice and consumption of goods. We have done so by drawing attention to an important characteristic of certain goods, or more

³⁸See the treatment of second-order desires in Harry Frankfurt, “Freedom of the will and the concept of a preference”, *Journal of Philosophy*, 68 (1971), 5.

³⁹See Lawrence Lessig, “The regulation of social meaning”, *University of Chicago Law Review*, 61 (1997), 1.

precisely a characteristic of people's relations to those goods: an increase or decrease in value as a result of the number of people who are consuming or enjoying them. Some goods significantly increase in value with an increase in the number of other consumers, whereas other goods decrease in value for exactly the same reason. This is a central feature of human relationships, in the marketplace as everywhere else. Contrary to a conventional concern about market relations, the communal impulse—in more or less diluted forms—continually reasserts itself in ordinary consumption choices.

In many legal systems, the value of exclusivity goods is widely acknowledged; for example, rights of privacy tend to generate and to protect exclusivity goods. There is much less understanding of the nature of solidarity goods and the occasional need for legal assistance in both providing and reducing them. With relatively small encouragement, law and policy can help ensure the production of, or coordination on, desirable solidarity goods. In favourable circumstances, the result will be optimal or near-optimal consumption with only a modest “push” from government and law. When this is not the case—because, for example, of an absence of information, bounded rationality, or third party effects—a more aggressive role for law is sometimes justified in principle.

We have also seen that when solidarity value pushes people in the direction of harm-producing behaviour, there are two possible routes for government. When people overestimate the number of people choosing the relevant good, and act because of the overestimation, provision of accurate information is a legitimate and promising strategy. When there is no overestimation, but when the typical chooser wishes most people were doing otherwise, government has a legitimate role in moving people to a new and better equilibrium, even if no public good is involved. An appreciation of the role of solidarity in consumption thus suggests the legitimacy and likely effectiveness of governmental initiatives that might otherwise seem highly questionable on both counts.