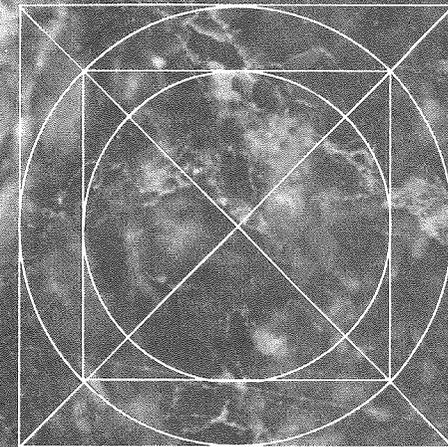


RATIONALITY AND SOCIETY



RATIONALITY AND SOCIETY
SAGE PERIODICALS PRESS
VOLUME 6 NUMBER 3
JULY 1994

SAGE Periodicals Press



Volume 6, Number 3
July 1994

RATIONALITY AND SOCIETY

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Sage Periodicals Press



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Unlike markets that are subject to asymmetric information, in inscrutable markets—such as religions and psychotherapies—not just buyers but sellers too do not know much about the quality of their products. Because buyers cannot discern which products are of good quality and sellers cannot construct “honest” signals to guide them, rational choice theory predicts their failure. Yet these markets emerge. The hypothesis of this article is that suppliers pursue two general strategies that rely on symbols (trademarks, logos, languages, styles). First, they try to engender associations between the inscrutable commodity and symbols that are easier to rank than it; second, because these markets attract pirates, to protect their property rights, they seek imitation-resistant symbols. The solution is unlikely to come from any one symbol, but from a string of interrelated symbols that are costly to imitate. It consists of gaining a distinctive identity that pirates find hard to imitate regardless of external enforcement. Examples from the mafia are presented.

Inscrutable Markets

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When Buridan's ratiocinative ass was presented with two equidistant heaps of equally attractive hay, he hum'd and hah'd, and perished. “Buridan problems” are a benchmark case for rational choice theory, but how they should be treated is a neglected question. When people face Buridan problems in real life, they may dither and agonize, but, unlike the ass, they usually make up their minds; yet little is known about how.

There are three distinct types of Buridan problems. An agent may have to choose between items that he or she knows are of the same quality, like cocktail glasses on a tray; or, between items that he or she knows differ in some crucial respect that is not apparent (one of the cocktails is poisoned);

Author's Note: I am very grateful for comments to the participants of the conference on “Classical Sociological Problems and New Solutions From a Rational Actor Perspective” (Bad-Homburg, 1-3 April 1993), in particular to Edgar Kiser. I am also indebted for important comments to two anonymous referees of *Rationality and Society*, and to Michael Bacharach for his constant and generous help.

third, he or she may have different criteria that conflict and not know how to resolve the conflict (he or she prefers the taste of sherry, but martinis are more sophisticated).

Buridan problems of the second type occur when consumers cannot discern which products are of good quality, and present a special challenge for rational choice theory. If the cost of distinguishing the good from the bad, the best from the rest, the bogus from the authentic specimen, is prohibitively high—as is for commodities such as psychotherapies or religions—there may not even be an “informed” party in the sense of the economics of asymmetric information: in the latter case the supplier knows something of the quality of the commodity (e.g., whether the secondhand car he or she is about to sell us is a “lemon”; Akerlof 1970); by contrast, in the former case, which concerns us here, not just the consumers but the suppliers *themselves* know little if anything of the quality of their products. Unlike Buridan choices of the first type, choices in inscrutable markets are potentially full of momentous consequences, such as choosing between partners, prophets, or, sometimes, even presidential candidates. The options are indistinguishable, yet the faint possibility that one is better than the other, or one genuine and the other a fake, makes the choice difficult.

Inscrutable commodities are generally regarded as *sui generis*, special realms of human activity unsuitable for rational choice analysis.¹ This is a reasonable attitude. It is arduous for agents to rank the alternatives on the basis of quality, thus they have no rational way to decide whether to enter an exchange. Moreover, the fact that suppliers themselves are unsure about the quality of their services adds an insurmountable impediment because there is no way they can send honest signals to customers helping them to make up their minds. There is no clear ground on which the notion of “honesty” itself can be constructed.

If agents were bound to rational decision making, inscrutable markets could not emerge. Insofar as they do emerge, however, mechanisms other than rational choice must be at work. Various heuristics have been proposed for extricating oneself from Buridan impasses, including: (i) choosing at random (perhaps using a child’s picking rhyme) (Ullman and Morgenbesser 1977); (ii) general purpose rule of thumb, for example, choosing by precedent (Sklar 1975); (iii) choosing X if you notice that only X has attribute A, even if A is payoff irrelevant, that is, a “irrelevant attribute heuristic” (Schelling 1960; Mehta, Starmer, and Sugden 1991);² (iv) choosing X if there is a criterion of quality that only it satisfies, that is, a “singleton bias in multiattribute ranking” (Bacharach and Bernasconi 1993).

In this article, I consider the problem from a different angle, taking Buridan’s perspective rather than the ass’s, focusing, that is, on suppliers’

strategies rather than consumers’. In real markets, choices are negotiated with others who are not indifferent as to the option we select: they may own or even *be* one of the items of our indecision, as for instance a prospective spouse might be. The problems posed by inscrutable commodities, therefore, affects suppliers at least as much as buyers, and the strategies adopted by the former are likely to be crucial to understand how the latter solve the puzzle: whatever heuristics customers use to solve their Buridan problems, it is reasonable to expect that the successful suppliers will market their products, either adaptively or strategically, in ways that exploit these heuristics. It is in the supplier’s best interest to help customers out of their indecision or else no exchange takes place. Although rational choice analysis may be useless to solve Buridan’s puzzles once they face consumers, it may still assist us in deciphering the strategies of producers.

1. REPUTATION

A few strategies have been attributed to suppliers in markets presenting Buridan problems of the first type, in which the problem is choosing among objects (or brands) known to be of the same quality. They include differentiation by adding on a desirable and visible attribute such as convenient location, “blind” brand proliferation (Raubitschek 1988), and establishing a reputation for quality through consumers’ experience (Wilson 1985). Here I will limit myself to consider reputation in connection with Buridan problems of the second type, namely when quality differs and the cost to find out is prohibitive.

A “good name” is an asset of great value that refers to the expected quality of a commodity, and acts as a guide for buyers in many markets. Firms of many descriptions enjoying a sound reputation are spared from repeating the burden of proof at every transaction and are sheltered from competitive threats. Some trades, however, are more susceptible than others, because the weight of reputation over the value of asset varies significantly. The closer a commodity is to the inscrutable category, the more it relies on reputation alone. Correspondingly, the loss of reputation causes the loss not just of a fraction of business, but its disappearance: the very ownership of the firm evaporates with it.

The case of the mafia provides an example of a market that, although not exactly lacking in quality tests, has very high assessment costs and, correspondingly, gains efficiency if it can bank on reputation. The importance of reputation in the mafia can scarcely be exaggerated for another reason: it

saves directly on production costs. Car manufacturers benefit from a good reputation, but they still must produce the real thing. Even psychotherapists, although unsure about the quality of their services, must still spend time and energy with their patients. By contrast, a reputation for credible protection and protection itself overlap to a considerable extent. The more robust the reputation of a mafioso, the lower the need to have recourse to its underlying resources, such as violence or intelligence gathering (Gambetta 1993).

A simple game³ shows how reputation suffices to bring about compliance and thus discharges a mafioso's enforcing services. We can realistically assume that victims of a mafioso's threat would in principle prefer not to comply, but that they also prefer to comply rather than be killed. If we attach an arbitrary value to each outcome, as in Figure 1, the victim's ranking of payoffs is $10 > 3 > -\infty$. The victim's course of action depends on whether he or she expects to be killed in response to resistance. The mafioso's payoff is highest when the victim complies (10), otherwise it depends on which type the mafioso "really" is: we assume that being *authentic* means a preference for killing over abstaining ($2 > 0$). By contrast, if the mafioso is a *phony*, he prefers the opposite, namely abstaining rather than carrying out the threat. The disposition to use violence is what makes the difference between the bogus and the genuine product.

If it is a game of complete information, the victim knows exactly to which type the mafioso belongs—he or she knows, in other words, the mafioso's payoff in case of resistance. Two equilibria are possible: if phony the rational victim resists, if real he or she complies. The game becomes more interesting if information is defective. If the victim does not know to which type the mafioso belongs, only one equilibrium is possible, namely *always* complying: the slightest likelihood that the mafioso may belong to the real type makes the agent capitulate, irrespective of whether the former is truly prepared to be tough. The costs of being proven wrong ($-\infty$) are too high to call the bluff.⁴

If reputation alone can act as a successful deterrent, three consequences follow: first, the real mafioso has an incentive to find reputation signals that suffice to dissuade victims from resisting, thereby saving on the cost of violence; next, the phony mafioso has an incentive to imitate those signals, thereby gaining 10 with no need to prove himself; third, both the victim and the real mafioso have a common interest in promoting unambiguous identification signals. They want the two equilibria of the game to be clearly separated. If the victim can tell one type from the other he or she can avoid complying with the phony; he or she can also avoid an even worse fate,

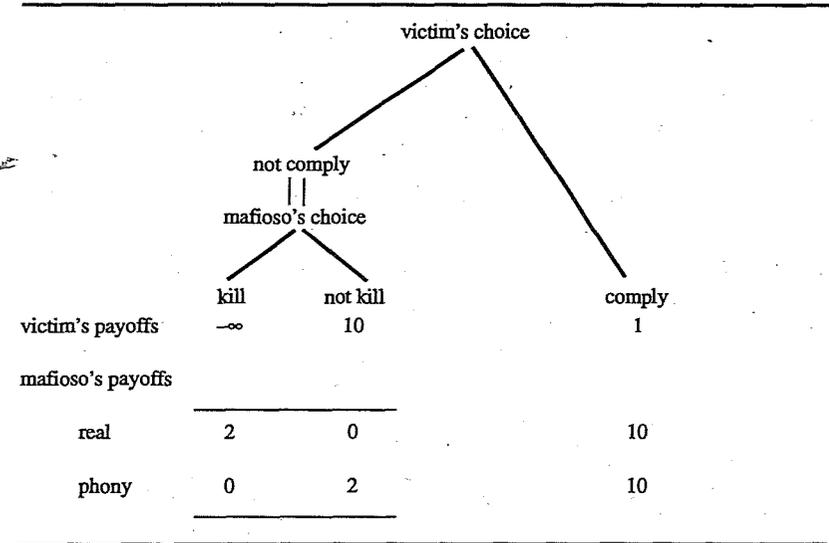


Figure 1: The Reputation Game

namely, not complying with the authentic one. The mafioso, too, prefers the victim to know that he is the real thing: If the victim is confused, rather than a payoff of 10, the mafioso is left with a payoff of 2 and a murder on his hands. I return to this game in section 3.

The ultimate quality test in the mafia consists in both the willingness and the ability to use violence against victims and rivals alike. Unlike secondhand car dealers who know how good their vehicles are, suppliers of protection know their real standing only *after* they succeed in a violent contest. Given the nature of this market, a rival who loses can *always* be said *ex post* to have been to some extent a phony, if not for his unwillingness at least for his inability to fight successfully. If there are two competing mafiosi in the same area, customers seek the stronger's protection. No one feels safe under the wings of an even marginally weaker one. Reliance on violence is such that either one comes out on top or is worthless, a common mortal as untrustworthy and weak as anyone else. Cars of different qualities may all find a market, but protection is either good or bad. Quality tends to coincide with uniqueness. This obtains not only in the case of protection; for instance, "all religions claim that theirs is the true religion, and by implication that other beliefs are false" (Schlicht 1991).

2. SIGNALING STRATEGIES

If a quality can be tested and the costs of probing are significant, signals that "honestly" reveal the underlying quality of the commodity are correspondingly of value. In this respect, an important category of signals is the strategic type studied by Spence. Spence's signals are substantively correlated with the underlying qualities of the commodity through costs: if an agent has quality A, it is cheaper for him to produce a particular signal (Frank 1988; Spence 1974).⁵ Cost selection is very effective for it sustains the honesty of signals regardless of agents' explicit claims: a crowded restaurant signals to prospective customers that the food is at least acceptable; the ability to shoot accurately at nonhuman targets indicates higher chances of success were the target to be human (Sicilian mafiosi love hunting). Signals of this type may be (i) produced intentionally (e.g., many initiation rituals signal the ability to resist in "real-life" contexts), (ii) a by-product whose signaling value may or may not be consciously perceived, and, finally, (iii) they may evolve independently of consciousness (a large share of pathbreaking work in signaling comes from studies of animal signaling).

The problem with inscrutable markets, however, is that because quality is elusive, the notion of an honest signal breaks down. Signals in these markets bear an arbitrary relationship with quality. Receivers make inferences through associative mechanisms that, unlike Spencer-type strategies, are unrelated to underlying qualities. If a church is embellished by a painting, the embellishment is associated with religious quality by an inference unlike that in the Spence model.

Let us call signs that are arbitrarily associated to quality *symbols*: a name, a sentence, a logo, an object, a text, a style, even a tune, can be associated to a commodity and somehow convey reliability to buyers. Symbols that, for whatever reason, attract customers provide sellers with an advantage over competitors. This applies to tangible products, especially those that have reached universal standards hard to improve upon such as disposable razors (which may present type one Buridan problems), as well as to inscrutable commodities.⁶ But, although in the former case symbols and products are distinct (one needs to produce the real thing not just its representative, and quality can thus be tested), in the latter that distinction is blurred and improving efficiency amounts to improving the potency of symbols. Competition shifts to symbols, and symbols bear the full weight of representing the product's hypothetical substance. The commodity itself coincides with its symbols (this is true of art with the difference that art in the modern understanding does not as such stand as a proxy for anything else, although

people buy artistic objects to build an association between artistic beauty and whatever they sell). The more a commodity approaches inscrutability, the greater the incentive to invest in symbolic resources, and the fiercer the competition selecting successful symbols.

What exactly does a successful symbol mean? This question has fallen between several stools, and we know relatively little about it. Sociologists and anthropologists look at symbols with awe, a presumption of complexity against which rational choice models are bound to crash; they handle them descriptively or invoke holistic constructs such as "culture" to account for them. On the other hand, economists study commodities either traditionally, as if assessment costs were insignificant, or, recently, as involving asymmetric rather than no information at all.⁷ Here I present a few fragments of evidence arbitrarily chosen—notably from my research on the mafia—among a potentially monumental casuistry with the purpose of showing that there are two general strategies suppliers follow: to associate their commodity with a symbol easier to rank than the commodity itself, and to seek imitation resistant symbols. I start by considering some instances of the former strategy.

Regardless of how a successful brand emerges, sellers need to *identify* their product, all the more so if the product is inscrutable. Identification is achieved, for example, by *naming*. Lucky "Charlie" Luciano called his "new setup" the "Union Siciliana." Particularly striking in this is the awareness that without a name the "thing" could evaporate overnight. Luciano's (self-dictated) biography reads as follows:

Lansky took Luciano aside. He was worried: "We missed something, Charlie. Unless you straighten it out before tonight, you could blow the whole thing. There are lots of these guys who ain't able to give up the old ways so fast. You gotta feed 'em some sugar that they'll understand. You've got to give the new setup a name; after all, what the fuck is any business or company without a name? A guy don't walk into an automobile showroom and say, 'I'll take the car over there, the one without a name.'" (Gosch and Hammer 1975, 146)

A name—but it could be a different symbol—acts first of all as an identifying device. *Ceteris paribus*, the easier it is to identify a symbol the greater the likelihood that it will be salient in the perception of "these guys" who are therefore more likely to choose it (rather than choosing directly the commodity it stands for) over competing ones.

Symbols need to be memorable, not just identifiable.⁸ Associations that make symbols memorable often emerge as by-products. During 1987-1988 a popular TV show by the name *Indietro Tutta* was broadcast in Italy on RAI2. It was invariably interrupted in the middle by a ritualistic ballet, always

repeating itself in exactly the same form: semi-naked Brazilians dancing a samba and singing in pidgin Portuguese. The catchy lyrics spelled out the name of a producer of chocolate, *Cacao Meravigliano*, an imaginary sponsor they pretended to be promoting to mock this type of advertising and amuse the audience. The show continued for several weeks, prompting a rowdy race between real chocolate firms to buy those very words: *Cacao Meravigliano*. The producers of the show refused to sell a commodity they had never intended to create, but had a hard time escaping the pressure of competing firms. Some of the best advertising is unintentional. This is itself no accident: symbols become memorable if related to bizarre, tragic, or funny events, and the latter attributes are difficult to sustain if events are planned for an instrumental motive. Were events planned, they would for this reason fail to impress (cf. Elster 1983, esp. II.5 and II.6).

In cases in which, unlike chocolate, quality is impenetrable, the incentive for producers to parasite on fiction are, if anything, stronger. Fiction is a mine of memorable symbols. Lovers recycle poems and songs (written for someone else) to charm the object of their desires. Religious mythologies can themselves be seen as successful works of fiction. On their part, mafiosi are fond of feuilleton and gangster movies; although subcultural values have been blamed, this predilection can be parsimoniously explained as oblique promotion. American mafiosi took a keen interest in *The Godfather* even while it was being made: "I still vividly recall listening to an undercover FBI tape recording of a sombre gathering of mafiosi. The subject under prolonged discussion was the casting of 'The Godfather'. Everyone's favourite (to play himself, naturally) appeared to be Paul Newman. . . . It was myth making at its most magical" (Peter Maas, *The New York Times*, 9 September 1990).⁹ *Yakuza*, the Japanese counterpart of the mafia, were great admirers of *The Godfather* (Kaplan and Dubro 1986, 144), but have now gone full circle and finance films about themselves to reinforce and propagate their slick underworld image (*The Independent*, 3 February 1990). (Insofar as the purpose of film is to impress, scare, and horrify audiences convincingly, the film industry benefits from imitating the mob on screen just as much as the mob benefits from imitating films. We have an odd "economy of scope" here, whereby it is cheaper to produce two commodities jointly than separately.)

By exploiting fiction or art, powerful associations can be elicited. But they are not the only way to generate parallel tracks, as it were, along which customers can rank inscrutable commodities. The character of the seller also typically stands as a proxy of quality. This is, perhaps, why morality and proper behavior count among politicians and priests more than car mechanics or actors:

Many promises made by a priest cannot be checked easily with regard to their validity since they often refer to the hereafter. The reliability problem can be eased if the priest is also engaged in activities where his performance and trustworthiness can be monitored; he may earn here a reputation for reliability, and this will render his less tangible promises also more reliable. (Schlicht 1991, 25)

Notoriously, honor is energetically promoted among mafiosi. The modesty of one's wife and the quality of the cars one produces have no plausible association, and car purchasers are indifferent to the former. But a protector who cannot "protect" his wife can hardly be credible as a protector of anything else (Falcone and Padovani 1991, 76).

Mafiosi are under a further pressure, namely, to signal not just their competence at supplying protection but their unique ability to do so. Super-homonymism, essentially an inflated view of the self, is an oft-cited quality of the mafioso's self-image:¹⁰

"You will forgive me if I make this difference between mafia and common criminals"—said Antonino Calderone, a mafioso of some standing who turned informer in 1987—"but it really matters to me. It matters to all mafiosi. It is important: we are mafiosi, the others are ordinary men. We are men of honour. And not so much because we have taken an oath, but because we are the 'elite' of the underworld. We are much superior to common criminals. We are the worst." (Arlacchi 1992, 5)

The quality of mafiosi constantly aspires to mythical proportions for, as it were, technical reasons connected with the quality required in their market. But why should customers believe in myth and why should they contribute to the myth? Already in 1876, Leopoldo Franchetti was puzzling over "the tendency to turn a mafioso into a legendary type, a feeling natural enough indeed in a professor of literature, but much harder to explain in wealthy landowners" ([1876] 1974, 34). Perhaps it is because the tension between a desirable state of affairs—to be able to trust at least one mafioso—and pessimistic expectations—no mafioso can be trusted more than any other mafioso—can indeed lead to the point of embracing mythical beliefs (Gambetta 1988, 223-24). Even though these may be irrational, it is rational on the part of mafiosi to exploit our disposition to cognitive reduction. Moreover, although believing in myth may be irrational, *saying* that one believes in myth is not necessarily so. Landowners could boost the quality of the mafioso whose protection they buy because of self-interest, because they want to make sure he remains strong; it is like singing the praises of one's bank or insurance company: insofar as it encourages more people to use them, one is doing oneself a favor.

3. PIRATES AND PROPERTY RIGHTS

Symbolic associations are not solely governed by the purpose of providing an alternative object easier to rank. Sellers who bank on symbols face a more intriguing challenge: pirates. It makes no sense to pirate an apple, but it does to pirate, for instance, a brand name. For symbols associated to inscrutable commodities, the incentive to pirate is greater than for Spence-type signals. The latter are partially protected because they are cheaper to produce by individuals with the *true* quality, whereas in the former markets, cheats incur costs unrelated to quality. Furthermore, because the property of the commodity coincides with the property of its symbols, successful pirating needs no additional effort to yield the full benefits associated with that commodity: all it takes to appropriate a commodity is to mimic successfully a style, a logo, a name. Agents in these markets therefore can be expected to seek imitation-resistant symbols or else the very existence of property rights and of markets themselves is endangered.

Tommaso Buscetta, a mafioso turned informer in 1984, candidly reveals the degree to which reputation in the mafia can be a fluke:

Unfortunately, my strong and proud personality created the myth of . . . a violent and merciless mafia boss, which does not correspond to reality. And what is even more incredible is that that myth was influencing not only the press and the police, but the underworld itself . . . in jail they looked at me with awe and respect, increased by my being reserved which was mistaken, in my strange world, for mafioso power (II, 96).¹¹

The more a set of symbols succeeds, the more there is an incentive to fake them: imitating will be both more advantageous and easier to perform. The latter effect obtains because in areas where the mafia is rife, people are on the alert: on receiving a metal heart perforated by bullets, a citizen of Lillehammer (Norway) is likely to feel considerably more amused than his or her counterpart in Palermo (Sicily); here intimidating signals are cheaper to produce.¹² This effect, however, is frequency dependent: if symbols are too easy to mimic, they lose their vigor. If everybody can pose as a mafioso, the value of mafia services dissolves. In the 1960s, in France, a gang of vicious criminals began robbing banks wearing comical masks consisting of a big nose, a moustache, and spectacle frames. They were known as the "moustache gang." Soon robbers of all sorts, including some incompetent ones, took to wearing those masks: moustache gangs multiplied, and the disguise eventually lost potency. For much the same reason, dark glasses alone do not suffice as a credible threat.

This takes us back to the game presented in section 1. To protect the property rights over their brand, mafiosi must devise suitable strategies. Much of the seemingly archaic, subcultural, or simply grotesque behavior of mafiosi can be explained in these terms. Both the victim and the real mafioso have an interest in promoting unambiguous signals. The phony mafioso, on the other hand, has an interest in blurring the distinction: while the genuine article tries to generate signals that cannot be pirated, the phony tries to imitate those signals. Clearly, a deterrent against pirates, as against theft generally, is the use of force. But violence may cost more than symbolic resilience in preserving property rights. The more a symbol is laborious to imitate the more distinctive the "identity" connected to it, and the more its exploitation can be controlled. If symbols are used illegitimately or indiscriminately, the associated reputation evaporates.

The fact that all symbols are imperfectly protected does not make them any less useful than locks, which are also said to always find their match among thieves. One way of protecting symbols is to make them either costly to acquire or costly to be rid of or both. Yakuza members, for instance, are identifiable by all-over tattoos and by severed fingers (lopped off to punish themselves for their professional mistakes) (Kaplan and Dubro 1986, 26, 146). Obviously, pirates can inflict these markers on themselves to feign membership, but it is a painful process to reproduce these features. More importantly, although a mask may be removed, a finger will not grow again nor can tattoos be washed away: pirates are bound to their disguise, a regrettable prospect given the risk of meeting the real thing and being held accountable. There are advantages to wearing reversible symbols: the long pointed Muslim beard together with shortened trousers and white caps were the symbols of political affiliation to the Islamic Salvation Front of Algeria; when the army and the police started mass arrests in February 1992 members had no qualms about changing clothes, and promptly shaved their beards off (*The Independent*, 18 February 1992).

Technological change can transform symbols' resilience to be both copied and shed: in March 1993 the press announced that to encourage Yakuza members to turn state witnesses, plastic surgery was now available, free of charge, to reconstruct lost fingers and wash tattoos away (*La Stampa*, 17 March 1993). Even circumcision, which, like tattoos and severed fingers, can act as "a trademark stamped upon the individual, guaranteeing him to be the genuine article,"¹³ can now be surgically remedied (*The Independent*, 3 August 1993).

A further way to increase the distinctiveness of symbols consists in going against the current: " 'It is strange'—wrote Alongi in 1887—'that in that hot

and colourful country where ordinary speech is so honey-sweet, hyperbolic and picturesque, that that of the mafiosi is curt, restrained and decisive' " (quoted by Hess 1973, 52). It might be supposed that discretion, *omertá*, so typical of the mafia, is maintained as a measure of prudence and that were the law not too intrusive secrecy would be relaxed. This may be so. It is possible, however, that rather than serving a practical purpose, secrecy is relevant partly as a matter of *style*: in contrast with the demeanor of most Italians, mafiosi's restrained countenance fuels a menacing atmosphere that increases both the need for protection and the effectiveness of intimidation.

All names are imperfectly protected and can become the issue of property disputes. In the mid-1970s, in Rome, feminists began to organize emotionally and politically charged sessions "of self-awareness," and when "male comrades" started using the word in reference to themselves, the feminists became furious and formed a committee specifically devoted to defending the copyright.¹⁴ Alessandra Mussolini, the granddaughter of *Il Duce* and now a member of the Italian Parliament for the neo-fascist party, protested when the Northern League talked about staging a "Marcia su Roma" to denounce political corruption. She claimed that the only authentic Marcia su Roma was her grandfather's in 1922 and her party had the copyright (*La Repubblica*, 20 October 1992).

Yet names too, regardless of external forms of protection, are not equally easy to pirate: thanks to their peculiar combination of precision and vagueness, *mafia* and *cosa nostra* are relatively difficult to pirate. On the one hand, *mafia* and *cosa nostra* do not denote any narrowly defined activity or feature, simply illegal dealings in general. There is not just one symbol or undertaking that could allow anyone the reproduction of *the mafia* or *la cosa nostra* as easily as the disguise of the moustache gang. On the other hand, they denote a narrow ethnic type that is not easy to imitate: if a tall blond guy with freckles and a Norwegian accent informs you he is a mafioso, you are not likely to be impressed *because* of that. In Sicily itself, the advantages are partly annulled by the fact that everybody enjoys the *right* combination of ethnic features; there are, therefore, more opportunities for pirates in Sicily than in the United States and a corresponding need for tighter control. Even so, finer differences are still exploited: when making a threatening phone call, according to Judge Giovanni Falcone, mafiosi accentuate the Palermo accent (Falcone and Padovani 1991, 56).

Lucky Luciano knew what he was doing when he christened his new set-up *Union Siciliana*, a name with exactly the same blend of ethnic specificity and vague generality. *Black Hand*, by contrast, which is also a name for roughly the same entity, did not survive among mafiosi: it could be Spanish, Italian, Latin American, even Eastern European. Unlike *mafia*, the

term translates into just any language. It could be objected that it is now common to speak of other criminal gangs or of collusive networks of privilege as *mafias*—Chinese mafia, academic mafia, Jewish mafia, medical mafia, and so on. But this transposition is not a direct attribution of originality (it is easier to claim some resemblance than to pretend to *be* the real thing); and repetitions by analogy do not weaken a name as a plethora of competing attributions do.¹⁵ There have been several Black Hands too, and in this case, repetition was damaging because it was not possible for any one of them to appear *more* original than the others.

It is from a string of related symbols, rather than any one in particular, that inscrutable commodities can be protected successfully from unauthorized use. It is not surprising, therefore, that mafiosi are strictly Sicilians: if they admitted Norwegian or Piedmontese men, that particular string of symbols firmly associated to "mafia" would evaporate. In the early 1970s there were signs of conflict and disruption among New York mafia families:

That is why they are bringing in the aliens . . . those aliens are *made* guys from Sicily, real old-country Mafiosi, mostly young . . . a few smart bosses are recruiting them for just one thing: to bring back respect and honour in the Honoured Society. . . . They have been brought up from birth over there to show respect and honour, and that is what these punks over here don't have. (Teresa 1973)

This statement could be played down and interpreted in practical terms: "they are disciplined" and "will run into a wall, put their head in a bucket of acid for you." Yet the description of this episode is compatible with the hypothesis that these "real old-country Mafiosi" were imported from Sicily to provide an injection of, as it were, quality controlled particles (Teresa 1973).

The discussion of inscrutable markets provided here is analytically primitive. Central problems, such as, for instance, the variable association between symbols and qualities (e.g., nudity symbolizes both saints and sinners) has not been touched on. Still, it may provide some indication of how classical sociological problems that have traditionally fallen outside the domain of rational choice theory—such as honor, naming, the creation of myths—could be brought within it. Holistic concepts, such as "identity" or "ethnicity" can be unpacked into analytically manageable components. Once explained as strategies aimed at safeguarding property rights for a special type of commodities, bizarre forms of human behavior seem less incomprehensible. New Zealanders do no longer appear overly touchy because of "trying to avoid the indignity of having [the] name [New Zealand] registered as a US trademark—for shampoos" (*The Independent*, March 1992); Greeks' fight against Macedonia, which is not so much against the birth of a state as against the use of

the name "Macedonia," need not be interpreted as an emotionally driven nationalist gesture. Equally, the vociferous struggle that Spanish academics and writers put up to protect the letter "ñ," in danger of being dropped from their alphabet under the pressure of the European Community, does not seem an anachronism of eccentric scholars (*The Independent*, 10 May 1991): writers' asset is language, and its distinctiveness must be as jealously guarded as, in less literary circles, a Palermo accent.

NOTES

1. Intangible commodities need not be inscrutable, although they are typically more costly to assess than tangible ones.
2. Recent research by Gregory Carpenter, Rashi Glazer, and Kent Nakamoto reveals the widespread importance of irrelevant attributes in real markets; their results were announced in the *Harvard Business Review*, November-December 1993.
3. George Tsebelis, who developed this game in a different context (1990, 126ff.), suggested this application to me.
4. Kreps and Wilson (1982) show that "a 'small' amount of imperfect information" suffices as a deterrent provided the threat is serious.
5. A subtle discussion of the different meanings of honest signals is in Stamp Dawkins and Guilford (1991, esp. 870-71).
6. Gillette was the first to introduce disposable razors in the mid-1970s: "but most consumers could not tell one disposable razor from another and simply bought the cheapest available. By the mid-1980s Gillette realized that the dramatic growth of lower-margin disposables (which, by then, accounted for about half the market only a decade after being introduced) was eating into its profits and dimming the lustre of its once valuable brand name" (*The Economist*, 15 August 1992).
7. Although branded commodities are widespread, the literature on the formation of successful brands is slim (Jones 1986; O'Shaughnessy 1987).
8. On the importance and distinction between these two attributes of signals, see Guilford and Stamp Dawkins (1991).
9. Copyright © 1990 by the New York Times Company. Reprinted by permission.
10. Cf. Puglia 1930; Joe Bonanno's view of Maranzano during the prohibition war (1983, 87, 95, 117); when Michele Greco, the alleged boss of bosses, was asked by an interviewer whether it was true that his nickname was "papa," that is, pope, Greco denied it, but went on to say that a more apt parallel was with "an emperor," the head of an empire made of the large estate that his father and great-grandfather acquired (RAI, November 2, 1986).
11. In this particular statement Buscetta may be trying to play down his role in the mafia. Still, reputation *can* work like he says. Testimony of Tommaso Buscetta given to Giudice Istruttore of Palermo Giovanni Falcone et al., July-August 1984, vol. III.
12. One could argue for the existence of an opposite effect, although, in mafia-thick areas, signals initially will be taken more seriously, and locals may develop subtler discriminating skills.
13. Germaine Greer, *The Independent*, 11 May 1991.
14. I am grateful to Carlo Severi for this anecdote.

15. This, however, does not entirely eliminate the problem: several people in Russia believe the word "mafia" to be Russian.

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