

THE DYNAMICS OF SHIFTING INVOLVEMENT

FORMALIZING AND TESTING THE OSCILLATION BETWEEN PRIVATE AND PUBLIC INTERESTS

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ABSTRACT

There have been a number of attempts in recent years to formalise previously untested theories. This has included examples of applying logic to verbal theories of organisational ecology (Péli et al. 1994), and age dependence in organisational mortality (Pólos and Hannan, 2001). In the area of systems dynamics examples of theory formalisation have included Sterman's formalization of Kuhns theory (Sterman, 1985; Sterman and Wittenberg, 1989), Larsen and Lomi formalization of the theory of structured inertia (Larsen and Lomi, 1999; 2001) and Sastry's model of punctuated organisational change (Sastry, 1997). In this paper, we continue contributing to this stream of work by formalising and testing a theory developed by Albert O. Hirschman (1982).

In his book 'Shifting Involvements: Private Interest and Public Action', Hirshman outlines a theory of how societies oscillate between "intense preoccupation with public interest and total concentration on individual improvement and private welfare goals" (Hirshman 1982:3). The key variables the theory concentrates on is the understanding of formalisation of expectations and how these expectations generate disappointment. This 'disappointment dynamic' is the driving force which shifts the interest of societies towards private affairs, and the subsequent public interest. The underlying structure of the argument is shown in Figure 1.

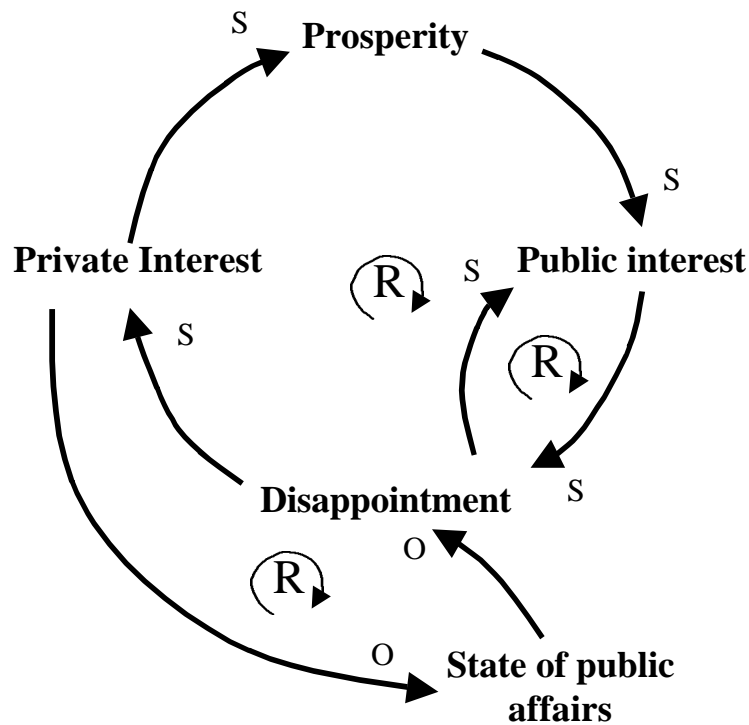


FIGURE 1 *The structure of Hirschmans argument*

An underlying assumption of Hirschman's argument is that “the construction of any theory of cycles of collective behaviour must face a difficult task. To be persuasive such a theory must be endogenous: that is one phase must be shown necessarily to arise out of the proceeding one” (Hirschman 1982: 4). This focus on endogenous behaviour makes the formalisation of his theory particularly suitable for systems dynamics with its use of feedback and lags.

We show in this paper how Hirschman theory can be formalised in explicit feedback terms. Furthermore we focus on representing the two levels of analysis that Hirschman uses in his theory development. The first level represents the formulation of individual expectations, followed by the collective consequences of the gap that exists between expected and realised satisfaction. Using this model we explore a number of different possible behavioural patterns discussed by Hirschman. Finally we compare the outcome

of the model with various time series representing real world public and private involvement.

Keywords: Simulation, Sociology, Theory Formalisation, Theory Testing

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