



Schütz and the Rational Choice Debate in African Economics

LAZARE KI-ZERBO

Department of Philosophy, Ouagadougou University, 01 B.P 606 Ouagadougou, 01 Burkina Faso, West Africa

Abstract. Neo-Austrians in the USA have produced a specific interpretation of Schütz as a mediator between the Austrian school of economics and European phenomenology or phenomenological sociology. Seeing Schütz as a political and economic scientist who, moreover, could give a new orientation to African political economy is at stake in our contribution. The purpose of this paper is to contribute to filling in a gap between my interest for African development economics and Austrian-Schützian economics. By doing so, I want to contribute to the efforts of the NIE school, which aims at challenging the previous neo-classical approach of the World Bank intervention in Africa.

JEL classification: B53, B31, B15, D80

Explorers and missionaries report that in Africa and Polynesia primitive man stops short at his earliest perception of things and never reasons if he can in any way avoid it. European and American educators sometimes report the same of their students. With regard to the Mossi¹ on the Niger Lèvy-Bruhl quotes a missionary's observation: "*Conversation with them turns only upon women, food, and (in the rainy season) the crops.*" What other subjects did many contemporaries and neighbors of Newton, Kant, and Lèvy-Bruhl prefer? (. . .) *No facts provided by ethnology or history contradict the assertion that the logical structure of mind is uniform with all men of all races, ages, and countries.*"

Ludwig von Mises, *Human Action* (1949)

The assumption, if any, of African radical "otherness"² in the field of economics is the first reason why African development policy makers and researchers should pay attention to and certainly borrow conceptual tools from the Austrians: they wanted to understand economic development as an universal human process, not as an European miracle, forever forbidden to those cultures where it is a "law of participation" which prevails. Mises underlined the fact that participation and individual reasoning coexist, always and everywhere. There is no place where people either always chat or always reason, not to mention deeply meditate. There are only various orientations. As a matter of fact, while some ordinary Moose³ talked about matters relevant for their daily life, others, who might have been in the famous universities of Jenne or Tombouctou (Sankore), may have been reflecting on theology, human destiny or other more abstract topics. The latter would certainly stop philosophizing when they have to hurry to take the crops from the fields after the rainy season. The question is

no longer about mind development, as Lévy-Bruhl put it at the beginning of this century.⁴ It is now about economic development and the role of the human mind in that economic development. Someone said “*one doesn’t develop, one develops oneself*.” Austrians don’t see economic development in a positivist way, like Rostow and Parsonians modernization theorists, who synthesized development in a linear and functional-structural way (see Berger 1976). They consider the cultural settings which, in various human systems (“nations”, “societies”, “groups”), lead either to wealth and prosperity or to stagnation if not recession when a quick demographic growth is not matched by the economic growth, as is the case of most of African countries (Boettke 1997). Among the Austrians, Hayek is certainly one of those who paid more attention to the cognitive dimension of economic development. It is relevant for our purpose to notice that Hayek insisted on the collective scheme that, according to him, is particular to the tribal mentality (Hayek, *Law, Legislation and Liberty I*). It might be useful to note that, as far as the Moose are concerned, Hayek’s position is similar to one of the most complete case studies in the field of economic anthropology dealing with them: *The Structures of Social relations* published by UCLA Prof. Alan Fiske (Fiske 1991). The position is similar despite the fact that Hayek and Fiske represent two opposite ideological options: Hayek is a convinced individualist—as far as epistemology and politics are concerned—and Fiske is a quasi communitarian.⁵ For Hayek, Moose would have been pre-capitalist collectivists, whereas for Fiske they challenge the neo-classical model. Their sense of “communal sharing” defies the submission of social relations to the abstractions of “market pricing”.⁶ Most advocates of the African cause in the African economics debate would support Fiske. Like him, they are anthropologists, but they are also historians, sociologists and, thanks to the institutional turn, economists. Some broad sets of questions have been raised which make it necessary for us to bring Schütz as a mediator (Koppl 1997, 1998).

In order to avoid giving an overview that is too exhaustive, we will give an illustration. First, Robert Bates’ theory of political economy of African agriculture. Bates’ neo-classical contribution on why African agriculture development fails—to quote Prof. Boettke in “*Why Perestroika Fails*”—though much acclaimed, has occasioned heavy critiques (Bates 1981, 1988, 1989, 1993, Berry 1993, Stein and Wilson 1993, Peters 1993) in a substantial amount of literature. He doesn’t make a general statement about African cultures or cognitive schemes being “participative” or “collectivist” but distinguishes between different stakeholders in the agriculture market. This paper will rely mainly upon Bates’ contribution and debate, which will be completed with another shorter illustration. Second, the political economy of the aid or “efficiency of aid” studied by some leading French African economists. They focussed more and more on the subjectivity of African actors, taking into account uncertainty (Hugon 1995), social patterns in the real world in various fields such as popular credit (Hugon 1996, Sindzingre 1995) or privatization of the Public administration (Hibou 1999). These topics are characteristic of the interpretive turn of neo-Austrian economics. The attitude of African economists who seem to think that the use of a “thin” rationalism and conception is the best method for studying African economics, even if they are convinced liberals, such as Mamadou Koulibaly (1992, Zagre 1994) would need a separate treatment. Their orientation, notwithstanding the influence of the donor’s own economic bias is a way to escape from the difficult task of constructing models and ideal types which are more embedded in the endogenous markets. The first part will allow us to use the Austrian

framework not as a *deus ex machina* but as a methodological device all the more useful as it seeks a unified theory which could reconcile abstract economics and field studies. We are looking for schemes which fit the theoretical attitude of Schütz and the Austrians, though we have to do this value-free, bearing in mind that African and Africanist scholarship is very anti-liberal and would systematically reject everything that is labeled “liberal”.⁷

How are the terms of the ongoing debate in African economics over Africa’s crisis reproducing the problematic of African otherness through a methodological dilemma? Could one explain the difference of opinion between Mises and Hayek by arguing that Mises was an universalist (because more rationalist?) and Hayek an eurocentrist (because more evolutionist?)? In other words, is the formal framework of Mises’ praxeology more useful for African economics than Hayek’s evolutionism or is it as negative as anthropologists who assimilate liberalism with neo-classical models used by the most important donors (World Bank/IMF, OCDE), (Boettke 1989)? Mises’ statement above clearly indicates that he would not have shared the common view of African economics as a realm of pathology and pure irrationality. He actually puts it clearly: “Human action is necessarily always rational.” (Mises 1949:18). But to affirm this, he relied upon what he considered to be logical “conception” and not on humanist understanding which is at stake in ethnology (Geertz 1973). Hayek, when a “Weberian” Hayek, seems to care more about humanist understanding than logic. This question brings us to the heart of economic methodology within the Weber–Schütz framework. By entering this framework our question will be translated to: is there a niche in African economics for Schütz’s contribution to building the original connection between Weber and the Austrians? As P. Boettke (1989) explains,

We don’t face an ontological otherness anymore, but rather a complex social setting which needs specific ideal types, as each process of scientific understanding demands.

Would there be any practical relevance, say in Burkina Faso, or is this just theory? Do not all Austrians praise liberalism or do they give enough weight to the specific settings of the rationality at work in the African social ecology to allow alternative paths limiting the Market Pricing pattern? That would mean taking into account the socio-cultural dimension, the specific patterns of social cooperation, the meanings produced by the individual and collective actors themselves? The Austrians certainly do take the socio-cultural dimension into account because praxeology is much more humanistic in its approach than the formalism of neo-classical economics which they criticized as well. Just like Weber’s sociology of action, praxeology studies the rationality of human action in the market, but in relation with the other spheres constituting the fibers of everyday life. This has already been established (see Boettke 1989, 1997).

African Economics: An Ongoing Debate in African Economics

R. Bates’ Political Economy of African Agriculture: From Rational Choice to Interpretive Economics?

Bates wants to explain the choices of most of the African governments and Agriculture departments. That means “understanding why Third World governments select (certain)

characteristic pattern of agricultural policies” (1989:342). His argument about those policies is simple.⁸ African governments intervene heavily in agricultural markets, favoring the urban consumers and lowering the prices paid to the rural producers. Instead of acting in the civil society to tackle this problem, rural producers use the uncontrolled market. These agriculture policies seem paradoxical for an economic observer.⁹ African economies rely heavily upon rural production, but governing élites favor the urban classes (workers in industry, civil servants): “governments intervene in the markets for products in effort to lower prices. They adopt policies which tend to raise the price of goods farmers buy. And while they attempt to lower costs of farm inputs, the benefits of this policy are reaped only by a small minority of the richer farmers. Agricultural policies in Africa thus tend to the interest of most producers” (Bates 1988:342, Stein and Wilson 1993:1047).

“How do policy choices, ostensibly made for the public good, become the basis for private aggrandizement? (. . .) How do the governments get away with it? In countries that are overwhelmingly rural, as in African, how can governments sustain policies that so directly violate the immediate interests of the majority of their constituents?” (Bates 1981:6, 81). Here the economic observer is puzzled not only in an epistemological sense. Ethics is involved, though never utterly expressed. Why are the efforts of millions of rural Africans not rewarded? Bates goes further to show that the myriad of funded agriculture projects—for consultants, a market in itself—engender distortions that weaken local food markets and the socio-economic situation of the peasants. They are projects that are not really constituted in a phenomenological sense by the actors. More important, Bates underlines that a macroeconomic explanation based on the industrialization objectives of the African governments is not satisfactory: “Such an approach ultimately proves unsatisfactory however, for it fails to generate explanatory power” (p. 349). In other words, the question to be addressed is not why do these policies make industry prevail over agriculture, a formal question requiring a formal answer, but rather why do they prefer projects to prices? This issue of preference and the paradox presented earlier explains why Bates’ methodology is neo-classical: there are actors trying to maximize their material interests.

Stein and Wilson (1993:1038) recapitulate Bates’ methodological choice: “This method according to Bates is characterized by:

Its commitment to the individual as a unit of analysis (. . .).

The assumption of rational behavior (. . .).

Bates also uses the concept of equilibrium, though Bates adds some important caveats. An additional element in Bates’ approach is the institutional environment (. . .). Finally, what Bates says differentiates his political economy from all other forms of political economy is the “autonomy of politics”: “Politicians . . . select economic policies not out of a regard for their economic merit but out of a regard for their political utility.” Neither Bates nor his critics refer to Austrian interpretive political science and economics to tackle the problem of understanding African agriculture (see the title of Sara Berry’s paper in the special *World Development* issue), but, as we said before, they give arguments for a Schützian approach, for instance, by underlining the statute of the individual actor (p. 1044).

Let us focus again on the *World Development* issue. Stein and Wilson refer to Bates’ approach as being not holistic enough: like other classical economists, he doesn’t insist upon

structural constraints like class, levels of economic development although he cares more and more about them (1993:1046, 1047, 1049). Some of the negative aspects they present will be useful for our purpose: the stylized facts, “the very opposite of “thick description” of many social anthropologists, sociologists or historians” confronting the complexity and uncertainty of real life (pp.1043, 1048); the influences of the New Institutional Economics which are not duly recognized by Bates (1988:1044, 1052); the gap between the professed methodological individualism and the actual method. This last point deserves a longer quotation as it fits with Schütz’s analysis: “He concentrates more often on interest groups, coalitions or strata than on individual decision making. Where Bates discusses individuals they are objectified members of a group and therefore have little existence outside the group (. . .). Where the individual enters, he or she is merely the cipher for the objectified interest of the particular group. (. . .) Bates operates theoretically between the more inclusive structural level of the Marxists and dependency analyst and the micro individual level of the more formal rational choice writers.”¹⁰ (p. 1041, 1046). Briefly said, Bates seems to be in search of a unified theory within the neoclassical framework: the very essence of economic imperialism over culture sciences (p. 1044).

Pauline Peters from Harvard Institute points out relevant methodological issues: Bates, like some anthropologists “demonstrates that rational or reasoned behavior is not the prerogative of inhabitants of the West (however they) lose the ability to identify the particular socio-cultural dynamics at play. So, too Bates’s application of neo classical “rational choice” fails to illuminate social process.” (p. 1064). If he had taken into account the issue of embeddedness, he would have noticed that maximizing individual interests is not the order of the day for most African actors. Instead, he relies upon the marginalist revolution from which “institutions arise individually motivated economizing behavior in production, distribution and consumption” (p. 1065). We have to keep this in mind for the confrontation with what Austrians really say in the second part. Peters, referring incidentally to Alan Fiske, mentions the ethnography of Moose as a counter example¹¹: “In a recent study for example, Fiske (1991) proposes four elementary forms of sociality”, “generative models” of social relations, that can explain the range of human behavior in societies of diverse types. One, the “market pricing” model is essentially the same as the marginalist model of neoclassical reasoning adopted by Bates. Fiske finds that among the West African Moose (mossi) he studied, this form of action was present but that it was by far a minority mode (ideally as well as in practice) by comparison with the other three” (p. 1066).

Sarah Berry’s contribution (1993:1057–1060) is important because she makes us understand that uncertainty can be a choice: “People may avoid making choices in order to keep their options open (and so) diversify both their social and economic portfolios (. . .)” So, “rational choice analysis does not lend itself very well to analyzing situations in which people seek to clarify options.” She also underlines the legitimacy of endogenous rules: “both local and national institutions function less as bounded, internally homogeneous agents of social action, than as key sites of negotiation over resource allocation and the mobilization and exercise of power (. . .); in many rural African economies, claims to land and labor continue to be negotiated in terms of debates over the legitimacy and implications of descent, affinity, neighborhood and traditional authority, as well as through market transactions” (p. 1059). In other words, the formalism of the rational choice approach involved in neo classical

economics does not fit with the subjective experience of the actors. The ideal type of the African-Agriculture-Department or African-urban-political-elite needs to be completed.

The critics used an either-or bias. Bates happens to be more pragmatic about his methodology: it is just a device used to understand the worst economical crisis in the world (1993: 1081). He doesn't claim to have made definitive statements about an African nature being less selfish: "The beliefs and values that enter into a "rational choice" analysis of their behavior enter as data derived from observation rather as assumptions of the theory itself. (...) Rather than resolve judgements as to the degree to which the people are "selfish" or "other regarding" by introspection or by debating other academics, it is preferable to learn about people's values by entering as best as one can into their world" (p. 1078). Concerning the holistic framework, Bates affirms that choice and constraint "function as the twin blades of the scissors of explanation." This attitude will be discussed in the second part. We notice that concepts of data, construction and understanding versus conceptual formalism are involved. An African cultural crisis (communal sharing versus individualism) seems to be at stake in the epistemological debate: according to C. Leys, also reviewing Bates's books: "what is at stake in Africa is precisely a conflict between the principles of "market society" and alternative conceptions—some traditional, some modern—of collective welfare" (1996:95). More important, Weber intervenes in the theoretical efforts to understand this process via Parsons: "(Weber's) thought has deeply marked US scholarship on Africa, both generally, through its influence in US science, and specifically, through the influence on the "modernization" school of Talcott Parsons, Weber's translator and interpreter" (p. 168).¹²

Assessing Uncertainty and Counter-Productive Effects of Aid

French Africanists and research teams have concentrated upon the issue of the logic of institutions. To explain the weak impact of years of structural adjustment under the auspice of World Bank and IMF they focus on the rules which are proper to the actors and endogenous patterns of social interaction.

One of the most comprehensive papers on this topic is the work written by Hibou (1998). The core of her argument is that the African state is affected by the process labeled by Weber as "décharge" (discharge; see Hibou 1999) in his *General Economic History*. Here Weber states: functions that depend upon a state's sovereignty are privatized for the benefit of the ruling élite. The political economy of the reform shows that this social process is overseen by the neoclassical economists of the Bank. Hibou considers that "World Bank is the ideal type of the donors" (p. 102). Their views are not value-free, they interpret the liberal political economy only to justify the adjustment programs. Therefore adjustment economics is rather a specific ideological construction. One could argue, for instance like Braudel, that "a national economy is a political space transformed by the State"¹³ (p. 104). According to Lonsdale (1992), the concept of construction is opposed to formation. Construction refers to the purposeful action of the State through the administration. Formation is more complex as it refers to "the history of the economic policies decisions, the structure of the markets, the behavior and strategies of the actors, whether private or public" (pp. 119–120). In other words, the Bank focuses on the "reasoned and conscious action of the State", failing to take into account both the specific meanings attached to words and the individual actors'

expectations within the African context. Where Bates draws attention to the industrialization project, Hibou underlines the old state building process taking place in Africa (pp. 129–130, Hibou 1999:7). There is a different understanding between the donors and the recipients: on one side, one seeks to limit the state, on the other, the market.

Sindzingre (1995) focuses on the motivations of the actors and the way African institutional patterns shape them. There is a conflict between them and the pattern which is involved in the adjustment: “the rules to reestablish the basic equilibrium are heterogeneous to the internal rules of the local state and banking institutions” (p. 163). Concerning the methodological aspect: Sindzingre affirms that “the non-incorporation of microeconomic constraints in the implementation processes has contributed to the heightening of uncertainties, the erosion of credibility, and amplified macroeconomic instabilities” (p. 160). She gives a few examples showing that the individual actor, which the new practical methodology implies, simply does not find his way in the real world. An agent, such as a former civil servant, who chooses to be an entrepreneur will have to compete with old ethnic networks which monopolize certain activities (p. 170). Also, the role of information¹⁴ in this oral culture has been underestimated, engendering imitation and saturation in some cases (p. 172). She confirms her earlier standpoint with the following information in her paper from 1996: “The notion of the credibility of the economic policies, with that of the signals they convey to the agents who treat (traitent) them according to their formerly detained information (rational anticipations) is more and more utilized to examine their results (so as the notion of confidence), particularly regarding the conception of the rhythm of the reforms” (p. 9).

Uncertainty is seen here not as a strategy to conceal but as an objective effect of the conflict of institutions, which is at the same time a conflict of interpretations. Subjective uncertainty of the actors is the signal of this conflict seen at the level of patterns but deserving more detailed descriptions than are to be found in Bates’ works, or even those of the opposition. Studying the importance of confidence in the endogenous financial institutions, Hugon (1996) also assesses the positivity of uncertainty—its immanence one could say in a Spinozian jargon—as a social production embedded in the logic of ethnic and affectual social relations.

Before we proceed to Schütz and the Austrians, it might be worthwhile to consider that African economists themselves usually don’t adopt a socioeconomic approach. African socioeconomicists are too often consultants in the same counter-productive projects which Bates criticizes. When they deal with the political economy of the reform, they rarely come to the microeconomic dimension it implies. If we take some publications in francophone Africa, the lack of interest in economic anthropology and socioeconomicism in general is evident. Mamadou Koulibaly’s book,¹⁵ *Liberalism, a New Start for Black Africa* relies heavily on Austrian economics, but advocates political liberalism and economic competition in general, though Ivory Coast represents a possibly rich field for the socio-cultural aspects of African economics (see Sidibe’s doctoral dissertation, 1996). The first part is dedicated to monetary union in francophone Africa. The second deals with the political institutions of economic development and the third concentrates on the economic history of Great Britain and the USA. Mises and Hayek are quoted in relation to the market rationality debate and the discussion over the relevance of the marginal utility principle in Africa (p. 122). According to Koulibaly, they give two kinds of arguments: first, the market is an order resulting from

spontaneous processes which are universal; second, the political order is itself submitted to competition, which implies pluralism and democracy. Methodological individualism and the experience of the subjects within African cultures are never considered as such. The political economy of Burkina Faso, according to the classic of late P. Zagr e, *The Economic Policies of Burkina Faso—A Tradition of Structural Adjustment*, is basically macro-oriented due to the intervention of the State since the independence in 1960.

Last example: an official document such as the national report on Economics, financial and trade information for businessmen and entrepreneurs (Industry Department/UNDP 1993) never talks about the endogenous channels of communication. The bulk of the data deals with the public services, thus confirming the bureaucratization of the market approach underlined by Bates and Hibou.

Sch utz and African Economics: A Much Needed Connection

We have gathered a selection of materials regarding the African economics methodological debate, including evidence of the relevance of Austrians. But it will not be possible to present each relevant term of the debate and then find a corresponding argument in the conceptual framework of phenomenological economics. We will refer only to structural concordance. Let us compare these statements: “Action is by definition always rational,” “Human action is purposeful behavior”, “We assume throughout that political action is purposeful behavior.” Which is Mises’ (the two former) and which is Bates’s (the last) or Max Weber’s (none)? It is difficult to answer at once. By coming back to the methodology of economics, we can explain how Sch utz helps clarify and conceptually refine this debate on rationality and purposefulness of social action.

How can one characterize Sch utz’s approach? The first observation to be made is that Sch utz speaks of socioeconomics: he wanted to study the original phenomena (“Urph anomene des gesellschaftlichen Seins”) of the social being,¹⁶ which means going back to subjectivity. Just like Husserl, he wanted to consolidate the foundations of a regional ontology: sociology. Following Simmel’s individualism, he defines socialization as creating unity through the individuals driven by their interests.¹⁷ Although he refers to the author of *Money*, (*Simmel*) *the Neo Kantians*, *Bergson and Husserl*, the impulse came from Max Weber.

He praises Weber for having made a decisive contribution to social science methodology with the concept of value free science. Social science must not be a mere political technology or a disguised ideology: with Weber, sociology became an autonomous science, independent of philosophy. For instance, although Sch utz adopts methodological individualism,¹⁶ he never proceeded to a refutation of socialism or an apology of political liberalism as one sees by his peers of the third generation of Austrians, such as Hayek and Mises. One notices that he never discussed their works specifically, or participate intensively in the Economics Review or the Mont-P elerin Society, of which he was not a founding member.¹⁷ The fact that he accepted an offer to teach in the New School of Social Research certainly did not get him closer to his Austrian friends as it never professed a resolute capitalist orientation. Crediting Sch utz with this value free attitude could be useful to legitimate his relevance in the methodological debate we outlined in the first part.¹⁸

Schütz's scientific contribution consists of clarifying Weber's concept of meaning. Weber was not particularly interested in pure methodology. For instance, he did not distinguish between the subjective constitution of meaning for the actor and the observer who grasps the meaning of the action as a stranger. The differences between the four patterns of action (rational, valuational, emotional, traditional) are also not clear enough to explain what "meaningful action" exactly means. Weber often sees meaning in ordinary daily life, while meaning constructions exhibit a complicated structure when one tries to describe the various levels involved. Before phenomenology, many social scientists and philosophers (Dilthey, O. Spann, A. Weber, Wiese, Mannheim are also quoted), used constructed meanings for given objects, without regarding the fact that these meanings are constructs themselves, thus borrowing interpreting schemes from the social world. It is Husserl and Bergson who drew attention toward time and the hidden origin of meaning in the Ego or *Durée*, on one side and the givenness of the alter ego on the other. These two dimensions, time and intersubjectivity are the core of a complex philosophical logic of sociality (Schütz uses the adjective "soziallogisch"). Through this logic, three regions are outlined in the social world:

the Umwelt which is the world of immediate social relations
 the Mitwelt where social relations are mediated, marked by absence, distance in space and time, but polarized by a possible presence in person in the former realm of immediacy.
 the Vorwelt and Folgewelt which also radically transcends the immediacy of Ego's inner time.

One could use the conceptual pair of immanence (inward experience) and transcendence (referring to objectivity) to apprehend the tension between Umwelt and Mitwelt. Phenomenologically speaking, the former appears as a world which is lost. In the social world, symbolic webs exist which allow subject to enter in social interaction, although lacking a direct access to the other's body and signs. This dimension of mediate communication is important because rationality belongs to those social constructs and institutions. Let us come back to Mises (1969): the alternative is clear cut).¹⁹

The German opponents to the Austrians "assert that the various nations and races are so different from one another that their actions cannot be comprehended by a uniform theory; there are as many economic theories required as there nations and races" (p. 30). The *Austrians* "maintained that there is a body of economic theorems that valid for all human action irrespective of time and place, the national and racial characteristics of the actors, and their religious, philosophical, and ethical ideologies" (p. 38).

Schütz helps us understand that such a focalization—which leads to a rather unjust treatment of Weber's sociology, resulting in its assimilation to historic relativism—is rather dogmatic, though he never put it so radically. For him both economic theorems and endogenous rules are ideal types with more or less anonymity. Typification actually ranges from subjective reflection to the most abstract treatment of the uncertainty of social encounters in formal social science (see Prendergast 1986).²⁰ Using Husserl's concept of attentional mutations within the mind, Schütz presents the pluralism of subjective experience and in doing so he makes a decisive contribution because it is the unification of social science, in a "metatheory", which is at stake. The social theory must be as ontologically pluralistic as the social being itself (a dynamic union rather than a static unity; Ki-Zerbo

1994). The stranger, the indigenous actor meets and the homonculi (Schütz 1932) of the theoretical economist are fictional characters: they are not relevant to the face to face logic of the Umwelt. The political economy of Africa integrates this complexity because many constructs are competing at the same time, demanding to make use of a broad range of various sets of signs: “our interpretations of the actions of others are graded on a scale from those that identify relatively objective meanings to those that identify relatively subjective meanings” (Koppl 1997:70). For instance, the bank economist can be perceived as an observer, but also as a stranger. To understand the conflict of interpretations which generates counter-productive effects in the reform process, one should consider that the same person requires different ideal types. For example, Alan Fiske explains that “Moose culture definitely includes the concept of pay for work, but that Moose work in a market pricing mode only with strangers and outsiders”.²¹ The reforms demanded by the donors embodied in a stranger person can generate a double choice: rational economic choice with the economist and traditional (Fiske’s “communal sharing”) with the members of the community or “We group” as Schütz himself put it. Thus uncertainty is clarified: though Schütz’s Cartesian approach to the lack of clarity in Weber’s sociology could be perceived as problematic because the social lifeworld is ambiguous by nature (Sindzingre 1995). What is important is this idea of rationality within certain limits. He accepts neither economic imperialism—a kind of hyper-rationalism—nor hyper-relativism. One could say that he is as pragmatic as Hayek, in comparison to their teacher Mises. Though both are Misesian methodologists, as Prof. Koppl has shown (1998), the value-free orientation is more important in Schütz’s work. As a matter of fact, Hayek, like Schütz, definitely rejects rational dogmatism. Mind and social construction, whether based on common sense ideal types or scientific ones, do not constitute the real world which is always transcending.²² One cannot take theoretical models and homonculi for real social interaction (Hibou 1998). This convergence notwithstanding, one should not underestimate the fact that Hayek affirms elsewhere that unification of social ontology happens within and through the market (*Law Legislation and Liberty*, vol. 1). The limits between ideology and value-free praxeology (Hibou 1998) are sometimes uncertain. Though Mises stated in his *Human Action* (p. 39) that: “liberalism has nothing to do with world views, metaphysics, or value judgments” we do find transgressions from this principle which lead to pure projections of Weltanschauungen on different lifeworlds: for instance, if African actors are not as rational as European actors (*Human Action*), let’s say part of the universal inconsistency of socialism, then they are conceived as tribal collectivists (Hayek in volume 1 of *Law, Legislation and Liberty*): both views are conceptions and not authentic understanding, as Schütz’s unified theory suggests. In his notes on Hayek’s 1936 aforementioned Viennese conference, Schütz (1996) does not seem to be satisfied with Hayek’s unambiguous critique of objectivism.²³ Still, Hayek did pay much attention to subjective experience, particularly to the theory of foresight as the factor which sharply differentiates a pure logic of choice from interpretive economics. In the personal action, data is constituted subjectively, not in objective economics. Hayek went further—too far?—by affirming that through social interaction, actors constitute the market empirically, what no theoretical economist or even a computer could do. This is perhaps the reason why Schütz, bearing in mind Kant and Husserl’s lesson, which forbids to take schematizations for absolute objectivity (the “discipline of reason” for the former,

the critique of “substruction” for the later), notes: “what economists consider subjects of economic life are not humans in the fullness of their existence but are rather ideal types” (p. 99). The real market and the theoretical market are not the same (Hibou). Forming type or concepts is not the same as transforming the lifeworld (Lonsdale quoted by Hibou). Therefore, marginal utility law, for instance, cannot be blindly applied to social interactions of the people in every specific context, as it has a regulative statute and not a constitutive one (p. 102).

“Propositions that are within certain realms fixed by the definition of invariance are in no way aprioristic propositions. (...) It seems purposeful to separate acting turned toward so-called economic goods from other acting” (pp. 103–104). The Weberian and Husserlian framework thus arbitrates in the thesis (universal rationalism, rational choice, individualism)–antithesis (radical otherness, communal sharing, communitarianism, embeddedness) dilemma. This means that Schütz’s intervention in the debate amounts to the classic question: who speaks, from where, observing or reflecting upon whose actions? The concepts of construction and formation are essential: they help to identify the subjective source that is viewing the world from its specific perspective, generating an objectification that is not absolute objectivity. The space between constitution and schematization and subjective constitution and what Husserl called an hypothetical perception of the integral noema (in volume 1 of the *Ideas*) is the field of scientific experimentation. Its poles are the real socioeconomic life and its theoretical counterpart is embodied in ideal types.

So, instead of dropping a completely rational approach and in favor of a more holistic appraisal of action (Bates versus Wilson and Stein, Berry, Peters, Fiske, Hibou), one should try to construct ideal types that fit into African entrepreneurship. That is what is lacking in the works of the African economists we mentioned. Schematizing in economics is a process. One can consider that the African debate seems more open than in the Western capitalist world due to the historical process of the formation of nation states of Weberian type, which engender a certain kind of social schematization has not reached the quasi equilibrium one sees in other parts of the World. As Foucault put it, “What is decisive for discipline is that the obedience of a plurality of men is rationally uniform” (quoted in Leys 1996:244). Schütz tells us there is neither an economic (Bates, despite the caveats) nor an epistemological equilibrium. One has to consider social spontaneity and reason in an actor-system framework (Boettke 1989, 1997; Crozier 1977).²⁴ It is then important for social scientists to overcome the clear cut alternative of the debate through a value-free dynamic schematization that would help policy makers improve the well being of the African communities.

For instance, regarding the Moose, the schematization could be refined through: the extension of the spatial scope of the study because market dynamics are more developed elsewhere in Burkina Faso, as Fiske admits. Above all, the tremendous evolution that has taken place after 1983, with the National Council of Revolution (CNR in French) and the fourth Republic, since 1987. Between praxeology and economics anthropology, one must practice what Prof. Boettke (1997) calls action-system theory: “Individuals are not assumed to maximize within an institutionless vacuum, nor are they assumed to be merely puppets of structural forces beyond their control. (...) Our understanding of human action derive, Schütz argues, from our intuitive understanding of the “others” within the life-world.

Though anonymous, therefore, the individual in this theoretical construction can only be understood as acting man due to his social embeddedness” (pp. 8–9). Relevant materials dealing with the spread of Protestantism in Moose communities are being brought through field studies by P.-J. Laurent from Louvain University, Belgium. They point out the emergence of individualism in the rural areas, not to mention Ouagadougou, the capital. What was described as “village like” (Fiske 1991:337) has become, in the course of ten years, a big city with nearly one million inhabitants. Structural adjustment has fostered privatization.²⁵ The return of former migrants to Ivory Coast also represents cultural transition. Though they maintained communal sharing patterns, as Fiske affirms, they acquired more market oriented habits while living in the more developed southern neighbor country, in doing so they boosted the market pricing value systems and actions. It might be useful to notice that as they have often spent many years outside Burkina Faso, they are almost like “foreigners” in their homeland. “Diaspos” stemming from Diaspora—is the popular label. One should try to imagine how NGO’s embodying communal sharing could compete with these new individual entrepreneurs, Heads of Agriculture or Environment organizations, evangelists and “diaspos”. (On African communitarian economics, see Ki-Zerbo 1994–1998, Roy 1999)

The integration of the theory of the political economy of regional integration in West Africa (see Ki-Zerbo 1995–1996): One cannot continue to look at transborder trade only in a negative manner: it is the field that demands its ideal-type because it is a vigorous endogenous challenge to the functional integration economics fostered by the European Union through its clone in francophone Africa, the Monetary and Economic Union of West African States (see notes 1 and 3).

A New Path in Burkina’s Political Economy

Is Africa a “gold mine for economists because its economic history has been so extreme: booms, busts, famines, migrations”? (Collier 1993). In this paper, my purpose was to give some elements proving that there is at least an intellectual niche for interpretive economics. Austrians and neo-Austrians can make a much needed contribution to the field of African Development studies by tracing a path beyond the classical alternative constituted by the rationalist and the relativist approaches. Schütz might help us understand the new routines of the new moogo, the transformation of their previous stock of knowledge, described twenty years ago by Fiske as a “common sharing” but now radically different. This mutation of an African ideal type (the Moose as peasants and not merchants) cannot be explained through the Schützian framework in this paper, but is definitely in our research agenda.

The rational choice debate around Bates was conducive to this demonstration. It is the order of the day because it has a direct impact upon the policy making of institutional donors whose purposeful action shapes the actors. It is attacked epistemologically by the institutionalist economists or social scientists who are investigating the uncertainty in the African context, which challenges stylized facts and the materialistic interpretation of marginal utility. By returning to Weber through Husserl’s phenomenology, Schütz is all the more relevant for African economics as he clarifies the limits between scientific construction and common sense understanding in real social experience. His methodology

requires that researchers have the humility to accept that their conceptual modeling is just a perspective. An economist should be more attentive to common sense and ordinary people in order to assess the subjective meaning of his ideal types. Bates's two blades of a methodological scissors (choice and constraint), the stylization of facts, ideal type construction as a process, economic sub-culture of homecomers ("Diapos"), the importance of time and history, uncertainty, economics of information, market and Weberian discharge processes, aren't these important—contained for instance somewhere in the *Elgar Companion to Austrian Economics*—themes for a promising African Austrian economics program?

Acknowledgments

This paper could not have been written without the kind assistance of American professors: P. Boettke from George Mason University, Editor of this Review, and R. Koppl, Fairfax, who agreed to send me their important pieces on Schütz and Austrian Economics; Alan Fiske from UCLA who kindly sent me his book and the pieces dealing with the Moose. The referees of the *Review of Austrian Economics* have broadened my research agenda, by introducing me to Economic Anthropology (E. Chamlee—Wright) and New institutional Economics (Jean Ensminger).

I have received support from the Austrian Academic Exchange Office and Ms. Gritschi Kerl. I am grateful to the ÖFSE Library, the staff of Afrikanistik Institute of Vienna University, Inge Grau, Ulrike Auer and Alexandra Schwindenwein. Last but not least: Ghislaine Ki-Zerbo.

I apologize for any expression and presentation default: Communication difficulties between USA and Africa have hindered me from correcting all the mistakes that could remain in the present version.

Notes

1. Main ethnic group in Burkina Faso, West Africa. Actually, the economic history of West Africa shows that the Moogo was rather a quiet market place, compared to the neighboring Mali or Songay empires. The geographical situation of Moogo explains: it is not on the Niger but "under" the Niger bend. All great west African empires have taken advantage of the Niger river. The economic history of West Africa shows that the Moogo was rather a quiet market place, compared to the neighboring Mali or Songay empires. The geographical situation of Moogo explains: it is not on the Niger but "under" the Niger bend. All great west African empires have taken advantage of the Niger river.
2. See Mudimbé (1992) on the role of the Négritude movement, particularly the review *Présence Africaine* in the construction of a "We-group" (as Schütz once put it) representing African civilization.
3. p. 37; the Moose did not build a merchant culture but were rather a peasant and warrior society. The word *burkina* means "honest man". Civic humanism prevailed upon market oriented values. See (Ki-Zerbo, Eadi, 1999; we must warn here against the *Historical Dictionary of Burkina Faso*: it contains many mistakes; for an introduction to Moose, better refer to SKINNER).
4. The father of phenomenology, Edmund Husserl, also wanted to grasp the a priori correlation between the human mind and specific culture, what some anthropologists call today collective intentionality. Husserl read the books Lévy-Bruhl sent to him and wrote him a letter about this concept which is an important contribution to his last work, *The Crisis of European Sciences*. (See the letter in Husserl (1935), 1994:161–164).

5. A. Etzioni praises the book as follows: "Surely one of the most important scholarly books to be published in this decade. Of great import, not just for anthropology, but for all social sciences" (cover page).
6. For Fiske there are only four types of social relations: communal sharing, authoritative ranking, equal matching and market pricing.
7. Policy makers are somewhat more pragmatic. Asked about his ideological convictions, Uganda President answered: "The National Resistance Movement is neither pro socialist nor pro capitalist but pro Uganda."
8. But not politically unambiguous: both the World Bank and New Left intellectuals borrow from him: see Leys 1996:80.
9. This expression echoes Schütz's analysis of the observer in the Aufbau; in this context, we think about Hayek (1936).
10. In Appendix D, Stein and Wilson are more explicit: "there is not in Bates' work a clear means for determining the most appropriate or necessary level of action at which to pitch, consistently, political analysis. (...) there is a great deal of ad hoc movement back and forth across different levels of social action, from individuals, to clans, to élites, to coalitions and classes, and back again." This is an authentic sociological phenomenological theme: regarding the relations between action and system (Boettke 1997), between facts and essence (Husserl in the Crisis).
11. Counter-arguments are used as a lethal weapon against rational choice formalism. Apart from Fiske, Alverson, Pitt-Rivers, Dumont and Sahlins are mobilized. Dumont affirms that there is no social ontology in "modern society", meaning modern economics, and Austrian economics by extension. This point of view has been criticized elsewhere: see Boettke 1997 (online version), Koppl 1998, (p. 7), Ki-Zerbo 1994. The Austrians often quote Spinoza, who although he developed an ontology of the individual, is not an individualist as Matheron demonstrates in his *Individu et Communauté chez Spinoza*: individuals are socialized.
12. See Berger 1976.
13. With J.-F. Bayart, she speaks of a liberal theology : see also Mihevic, *The Market tells them so*.
14. Not in the liberal political economy which speaks of market rather than states. For Hayek, a national economy was an absurdity.
15. According to Sindzingre, it might be quasi perfect. Economics of information is an important topic in Austrian economics and it is a South African scientist, P. Strydom, who has written the article dealing with it in *The Elgar Companion to Austrian Economics*.
16. Now in charge of the Finance Department in Côte d'Ivoire.
17. On social ontology, see the chapter on Schütz and Gurwitsch in my doctoral dissertation: Ki-Zerbo 1994.
18. See the Preface and Note 1 of the Aufbau Introduction.
19. For Mihevic, methodological individualism means refusing solidarity.
20. See H. Wagner's Schütz biography.
21. One could also mention his study on Equality (collected Papers II), which show an interest in minorities: something which could justify your being labeled a communist.
22. He said that in science there is no compromise, while in politics there is cooperation and compromises prevail; see *Erinnerungen*, p. 48.
23. Thanks to Pr. Koppl for having sent me this fundamental contribution to understanding Schütz belonging to the Austrian school.
24. See p. 253 and chapter 14. The French anthropologist P. Clastres spoke of an inhibiting mechanism against the rise of capitalism. Concerning the Yatenga Moose kingdom, Michel Izard has underlined the spatial separation between the capital (Ouahigouya) and the market town (Youba): a kind of rejection but also an anticipation of franc areas.
25. See Hayek's "Economy and Knowledge."
26. See Schütz (1996:86): "Political economy is a science of objective meaning. It does not deal with action which is built up phase-to-phase in the course of consciousness pertaining to the Thou. It deals instead with the anonymous processes of actions by interpersonal "someone".

References

- Bates, R. (1981). *States and Markets in Tropical Africa: The Political Basis of Agricultural Policy*. Berkeley: University of California Press, Series on Social Choice and Political Economy.

- Bates, R. ed. and co-author (1988). *Toward A Political Economy of Development: A Rational Choice Perspective*. Berkeley: University of California Press, Series in Social Choice and Political Economy.
- Berger, P. (1976) *Pyramids of sacrifice: Political Ethics and Social Change*. New York: Anchor Books.
- Berger, P. (1987) *The Capitalist Revolution*. Brookfield: Gower.
- Berry, S. (1993) "Understanding Agricultural Policy in Africa: The Contributions of Robert Bates." *World Development*, 21(6): 1055–1062.
- Boettke, P. (1989) "Why Culture Matters: Economics, Politics and the Imprint of History." Online papers of the Department of Economics, New York University.
- Boettke, P. (1998) "Rational Choice and Human Agency in Economics and Sociology: Exploring the Weber-Austrian Connection." In: Giersch, H. (Ed.), *Merits and Limits of Markets*, The Hague: Springer.
- Crozier, M. Friedberg, E. (1977) *L'Acteur et le System du Seuil* (Ed.), Paris.
- Fiske, A. P. (1991) *Structures of Social Life: The Four Elementary Forms of Human Relations*. New York: The Free Press.
- Geertz, C. (1975) *The Interpretation of Cultures*. New York: Basic Books.
- Hayek, F. V. [1952 (1936)] "Economics and Knowledge." In *the Counter-Revolution of Science*. Glencoe, IL: The Free Press.
- Hibou, B. (1998) "Les oeillères de la Banque mondiale et du FMI." *Esprit*, No 245, Août–Septembre.
- Hibou, B. (ed.) (1999) "L'Etat en voie de privatisation." *Politique Africaine*. Paris, France: Ed. Karthala.
- Hugon, P., Pourcet, G., Quiers-Valette, S. (eds.) (1995) *L'Afrique des Incertitudes*. Paris: IEDES-PUF.
- Husserl, E. [1994 (1935)] *Briefwechsel*, Band VII, Schuhmann, K. (ed.) Boston: Kluwer Academic Publishers.
- Ki-Zerbo, L. (1994) "Contribution à Une Problématique de l'Ontologie Sociale Phénoménologique à Partir de Husserl." Thèse de doctorat, Faculté de Philosophie, Poitiers, Ph.D Dissertation.
- Ki-Zerbo, L. (1994–1998) "La crise de l'Etat en Afrique." "Le fédéralisme vu d'Afrique" (see Roy (1999) for a critique; *L'Europe en Formation*. Nice: Presses d'Europe.
- Ki-Zerbo, L. (1998) "Rapport de l'Etude Eégionale sur la Région Nord." Center for Studies on African Development/Swiss Cooperation, PO Box 606, Ouagadougou 01, Burkina Faso.
- Ki-Zerbo, L. (1999) "Social Sciences Methodology and Europe—Africa Cooperation." Paper for the 9th General Conference of the European of Development Research and Training Institutes, Paris, France.
- Koppl, R. (1997) "Mises and Schütz on Ideal types." *Cultural Dynamics*, vol. 9, no. 1, March. London: Sage.
- Koppl, R. (1998) "Alfred Schütz and F. A Hayek as Misesian Methodologists." Paper delivered to the Workshop on "Spontaneous Orders: Austrian Economics, Philosophy, and Aesthetics," Copenhagen, 3 November 1998.
- Koulibaly, M. (1992) *Le Libéralisme, Nouveau Départ Pour l'Afrique Noire*. Paris: Edition L' Harmattan.
- Leys, C. (1996) *The Rise and Fall of Development Theory*. Bloomington, IN: Indiana University Press.
- Lonsdale, J. and Berman, B. (1992) "The Conquest State of Kenya, 1895–1905." *Unhappy Valley: Conflict in Kenya and Africa*, vol. 1, pp. 13–44. London: Eastern African Studies, James Currey Publisher.
- Mihevc, J. (1998), *The Market Tells Them So*, Third World Network, Malaysia.
- Mihevic *The Market Tells Them so*.
- Mises, L. von. (1949) *Human Action: A Treatise on Economics*. London: William Hodge and Company.
- Mises, L. von. (1969) *The Historical Setting of the Austrian School of Economics*. Arlington House, USA.
- Mises, L. von. (1978) *Erinnerungen von Ludwig von Mises*. Stuttgart: Gustav Fischer Verlag.
- Mudimbe V. Y. (1992) *The Surreptitious Speech: Présence Africaine and the Politics of Otherness* (1947–1987). Chicago: The University of Chicago Press.
- Peters P. "Is Rational Choice the Best Choice for Robert Bates? An Anthropologist's Reading of Bates's Work." *World Development*, 21(6): 1035–1053.
- Prendergast, C. (1986) "Alfred Schütz and the Austrian School of Economics." *American Journal of Sociology* 92(1): 1–26.
- Roy, C. (1999) "L'espace ami de l'homme": L'Afrique vue par Arnaud Dandieu? In *L'Europeen Formation*. Nice Presses d'Europe, pp. 53–75.
- Schütz A. [1960 (1932)] *Der Sinnhafte Aufbau der Sozialen Welt-Eine Einleitung in die Verstehende Soziologie*. Frankfurt: Suhrkamp Taschenbuch Wissenschaft.
- Schütz, A. (1996) "Political Economy: Human Conduct in Social life." In Wagner, H., Psathas, G., and Kersten, F. (eds.) *Collected Papers IV*, Dordrecht: Kluwer Academic Publishers.

- Sidibe, S. (1996) "Importations et Mal-Développement: l'Exemple de la Côte d'Ivoire Coloniale; Chapitre XIII: la Marchandise Génératrice de Culture (Merchandise engenders culture)." Doctoral dissertation. Paris I University.
- Sidibe, S. (1998) "Eléments pour un appui à l'exportation du bétail en provenance du Yatenga I, II." In Ki-Zerbo, L. (ed.) Rapport de l'Etude. Regionale sur la Région Nord. Center for African Development/Swiss Cooperation, PO Box 606, Ouagadougou Burbina Faso.
- Sindzingre, A. (1995) "Incertitude et Institutions dans un Contexte d'Ajustement: l' Exemple du Bénin." In Hugon, P., Pourcet, G., Quiers-Valette, S. (eds.) *L'Afrique des Incertitudes*. Paris: IEDES-PUF.
- Sindzingre, A. (1996) "Crédibilité des Etats et Nouvelles Insécurité: l'Économie Politique des Réformes en Afrique." Paper for the 8th General Conference of the European Association of Development Research and Training Institutes. Vienna, Austria.
- Skinner E. (1989) *The Mossi of Burkina Faso—Chiefs, Politicians and Soldiers*. Illinois: Waveland Press.
- Stein, H. and Wilson, E. (1993) "The Political Economy of Robert Bates: A Critical Reading of Rational Choice in Africa." *World Development*, 21(6): 1035–1053.
- Wagner, H. (1983) *Alfred Schütz. An Intellectual Biography*. Chicago: The University of Chicago Press.
- Zagre, P. (1993) *Les Politiques Économiques du Burkina Faso: Une Tradition d'Ajustement*. Paris: Edition Karthala.