Journal of Institutional Economics (2019), **15**, 791–809
doi:10.1017/S1744137419000171

CAMBRIDGE UNIVERSITY PRESS

RESEARCH ARTICLE

Individuality and habits in institutional economics

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(Received 17 June 2016; revised 27 March 2019; accepted 27 March 2019)

Abstract

In this paper a sophisticated conception of individuality is developed that extends beyond simple heterogeneity and is consistent with the approach of institutional economics. Studies of human biological and psychological development are used to illustrate the foundations of human individuality and the impact of the social environment on individual development. The link between the social environment and ongoing agential properties is established through the role of habits, which provide some continuity to individual personalities over time and assist them in navigating the social context they inhabit. Reflexivity is established via an agency-structure framework that endows individuals a changeable self-concept and an ability to interpret their relationship to the social context. The coordination of different individuals is explained not simply through reference to institutional structure, but also through the agent-level properties of shared habits. While reducing differences between individuals to one of degrees, shared habits are shown to be particularly important in the context of agent-sensitive institutions. Finally, the potential for different institutional experiences to impact the reflexivity of individuals is explored.

Keywords: Individuality; institutions; shared habits; coordination

1. Introduction

Scientific advances of the 20th century demonstrate that human individuals are each unique. Biological studies of the human genome combine with psychological investigations of personality development to unearth a complex process of trait formation that lies at the root of human diversity. While genetics are an important source of these differences, this research clearly demonstrates that the social environment the individual inhabits is a driving factor in the generative process through which this individuality emerges, such that no two humans can be identical; even monozygotic twins exhibit significant behavioral differences that manifest themselves through divergent abilities, unique personalities, and an inimitable set of life choices. Integrating such notions of individuality in our analysis of economic behavior is not straightforward. The economy and its agents are highly complex and introducing the complications of individuality is bound to add a further degree of difficulty. Yet the modern scientific understanding of individuality as a reality of human life is so compelling that its role in shaping economic behavior merits investigation and analysis.

Although the scientific study of individual differences is relatively recent, a recognition of individuality has not been completely absent in the study of economic behavior. From the earliest contributions to economic theory there has been some awareness of differences between individuals, and such observations have a consequence for the study of economic agents and their interaction. Adam Smith observed heterogeneity to be significant for economic exchange, and argued that differences in men's talents and abilities can contribute to the common good in ways that the behavior of animals does not demonstrate.[1]

[1]In a famous passage, Smith contrasts the role of human differences with that among canines, arguing that unlike animals, in the case of men the "most dissimilar geniuses are of use to one another" (Smith, 1776: 25). In a similar theme to Smith's perspective, Tullock (1994) presents a study of the economic system of non-human animals and notes that they demonstrate

Although Smith's reference to the "dissimilar geniuses" of men was a cornerstone of his division of labor, the broader role of individuality outside of this particular manifestation is yet to be fully developed.

A number of scholars have recently identified the limited and underdeveloped representation of individuals in economics.[2] In a series of contributions, Davis (e.g. 2003, 2011) refocuses economists' attention on the representation of an individual agent across time, and the relationship between such an agent and the social environment. He has argued that it is misleading to categorize an individual as simply a set of preferences or a utility function, and has continually emphasized the need to consider individuals as embedded in social institutions, rather than exogenous to their context (2003: 11). Indeed, he nominates institutional economics as one approach that has the potential to present individual agents as both embedded and reflexive (2003: 118–119). Relatedly, in a sequence of works contributing to institutional economics, Hodgson (e.g. 2003, 2004, 2010) reinterprets the economic behavior of individuals by emphasizing the role of habits as agent-level properties, which are themselves shaped by the broader institutional structure. In establishing this link he develops a framework with which to analyze the interrelationship between agency and structure (Hodgson, 2002). Both these authors work to provide a more comprehensive conception of individuals in economic analysis, and to recognize the interplay between an individual agent and the institutional environment.

The purpose of this paper is to make two contributions to this literature. First, section 2 focuses on the development of a sophisticated conception of individuality within the context of institutional economics. In order to develop this conception, scientific literature is used to establish the foundations of individual difference and confirm the embedded nature of individuals that Davis has emphasized, while habits are identified as agential properties that are developed and shaped by the social environment and contribute to the ongoing personality of the individual (Lawlor, 2006; Hodgson, 2004). It is then argued that each individual possesses an enduring self-concept that establishes subjective reflexivity within the social context they are embedded in (Davis, 2003: 119). The result is a conception of individuality that recognizes that individuals are embedded in a social environment, while also incorporating the various agential properties that enable them to establish agency and relative autonomy in this context.

The second contribution of this paper, contained in section 3, is to investigate the relationship between individuality and institutions, and focuses on two specific aspects of this relationship. First, the existence of social stability and coordination in spite of agent-level individuality is clarified. The role of shared habits (e.g. Hodgson 2003, 2004, 2010) is re-emphasized as contributing important coordinative tendencies to the social stability commonly ascribed by economists to social institutions, and results in the differences between economic agents being one of degrees. Second, the potential for an individual's experience of different institutional contexts to affect self-concept and reflexivity is considered, and some examples are introduced to help to support this discussion. Davis (2011: 235) argues that the implications of recognizing the embedded nature of individuals includes a consideration of how various institutional structures might shape or sustain individuality. In its focus on the foundations of individual differences, the set of habits that individuals develop, and the institutions that shape and mitigate these differences, the present study represents one of many potential contributions to these important issues.

far fewer behavioural forms than humans display, and that these differences play a much lesser role in shaping their individual economic contribution.

[2]Akerlof and Kranton (2000, 2005, 2008) have considered the notion of identity and how the concept can be integrated into the neoclassical framework. In their model, individual identity emerges from the various social categories that individuals belong to, the behaviors that accompany these categories, and an associated set of payoffs. The approach of Akerlof and Kranton is particularly relevant in providing an economic interpretation of the decision set, and related payoffs, faced by an individual as their identity emerges. However, it does not capture the relationship between the institutional environment and the development of individuality – a central focus of this paper and the related work of Davis and Hodgson.

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

2. Individuality, habits, and reflexive agents

Defining individuality in institutional economics

A simplistic definition of individuality might focus upon observed heterogeneity, i.e. identify differences between individuals solely through dissimilarities in specific actions and physical characteristics. However, such an approach has significant limitations in its capacity to identify the source and extent of differences between agents. It fails to acknowledge the impact of the environment upon individual development and how the social context itself affects the ability to discern individuality. Furthermore, it overlooks how differences in personal beliefs and reflexivity underpin observed actions and choices, and how these elements of individuality are maintained over time. Not only are these concerns essential to a sophisticated recognition of individuality in institutional economics, they are actually central to the historical meaning of the concept. As Hinchman (1990) argues, the concept of individuality was not simply a reference to singular differences between individuals, nor was it intended to disconnect the individual agent from the social forces that shape their unique development. Instead, the mediation between the individual and the social context they occupy has historically been an important emphasis of the term "individuality" in the hands of authors such as Mill, Wilhelm von Humboldt, Schiller, and Goethe, among others (Hinchman, 1990: 762–773). Maintaining this emphasis is particularly relevant for institutional approaches to economics, which prioritize the relationship between the agent and the social environment.

Investigating any such process of mediation between the individual and the environment cannot proceed without acknowledging the subjective inner life of individuals. Unfortunately, rather than developing the conceptual relationship between the objective world and the subjective mind of its participants, the neoclassical approach largely eliminated psychology from its depiction of economic agents, focusing instead on an atomistic conception of individuals in the context of a mechanistic system (Davis, 2003: 26).[3] In contrast to this limited purview of neoclassical analysis, the subjective elements of individuals that allow them to navigate their environment are a central interest of institutional economics. An adequate conception of individuality within institutional economics requires both a recognition that institutions have an impact on the development of individuals, while also acknowledging the individual's awareness (or otherwise) of the environment they are embedded within. The approach presented here will seek to integrate both the objective and subjective characteristics of individuals in an effort to place this more sophisticated conception of individuality in the context of social institutions.

Davis has repeatedly argued that a meaningful interpretation of individual agents requires endowing them with a self-concept (2003, 2011). Following the discussion of Davis (2003: 114–119), the term self-concept will be used here to refer to an individual's understanding of themselves, and incorporates some ability to evaluate their own behavior in the context of their environment. Indeed, the capability to consciously traverse the social world varies between individuals and is surely one important source of difference between them. Relatedly, Hodgson's work clarifies the role of habits in enabling individuals to navigate many activities (social and personal) without constantly applying such deliberate plans and conscious choices. Hodgson's approach draws on William James' pioneering work to highlight and explore the link between institutions and the habits that individuals develop. While James is well-known for his quote that an individual can be thought of as a "bundle of habits," another central motivation of his work is frequently overlooked: James' argument was not simply that individuals develop habits, but that habits contribute to the stability and conservation of an individual

[3]Davis outlines the neoclassical depiction of the individual as the product of a historical intellectual process that slowly withdrew subjective elements from the individual agent. He explains the tension between the subjective individual and the objective environment was one that Adam Smith himself wrestled with, and that later scholars moved beyond Smith to discard the challenge of subjective individuals: "Smith's problem was finally solved, then, not by making a better connection between the subjective and the objective, but rather by doing away with the former, escaping Locke's dualism, and emptying out all psychological content from the neoclassical conception of the individual" (Davis, 2003: 26).

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

over time (Lawlor, 2006: 330). In this respect, the habits that Hodgson has continued to emphasize are agential properties that also contribute to the continuity of individual personality.

The arguments of Davis and Hodgson are brought together here to create the following definition of individuality within institutional economics. Individuality is here defined as the unique combination of objective and subjective agent-level properties that serve to distinguish individuals from each other and enable them to navigate and interact with the environment they are embedded within. The inclusion of subjective properties of individuals is central to this approach, and obviously includes the habits that individuals possess, and a self-concept that can establish reflexivity. Furthermore, the "combination" referenced here is also particularly important. A single choice is not sufficient to discern the nature and extent of individuality, and instead needs to be understood in the context of both conscious commitments and relevant habitual thought processes.[4] As further clarified in the following sections, both deliberative decision making and habitual unconscious response can play important roles in differentiating individuals and enabling them to navigate and interact with their social context.

The social environment and the foundations of human individuality

To develop the concept of individuality in institutional economics, it is useful to clearly establish the role of the social environment in shaping the characteristics of individuals. Research now clearly demonstrates that while genetic structure is an important building block of individual differences, the social environment is also a significant foundation of individuality. The variation in genotypic structure across individuals is enormous and gives rise to a vast range of realized traits (phenotypes). Although the process of pure Mendelian heritance has previously been referred to as simple, even within this category of so-called "simple traits" phenotypic development can often be inextricable in nature.[5] However, it is the category of complex (i.e. multifactorial) traits that includes those characteristics that result from genetic and environmental interaction.[6] While in some instances genetic inheritance plays a more important role in determining behavior than was previously recognized (Rowe, 1994), the advent of twin studies has highlighted dramatic differences in the personalities of monozygotic twins, demonstrating that non-shared environmental factors play a significant role in this divergence of personality.[7]

In work that summarizes much of the evidence regarding individual personality development and individual differences, Harris contends that individuality emerges through the process of socialization, and that the environment outside the home has a particularly significant impact on personality development (Harris, 1998, 2006; Pinker, 2004). These works highlight the complexity of human trait formation and emphasize that individuality emerges via a multifaceted relationship between the biological structure of genotype and the environment, which continues over an individual's life experience.[8] As such, many aspects of the social structure play a role in the development of individual

[4]In an important article from early last century, Jordan (1921) discusses the meaning of individuality, and argues for the importance of the social context in fully appreciating the development of individuality. Significantly, Jordan notes that choices, or what we might regard as preferences, are often shared by others, but that this does not diminish their value to individuality: "Just how am I distinguished from another person? By my organism? But that is hardly I; it is the 'clothes-philosophy' of individualism. By my interests or purposes? But which of these do I not share with any one who happens to care? And these are certainly not diminished by being shared." (1921: 582).

[5]For example, Badano and Katsanis (2002: 780) argue that distinction between simple trait formation i.e. Mendelian or monogenic, *versus* the category of more complex trait formations (which involves more than one gene and the environment) is not a straightforward dichotomy, but is more appropriately conceptualized as a spectrum.

[6]See the contribution of Plomin, Owen, and McGuffin (1994), who trace out the historical change from the relatively strict environmentalism, which reached its peak in the 1950s, to the more recent consensus of shared influence. The later has been uncovered largely through the use of quantitative genetic research on complex traits.

[7]As an example of the early studies in this area, see Plomin and Daniels (1987).

[8]To ensure clarification for the reader, the following reproductions of Burdon's excellent summaries are provided: "Genes provide the initial guidelines for the development of an organism, and a range of possible phenotypes. Within that predetermined range, a specific phenotype is moulded by environmental influences … An organism's phenotype unfolds during

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

differences, even economic behavior. Remarkably, even the early development of an individual's consciousness and private inner dialogue is inexorably linked to the social context they inhabit (Parrington, 2015: 166–173). Furthermore, the interaction of these factors occurs such that human individuality is an undeniable scientific fact: no two people can possibly be identical, and individuality will always manifest itself in behavioral traits (Jobling *et al.*, 2004).[9]

The above research serves to confirm much of Davis' arguments that individuals are best understood as embedded within a social structure (e.g. 2003, 2011).[10] Due to the fact the social environment is integral to the process that generates this individuality, integrating the notion of individuality within this social context is clearly important. Furthermore, individuality is a meaningful concept only in relative or comparable terms, i.e. differences between individuals (both objective and subjective) can only be understood as relative. Not only does this direct attention to the important relationship between the individual and the social structure in which they operate, it also highlights the importance of an individual's own awareness of their place in the social structure, and how such awareness (or lack thereof) might vary between individuals. This affirms the need for a conception of individuality to recognize this interaction, just as some of the historical discussions of the concept have emphasized.

Definitions of the different elements of the social world are appropriate to provide points of reference if we are to adequately place the concept of individuality within the domain of institutional economics. In the following analysis, social structure is considered the broadest category of social relations, and includes all forms of social relations – even those that are not codified in any way (Hodgson, 2006: 3). The term *institutions* will be used to refer to systems of social rules (Hodgson, 2015: 388), which includes formal legal structures, informal rules, and cultural norms of behavior. Both customs and routines are specific forms of institutions, and emerge as rule-bound patterns of behavior that are normally associated with social groups (customs) and organizations (routines). There is no clear perimeter at which localized or idiosyncratic rules should become classified as institutions. However, as Hodgson notes (2015: 388), all social rules must rely upon some shared understanding in order to function as rules. When the shared conception of a rule is highly limited or peculiar to few individuals, its role as a social rule becomes questionable and of little significance. The discussion in this paper will focus on the relationship between individuality and social rules that are not limited to organizations and smaller social groups, and instead possess wider appreciation and application.

Individuality and habits

One important way institutions impact upon the subjective properties of agents is through the development of habits. This connection has been examined and explored by Hodgson, who argues that habits shape and direct important aspects of individual economic behavior (e.g. Hodgson, 2003, 2004, 2010). In terms of their formation, Hodgson's explanation of habits is largely consistent with the explanation of psychologists. The latter contend that habit formation is an incremental process that can occur with repetitive behavior and a reward-learning mechanism. As individuals repeat the same behavior and experience a positive outcome (reward response), the cognitive and neural mechanisms that are central to procedural memory undergo small adjustments that links the behavior with the reward outcome (Wood and Rünger, 2016). This is further buttressed with dopamine signals that

development and maturation when genes, and the products derived from them, interact with one another and with environmental factors" (Burdon, 1999: 3).

[9]Jobling *et al.* claim that: "Megalomaniacs who might hope to create copies of themselves by cloning will be disappointed to find that they are not more similar to their clones than a pair of MZ twins separated at birth" (Jobling *et al.*, 2004: 26).

[10]Some economists are attempting to identify the various social factors that might play a role in the personal development of individuals who become entrepreneurs, e.g. Falck *et al.* (2012), Lerner and Malmendier (2011), Nanda and Sorensen (2010), and Nicolaou and Shane (2009). Relatedly, Bjorklund *et al.* (2007) attempt to differentiate between the influence of genetic and environmental factors in the emergence of socioeconomic status.

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

support the reward response of the behavior.[11] Furthermore, this increased utilization of procedural memory is correlated with shifts away from the medial temporal lobe and pre-frontal cortex of the brain, which is associated with conscious goal-setting and memory, i.e. non-habituated activity (Hodgson, 2010; Fuller, 2010).

The most important point for the present discussion is the link that Hodgson emphasizes between the habits that individuals develop and the institutional structure. As institutions tend to circumscribe the range of actions, the habits of individuals will demonstrate a general compatibility with the social institutions they are embedded within. The habits of individuals are not, however, to be considered as simply a component of those social institutions. Drawing on Hodgson, Fleetwood has emphasized that although institutions can shape the type of behavior that ultimately becomes habitual, habits remain properties of agents themselves (Fleetwood, 2008b: 249).[12] While an important link is established between social institutions and the formation of habits, the latter remain agential properties and should not be conflated with social phenomena such as rules.

Hodgson has repeatedly emphasized that a habit is first and foremost a disposition or tendency the individual possesses, and not simply the incidence of recurring behavior (the definition of Becker, 1992).[13] This is particularly important, as habits can also include habitual beliefs. The institutional structure that the individual is embedded within can leave an imprint upon the set of beliefs that individuals develop, just as it can shape habits of thought that are revealed in actions. Furthermore, whether in the form of habits of action or engrained beliefs, habits operate unconsciously. While individuals may become aware of a particular habit they possess, it is not the case that an individual will be aware of the full range of habits they have developed. Thought processes or beliefs might be habitually followed without explicit recognition by the individual, and those habits of action that are compatible with the actions of others may equally go unnoticed.

As agential properties, habits can contribute important features of individuality. First, as many habits are compatible with the social institutions within which they are developed, they are also important subjective characteristics that assist individuals to navigate the social context in which they are operating. Furthermore, as habits operate unconsciously, individuals can negotiate their social context without having to devote deliberative or conscious attention to all aspects of their activities. Lawlor, for example, explains that habits of action and thought allow the individual to keep navigating their world, and maintain some coherence in their unique approach to it, even when other aspects of their own belief system are challenged (Lawlor, 2006: 333). Second, the combination of habits an individual develops also plays a role in preserving individuality and differentiating one individual from another. The pragmatist approach of James, for example, emphasizes habits as playing an important role in the conservation of an individual's personality across time. The set or bundle of habits that individuals develop provides their personality with some stability, and conserves aspects of their nature in the context of change. Similarly, Hodgson links habits to the life experience of individuals, as the habits they possess serve as "marks of their own unique history" (2003: 164).

To ascribe habits a central role in the development of individuality and personality is not to reduce or diminish the multifarious nature of individuals. Habits are not simplistic and are instead adaptable means to deal with complex human society (Hodgson, 2010: 7–9). For example, habits allow

[11]It is worth noting that the dopamine signal and associated "reward mechanism" do not seem essential to the continuation of a habit and are not present in all empirical studies of habits.

[12]In fleshing out some of the important details and distinctions in the relationship between institutions and individuals, Fleetwood adds important clarity: "Let me be clear. Institutions (and social structures) are always and everywhere *external* to human agents. Habitus is always and everywhere *internal* to human agents." (Fleetwood, 2008b: 249). See also Fleetwood (2008a) for further discussion of this distinction and its importance.

[13]Hodgson's argument that habits are dispositions to act in certain way, and are thus somewhat malleable in their precise form of behavioral realization, is consistent with research that suggests the brain maintains a habitual response even when the habit is not pursued in action. Recent research in this area confirms that habits leave such an imprint on an individual's brain that – even when an individual conquers a negative habit – the underlying desire to feed the habit remains (O'Hare *et al.*, 2016).

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individuals to operate without rethinking each specific action or making continual marginal adjustment (Lawlor, 2006: 334). Some authors contend that the habitual and unconscious systems of humans enable further multitasking capability than what could be obtained in their absence (Lisman and Sternberg, 2013). Furthermore, the habits that individuals develop are malleable, allowing room for interpretation and variation between individuals (Hodgson and Knudsen, 2004: 287).[14] Even when an individual develops a habit after having originally observed the behavior of other individuals, their own execution of the activity (and the associated formation of a habit as the behavior is repeated) is not a precise replication of the originally observed behavior. Ultimately, the specific and unique mix of habits that individuals develop stems from various social environments they occupy, the choices they make, and the many different roles in society that individuals may perform (Lawlor, 2006: 336). The crucial choice then, according to Lawlor (2006), in determining individual personality is not simply what one will do, but the choice of who one shall be. This naturally leads to a consideration of an individual's self-concept.

Individuality and subjective reflexivity

While habits are agential properties that can augment an individual's ability to navigate the social structure, developing a comprehensive notion of individuality requires a conception of individuals as also possessing reflexive properties (Davis, 2003, 2011). Davis draws on work by Bhaskar (1989 [1979]) and Archer (1995) to argue that agents and the structure in which they operate are not conflated and can be analyzed as separate entities. Expanding on this separation of the individual and the social, Davis argues that a self-concept and the potential for reflexivity is essential if we are to avoid the implication that individuals are simply determined by their social context and thereby lack real agency (2003: 114).[15] This is not to suggest that an individual's self-conception will be absent of social influence, but simply that individuals have the ability to investigate and evaluate the externally imposed conceptions of themselves (Davis, 2003: 111–117). Davis couches his analysis of self-concept in the context of group participation, and argues that a satisfactory self-concept must incorporate an ability to comprehend the social environment and enable conscious participation in group activities, rather than participating without reflexivity. This capability of an individual to comprehend and adjust their interaction with the social environment is referred to as an individual's degree of "individuation" (2003: 157–159), and it is only in establishing this capability, Davis argues, that individuals can be considered relatively autonomous agents.[16] While Davis focuses particularly on defined social groups in his discussion, this can be extended to the wide range of social contexts in which individuals are engaged.

A satisfactory conceptualization of individuality in institutional economics must include recognition of self-concept, and some notion of the individuation that Davis has described. Self-concept and reflexivity are important subjective properties that are central to the way an individual can navigate their environment. Davis' concept of individuation refocuses attention on the individual's ability to exercise input into the terms on which they engage with, and participate in, their social context. It is also a differentiating factor between individuals, as the degree of individuation they exercise will vary between them. In fact, Davis is himself cautious in how much individuation he is prepared to ascribe

[14]The potential for imperfection in the process by which habits are copied is explained by Hodgson and Knudsen: "Eventually, the copied or conformist behaviour becomes rooted in the habits of the follower, thus transmitting from individual to individual an imperfect copy of each habit by an indirect route." (Hodgson and Knudsen, 2004: 287).

[15]Davis' contention can be succinctly summarized with the following: "In effect, the argument is that it is only when individuals form self-conceptions that they are capable of organizing the social influences operating upon them, rather than simply serving as passive repositories of those influences" (Davis, 2003: 114).

[16]The broader context of Davis' discussion of this capability (to become a relatively autonomous agent) is the re-identification problem. This is the challenge of establishing continuity for an individual as they experience ongoing adjustment in the rules and norms they observe as part of group participation. If the individual is unable to establish continuity through these ongoing adjustments, then the relative autonomy of the individual is challenged (2003: 149).

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to individuals, and interprets the full development of this capability as an ideal rather than a commonplace (Davis, 2003: 159). Furthermore, the individuation capability prevents individuality from becoming reducible to a positional concern, wherein differences between individuals are simply a function of the institutional context an individual is operating within (Davis, 2003: 143). For example, two individuals in the same context, and bound by the same set of institutions, can have a different awareness and interpretation of their interaction with those social constraints.

The integration of self-concept and individuation within this institutional approach to individuality must also incorporate two characteristics. First, self-concept is a product of mediation between both internal (subjective), and external social influence. In Davis' terms, a self-concept is both institutionalized and individualized (2011: 213), and the process of its development is both intrapersonal and interpersonal (2011: 178). Second, the individuation that Davis describes is an ongoing and dynamic process where individuals continue to interact with – and reflect upon – the environment in which they operate.[17] In the context of habitual behavior, this ongoing organization may entail the individual becoming conscious of habits, or developing habits of which they are not aware. While there are a number of potentially useful approaches to further developing self-concept, this discussion will adopt the analytical dualism of Archer.[18] An institutional approach requires a link between individuals and the broad social structure (including institutions) and Archer's approach is precisely aimed developing a mechanism linking agency to social structure (Archer, 2003: 64).

Archer's approach begins with an argument for the existence of a subjective ontology in which individual self-consciousness operates, and through which the individual addresses themselves. By addressing themselves through the first-person perspective of "I," the individual utilizes a private mental space, inaccessible to all others, wherein priorities and concerns are identified and deliberated. Archer describes this process by which an individual makes ongoing self-reference as an "inner conversation," and argues that it is central to understanding reflexivity (2003: 37).[19] Furthermore, this ability to make ongoing self-reference through inner conversation has two important implications for individuals in the context of broad social structure (which includes institutional structure). First, the reflexivity of individuals allows them to monitor their commitments, and then adjust and adapt in accord with their highest cares and priorities (Archer, 2000). Second, reflexivity must be exercised in order for individuals to navigate their social relations, such as the demands and expectations of others (Archer, 2003: 40–42).

The interaction between the individual and their environment in Archer's approach is hinged upon a distinction between the subjective reality of an individual's reflexivity just described, and the objective reality of the social environment in which they operate. The agential properties of individuals come to the fore in their subjective interpretation of the objective situation that they find themselves within. The various enablements and constraints that the individual encounters in this environment emerge only as the outgrowth of the fact that the individual is pursuing plans and projects. Their reflexive capacities are essential in that they will repeatedly interpret these plans in the context of the various enablements and constraints that they experience, perhaps altering and adapting their projects accordingly. This becomes part of a "life-long dialectic between objectivity and subjectivity because

[17]In emphasizing the dynamic process of individuality, it is important to note the challenge of continuity in maintaining an individual's self-concept over time and through change. Although it will not be discussed directly here, the reader is encouraged to consult Davis' discussion of continuity constraints in the context of adaptions, wherein he investigates the work of Livet (Davis, 2011: 182–183).

[18]Davis (2011: 184–188) discusses alternative theories of self-narrative in the work of Schechtman (autobiographical narrative) and Dennett (fictional characters).

[19]Archer's work interviewing subjects leads her to identify four basic types or modes of internal conversation: communicative reflexives, autonomous reflexives, meta-reflexives, and fractured reflexives (see Archer, 2003). Archer argues that all normal human adults practice elements of all four reflexive modes, yet nearly all have a dominant modality. The social context the individual inhabits can have an effect on the development of the dominant mode (2012: 17). These modes will not be discussed in detail within this paper, and instead Archer's account of the ongoing dialectic that the individual experiences through interaction with the social context is the primary focus. However, there is some reference made to her argument that context can lead to shifts in modes of reflexivity.

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

circumstances can change" (Archer, 2003: 141). In other words, this is a process of continuous mediation between the individual and the social environment they are embedded within.

There are two specific reasons why Archer's approach is useful in conceptualizing individuality as defined in this paper, and for institutional economics more generally. First, through its emphasis on the subjective properties of individuals there is also an inherent recognition of individuality in her analysis. An individual's subjective interpretation or construal of their objective environment will be different from all others (even those who share that context). This is particularly important as it helps to avoid the trap identified by Davis of attributing differences to positions and institutional heterogeneity. In explicitly recognizing that agents make differing interpretations, evaluations, and choices within the same context, Archer's approach can offer a recognition of individuality that does not rely upon positional difference (2003: 139).[20] Second, the ongoing dialectic that she describes between the individual and their social context (through an inner conversation), is part of a process of unique personal development, and is consistent with the scientific and biological approaches emphasizing the continual change of individuals as they interact with their environment.

Archer's general approach can be used to form an explanation of how individuality continues to evolve over time. In pursuit of their distinct plans and projects, the individual interacts with the social structure and engages in an ongoing dialectic. They bring their own subjective interpretation of the feedback they receive in response to these actions, and this in turn shapes any change or adjustment of their plans. This feedback may serve to confirm specific aspects of their projects and commitments, or it might signal their infeasibility. An individual's understanding of the objective environment may change, and formerly held beliefs may be further entrenched or challenged and adjusted. The choices that individuals make in the context of the ongoing dialectic that Archer's approach clarifies brings with it a range of habits that are associated with the specific projects and roles that individuals pursue, the point that Lawlor (2006) makes effectively. Furthermore, as individuals change their focus the experience of their previous commitments leaves some imprint upon them, as Hodgson (2003) notes in identifying habits as markers of unique personal history. In the event that the individual has some impact on the environment, however marginal and localized it may be, this will further have a unique effect on their own development.

Differences continue to emerge as individuals, exercising agency through their various choices and actions, interact with the social structure they are embedded within. Most importantly, differences in plans and projects place each individual in a unique relationship to their social context.[21] This feedback loop (dialectic) between the individual and the social structure remains ongoing and without cessation, and Archer emphasizes that both the individual and the circumstances in which individuals act are always changing (2003: 141). This self-transformation that Archer describes is a process that is a constant feature of human life, as individuals revisit their commitments to confirm or adjust these on a daily basis (2003: 123–129).[22] Consistent with Davis' emphasis on individual development as both intrapersonal and interpersonal, the development of individuality therefore becomes a generative

[20]Archer's position on this is clear, and it is significant for the present discussion of individuality: "Situations do not directly impact upon us; they are reflexively mediated via our own concerns and according to how well we know our circumstances, under our own descriptions. This means that agents will evaluate the same situations quite differently and their responses will vary accordingly" (Archer, 2003: 139).

[21]This approach is also useful for understanding and representing choices, and particularly economic choices. It is our deliberations on our objective environment that lead to our choices, and allow us to define our opportunity costs, something to which Archer explicitly makes reference (2003: 52). Some economists have recognized the importance of subjectivity in regard to opportunity cost (e.g. Buchanan, 1969; Shackle, 1979), however it has not obtained wide application.

[22]Archer's depiction of inner conversations does not cast doubt upon the ability of an individual to deliberate over her or his circumstances and make choices about how they will engage with the social context in the same way that Davis does. However, Archer does acknowledge the constraints facing individuals, and does not deny that the challenge of those constraints cause individuals to reappraise their priorities and projects. Fuller (2013) compares and contrasts Archer with Davis on this point, arguing for an integration of aspects of Davis' approach with the internal conversations that Archer focusses upon. See Fuller (2013: 121) for further details on bridging the gap between Archer's internal conversations on the one hand, and Davis' relative autonomy on the other.

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

process (Lane *et al.*, 1996) that evolves as agents interact with each other, and with the social structure they are all embedded within.

Integrating habits and subjective reflexivity

The strength of Archer's approach is the focus on the conscious dialectic between the individual and the social environment. However, the relationship between this deliberative narrative and the habits of individuals presents a theoretical tension: how to reconcile the acquired habits of individuals with the deliberative narrative those individuals use to navigate their environment? While this theoretical tension also introduces a potential conflict in underlying philosophy, i.e. determinism *versus* free will, the focus of this paper will be limited to the integration of unconscious habits with the conscious choices of reflexive agents.[23] More specifically, to further develop the conception of individuality for institutional economics the focus needs to shift from the relationship between the self-concept of the individual and the external institutional structure (which Archer's approach clarifies) to a consideration of the internal relationship between self-concept and the institutionally acquired properties of the individual (Fuller, 2013: 123).

Archer is particularly cautious as to what is to be assimilated into the habitual repertoire of the individual, and argues that deliberative matters do not belong there (e.g. 2003: 126). This is in contrast to Davis, whose caution extends in the other direction, focusing instead on the struggle some individuals encounter in developing a conscious awareness and engagement with the environment. The omission of the habitual aspects of behavior from Archer's ongoing dialectic becomes more glaring in the context of the points raised by Lawlor, who emphasizes the value of habits in allowing individuals to hold some matters constant while directing conscious attention to the subject of change or adjustment (2006: 333). In his account, habits do not undermine choice or deliberation, but instead offer a foundation from which the individual can extend their conscious focus.[24] It could be argued that the dialectic Archer emphasizes relies upon habits to play a more significant supporting role than she has acknowledged, and that they ensure the individual is able to undertake the mental process that she has clearly articulated.

Other authors have noted the difficult but important relationship between habits and deliberation in this literature. In his own contribution to institutional economics, Fuller (2013) analyzes alternative theories of the mind and considers this tension between deliberation and habitus. Fuller's proposed solution is that the mind possesses a dual structure that encapsulates both an inner conversation that is consistent with Archer's account, and also a tendency to adopt habitual beliefs and actions that concord with Hodgson's approach. In this way, a discursive process that underpins deliberative commitments exists alongside an individual's disposition to generate habitual beliefs. Fuller's solution amounts to an acknowledgment that individuals utilize elements of each approach, and that only some

[23]This philosophical conflict is the contrast between the theory of free will for individuals on one hand, and the determinist interpretation of individual actions on the other. One particular approach that attempts to combine elements of both positions is the compatibilist argument, which proposes a balance between the two (see for example Dennet, 1981). However, this position has long endured its own critique for not attributing free will sufficient influence, and is therefore offering only a soft determinism. For the purposes of this paper, questions of the philosophical framework will be put aside, and the focus remains on the debate internal to institutional economics.

[24]While the discussion of individuality has incorporated both deliberative choice and also habitual behaviors, it can still be consistent with an alternative interpretation of rationality that can accommodate adherence to rules. Rule-following behavior is often associated with bounded rationality (Simon, 1957) and "satisficing" (Simon, 1956). But as Vanberg (2002: 29–30) has emphasized, these terms unfortunately redirect attention to the amount of rationality an agent is capable of utilizing, rather than the particular type or form of rationality. Drawing on the respective bodies of work by both Mayr and Popper, Vanberg (2002, 2004) proposes a rationality concept that can account for behavior that is not simply deliberate calculation, and can instead accommodate the reality that much observed behavior amounts to rule following of different kinds.

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

individuals become the relatively autonomous agents that Davis has described by consciously integrating habits into their plans (or discarding and/or replacing them).[25]

Fuller's approach is valuable for institutional economics in acknowledging the potential for some individuals to utilize habitual beliefs in the formation of self-concept. He combines Archer's categories of reflexive types (four modes) with Davis' analysis of capabilities (and corresponding capacities) to outline different levels of reflexivity. These range from the ability to generate habitual beliefs (which may dominate individual self-concept), to the ability of an individual to truly examine one's own mental process as an object of enquiry (Fuller, 2013: 123–124). Recognition of differing levels of self-awareness is important: if individuality is to be meaningfully linked to institutions acknowledging their potential to imprint upon personal consciousness and development is vital. This potential for elements of self-concept to be unconsciously adopted from the institutional structure through habits obviously varies between individuals, and Fuller's discussion is particularly relevant on this point.[26]

In summary, this section has outlined a detailed conceptualization of individuality. The foundations of individuality are established, and serve to confirm the impact of the social environment on the ongoing development of individuals. Individuals develop a unique set of habitual behaviors and beliefs that contribute some continuity in action and thinking, even within the context of change. A self-concept facilitates an ongoing relationship between individuals' subjective interpretation of an objective social reality. The two main aspects to the approach (the subjective reflexivity that underpins differences in choices and commitments, and the variations in personal habits of individuals) allow individuals to navigate their social context. Furthermore, the existence of differing levels of self-awareness, an implication of the individuation stressed by Davis, is another important determinant of individuality and difference. The latter feature of this integrative approach means that the individuality of agents is maintained even in the context of behavior that appears acutely similar, as individual's subjective interpretation of their actions and the relationship to their social context can be at variance.

3. Social coordination and changes in reflexivity

The role of shared habits in social coordination

The extensive differences between individuals naturally leads to consideration of observed social stability and coordination among agents. How are plans formed, and coordination among individuals achieved, in the context of such differences? Although emphasizing the role of institutions is indeed a conventional response among economists to questions of uncertainty (e.g. Hayek, 1973; North, 1990) and certainly an important part of the answer, it has shortcomings in the present context of individuality. Institutions are social rules and although they play a role in shaping social outcomes and can reduce uncertainty by narrowing behavior to a certain classes (O'Driscoll and Rizzo, 1996: 32), they

[25]Some support for Fuller's position comes from empirical research investigating the relationship between personal commitments and habit formation, which suggests that behavior is often a mix of conscious goal pursuit and externally cued habit. Research investigating the relationship between the two, suggests that individual preferences can be the outgrowth of a habit, or a habit can be the outgrowth of a preference (Wood and Neal, 2007). Furthermore, supportive habits can boost achievement of goals when they are congruent with them, and when self-control is low habits can work to help obtain goal outcomes (Neal *et al.*, 2013). It is also the case that disentangling habits and explicit goals is not straightforward. Individuals can often confuse the driving force of their behavior as being internal motivation when it is actually externally cued habit that is stimulating their actions (Wood and Neal, 2009). Furthermore, goal-driven actions and habits operate independently; while goals and objectives can be achieved, counterintuitive habits are maintained when the behavior that achieves the goal can be performed without undermining habits (Verplanken and Faes, 1999: 594). Added to this is the further complication that individual behavior can be a mix of both regularity as manifest through habit, and also divergence through the conscious seeking of variation (Rothman *et al.*, 2009).

[26]Fuller presents a series of hypotheses about the differing ways that the internal conversation outlined by Archer might interact with the habitual beliefs of individuals. These are linked to Archer's categories or types of reflexives. The type that is most relevant to Davis' relatively autonomous individual is Archer's meta-reflexive category of individual: "the meta-reflexive is relatively more oriented to treating its habitual beliefs as *objects to transformed into explicit 'concerns' in a process of self-examination*, and less oriented to *using habitual beliefs as automatic judgements*" (Fuller, 2013: 125, original emphasis).

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

do not define the ultimate behavior of individual agents.[27] The purpose of the following discussion is to emphasize one of the agential properties – rather than social rules (Fleetwood, 2008b) – that make a contribution to observed social coordination.

The argument advanced here is that habits can play an important dual role in the manifestation of individuality. The malleability of habits offers some scope for behavioral differentiation that is consistent with the reality of individual difference, as outlined above. On the other hand, habits also engender the emergence of similarity across individuals, thus reducing the potential social dislocation resultant from individual differences. Hodgson explains there exists two different forms of habits: those that are shared, and those that are private or personal (Hodgson, 2003, 2004). In the first case, the connection between institutions and the habits of individual agents means that habits are often very similar across individuals, as they are shaped by the common environment that such individuals share.[28] Some examples of these habits include those associated with road-usage and driving, table manners, language and communication, or even smartphone usage on public transport. In the second case, personal habits are not mirrored in the behavior of others. These habits might also be affected by the social environment – in the case of habits that are private, their confidential expression can be influenced by the social norms that indicate such behavior to be unacceptable in a public domain. However, they are not shared by others in a social context. This distinction between shared and private habits can assist in explaining the existence of social coordination in the context of individual differences.

In explaining the emergence of coordination, O'Driscoll and Rizzo argue that action must be tolerably predictable if expectations are to be formed, and point to habit and routine as providing predictability (O'Driscoll and Rizzo, 1996: 31–32). This tolerable predictability of action could be referred to as demi-regular, i.e. when one specific event occurs, another specific event often (but not always) follows it (see Fleetwood, 2017: 47). However, this predictability must entail some demi-regularity of behavior across individuals, rather than simply refer to the predictability of each individual. Accordingly, habits that make this contribution to coordination must be habits that are similar across individuals, which are referred to as "shared" by Hodgson (2003, 2004). In creating similarity in behavior across large numbers of individuals, shared habits align expectations and support the ability to plan. This similarity does not compromise individuality, as even when individuals are demonstrating behavior that is consistent with that of others they can maintain differing levels of self-awareness and reflexivity. However, such similarities can reduce the degree of behavioral heterogeneity.[29] Certainly institutions play a role in guiding behavior, but the shared habits that individuals form within those broader structures are agential properties that provide some anchor of similarity across the behavior of otherwise diverse individuals.

Shared habits play an important role in the formation of market expectations and stability. While firms often use variation to exploit differences between consumers, the similarities among individuals through shared habits allows the development of stability in production strategies. Shared habits contribute to the existence of interpersonal consistency in social behavior, as the many differences between individuals are tempered by the habits that create similarities. This means that firms can rely on some commonality of behavior in determining their output. The role of shared habits as anchors of similarity can help explain some of the concordance that the market often obtains, and contributes to the coordination of economic plans stressed by scholars of market processes (e.g. O'Driscoll and Rizzo, 1996; Kirzner, 1997). The observance of shared habits (common behavior) contributes to the formation of expectations, and serves to mitigate the potential for dislocation or unpredictability in daily economic life that might otherwise be created by individuality and difference.

[27]In their discussion, O'Driscoll and Rizzo draw on work by Lachmann (1971) and his discussion of institutions and change, which emphasizes institutions at an aggregate level and providing general points of orientation.

[28]For one detailed explanation of similarity of habits as a phenotypic and behavioral result, see Hodgson and Knudsen (2004: 287).

[29]The power of shared habits in supporting coordination and plans can be further appreciated in Hodgson's emphasis on the potential of shared habits to become social rules, such as customs among groups, once they acquire some normative value and become codifiable (Hodgson, 2006: 6).

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This posited role of shared habits in supporting coordination also depends on institutional context. Hodgson (2006) makes a distinction between institutions that are insensitive to the nature of individual agents, and those that are sensitive to agent personality and preferences. In the first case, institutions that are hard constraints (most obviously laws) leave very little room for action that diverges from them, and therefore the coordinative property of such institutions is less vulnerable to deviations in behavior. It is the second category of institutions, however, that are sensitive to the behavior of individuals. If sufficient individuals challenge these rules with variation in behavior the social coordination is susceptible to erosion. Hodgson's point is that this second case is more prevalent (than the first), and research should acknowledge this difference to ensure more careful treatment of the relationship between individuals and the institutional setting they are operating within.[30] The argument here is that the role of shared habits in supporting social coordination by mitigating the impact of individuality is particularly important in the context of these agent-sensitive institutions. It is in such cases that the agential properties of shared habits are likely to shoulder more of the burden of generating social stability. Where constraints are hard, and institutions are agent insensitive, there is less scope for individuality to penetrate them and lead to adjustment or a lapse in coordination. In contrast, in the case of agent-sensitive institutions any equilibrium in social interaction is likely to be an unstable one (Hodgson, 2006), and the existence of shared habits is likely to play a more central role in preventing individuality from eroding the social order.

Finally, the prevalence of shared habits means that differences between individuals are not equiproportional. Because habits are shaped by the broader institutional structure, and much behavior that becomes habitual is first learned as individuals imitate those around them, individuals who occupy the same institutional structure will often exhibit much similarity, e.g. individuals subject to the same cultural norms will demonstrate more shared habits.[31] In contrast, individuals who have experienced significant differences in social environment are more likely to present more salient behavioral differences.[32] However, this variation in observed differences can be misleading, and this is precisely why reflexivity (and Davis' related concept of individuation) is important in fully appreciating individuality. Differences between individuals will always be one of degrees, and while observed behavioural differences are often shaped by institutional context, acknowledging agency and reflexivity prevents an interpretation of individuals as simply repositories of social forces. The next section considers some of these issues.

The effect of institutions on individual reflexivity

While the previous subsection focused on how the properties of individuals (shared habits) can contribute to social stability, this subsection will consider how institutions might affect individual properties themselves, particularly self-concept and reflexivity. As each individual possesses different

[30]In discussing analysis of institutions that are insensitive to agents, Hodgson explains: "They push the agents into position and offer them few alternatives, whatever their inclinations. Hence these models are agent insensitive and the constraints do much of the explanatory work. Such hard constraints do exist in reality, but they are a rather special case … If the constraints were softer, then the agents would have more discretion and it would be likely that the personalities of the agents would have to be taken into account" (Hodgson, 2006: 16–17).

[31]Part of the reason for the ubiquity of shared habits is of course social pressure that is exerted by social norms, customs, and culture. Hodgson and Knudsen are likely referring to such social forces when they note the continuing tension between the imperfect copying of habits, and the social pressures that work to promote conformity (2004: 289).

[32]Witt (2009) differentiates between novelty that is universal and that which is domain specific. Universal novelty is novel everywhere, as there is no domain in which the novelty existed previously. This contrasts with an incidence of domain-specific novelty, which is not novel outside a specific context (2009: 312). The same logic can apply to the manifestation of individuality. As an individual is transplanted from one context to another, observed individuality can become more salient. An individual with habits that are shaped by one social context will clearly demonstrate much larger divergences from others in the context of a different social group, e.g. different cultural contexts. It is in this context that Davis' individuation is particularly valuable in adding an additional layer of individuality, and avoids the trap that individual differences are simply the product of positional differences.

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

reflexive capacities it is difficult to disentangle and isolate the precise impact institutions have on an individual's level of self-awareness. Furthermore, the resources available to an individual in each institutional context are another mediating factor that will play a significant role in that individual's experience of the institutional conditions, and fully abstracting from such issues is challenging. Nevertheless, the discussion below will draw inspiration from arguments presented by Archer, and related points by Davis, to contend that different institutional experiences have the potential to trigger adjustments in self-awareness. Again, the degree to which any change is realized will vary between individuals.

A central thread of Archer's (2012) critique of attempts to integrate habitus and reflexivity is that the contextual discontinuity (and even incongruity) of modernity is increasingly eroding the relevance of habitus such that it is becoming redundant. Archer contends that contextual discontinuity and incongruity, with its inherent "unpredictability, incalculability, and the valorization of novelty" (2012: 42), means that the individual has little to guide them other than their personal concerns. She argues that deliberative reflexivity is an imperative due to such rapidly changing structural and cultural conditions.[33] Similarly, Davis has argued that a relatively autonomous agent does not simply possess a self-concept, but instead has a self-concept with the ability to change through time, particularly in response to exogenously changing circumstances. These arguments can offer some counsel as to how an experience of new institutions might spur adjustments or shifts in the reflexivity of individuals. It is argued here that the mechanism by which a new institutional environment can shift levels of self-awareness is through significant interruption to the ongoing dialectic between the individual and her social environment. Such a disruption to the dialectic might reveal to the individual how they are affected by the environment they are embedded within, and may even result in an adjustment to the self-concept the individual has hitherto relied upon to navigate their social context. The level or degree of individual reflexivity, as outlined by Fuller (2013), has the potential to increase through this process. This potential for a shift in the individual's degree of reflexivity (as distinct from Archer's shift in the type or mode of reflexivity) represents a development of individuality, as the individual's understanding of the relationship between themselves and their environment is changed.

When individuals experience a new (and different) set of institutions, some of the norms and customs they previously followed, and habitual behaviors and thought processes they formerly relied upon (even unconsciously), may be problematic, inappropriate, or even redundant in the new context. Similarly, agency and choice may be challenged by newly experienced formal sanctions that delimit the range of options and alternatives that are available to them. The associated disruption to the dialectic signals to the individual that the way they formerly navigated the various institutions they interacted with is no longer effective, and this revelation might provoke a reconsideration of their social context. The degree of difference between the institutional contexts (the new and the former) is a central factor in the potential for this institutional experience to trigger a shift in awareness for an individual, i.e. the starker the difference in institutions in each location, the more challenging the shift in dialectic. Indeed, the interruption to the dialectic must be significant enough that aspects of former behavior or beliefs are clearly incompatible with the present context.

One example of an intertemporal difference in institutional experience, and associated shift in dialectic, is the process of immigration. Immigrants may experience a new dialectic that can trigger an adjustment in awareness of how the environment affects them. The conflict between their former habits and the newly encountered cultural institutions can signal that new forms of behavior are required to navigate the new social environment. The literature on acculturation offers some support for this argument, and suggests that individuals often endure a "disorganization" and then

[33]The following quotation is not representative of Archer's complete argument, which includes a range of theoretical arguments against an increased role for habits in guiding individual action (in the work of Bourdieu, Elder-Vass, Fleetwood, and Sayer). However, it does offer some representation (in her own words), of her account of the ineluctability of reflexivity: "In place of habitual guidelines, subjects become increasingly dependent upon their own personal concerns as their only guides to action. Reflexive deliberation is decreasingly escapable in order to endorse a course of action held likely to accomplish it; self-interrogation, self-monitoring and even self-revision are now necessary given the ineluctability of autotelos (which is always developed rationally)" (Archer, 2012: 65).

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

"reorganization" in order to reshape their identity in the new context (Bornstein, 2017: 4). In a comprehensive overview, Bornstein (2017) emphasizes that the complex process of acculturation can incorporate changes in the individual's customs, habits, activities, language, and even values (2017: 4).[34] Furthermore, this reorganization commonly involves recognition of the disconnect between the two contexts. Boulanger (2015) argues that immigrants continue to link themselves with both their origin and their destination, and that this promotes an acute awareness of the differences between these places and their sense of self in each location.[35] The important insight for the present discussion is that this shift in institutional context (new laws, norms, customs) can initiate a reconsideration of the relationship the individual has with the environment they are embedded within.

An example where the difference in institutional context can be more significant is immigration by individuals who have exited apartheid after experiencing its prejudicial effects. In this case, the intertemporal difference in institutional experience and associated change in dialectic is amplified by institutions that possess interpersonal discrimination. The potential for an adjustment in self-awareness can be even more pronounced, as individuals experience a shift out of a dialectic in which agency is prejudicially suppressed, to one in which institutions are relatively more equitable between themselves and others. Sonn *et al.* (2017) study a group who immigrated to Australia from South Africa, and note how this transition effected their sense of identity. As with other studies of immigration, the individuals express a feeling of being "in-between" as they attempt to straddle two identities (Sonn *et al.*, 2017: 49). What is particularly relevant is that in a number of cases the new context enables an increased cognizance of how their identity is formed by the context they are embedded within, particularly for those rebuilding their identities with education and career opportunities unavailable to them in South Africa. One of the participants noted that she only recognized the extent of being "robbed" by apartheid once she had spent time in Australia (2017: 48). This increase in awareness was not merely backward looking, but also enabled an elevated consciousness of the new social environment; one individual notes a heightened awareness of racism in Australia (relative to her peers), and of how some individuals treat her in this new context (2017: 50). These are complex cases, and no individual subject in the study exhibits exactly the same response. However, it appears the transition between these institutional contexts has unearthed some shift in awareness of how the social environment impacts upon them.

The example of individuals who have exited apartheid suggests that the transition out of institutional experiences that impact or restrict agency can be a trigger to increased self-awareness. Another significant difference in intertemporal institutional experience is one that incorporates a set of rules that exerts an extreme suppression of agency. The example considered here is incarceration, i.e. an experience of imprisonment followed by the return to normal society and institutional structures. Research into the effects of long-term incarceration by Liem and Kunst (2013) find that former inmates can self-identify the ongoing effect of institutionalization in their post-release experience. The subjects of the study revealed an awareness of how their previous experience (pre-release) had conditioned them to feel fear, anxiety, and a general lack of trust, in social contexts (2013: 335). But most significantly, the authors note that the subjects find the process of decision making in normal society particularly challenging (2013: 335). It could be argued that the long-term suppression of their agency has weakened their ability to make conscious choices and undermined the habits that individuals rely upon to navigate various social contexts. The new dialectic they are engaged in (post-release) is not

[34]Bornstein's comprehensive article contends that the process of acculturation cannot be easily generalized, and that the process is influenced by the interrelationships between five broad factors: setting conditions; person aspects; time factors; processes; and domains of life. Importantly, the degree of difference between the culture of origin and destination has an influence on the process and the extent of acculturation required (Bornstein, 2017: 9). While a full discussion of the article is not appropriate here, it is worth noting that the thrust of the argument is actually consistent with the approach to individuality outlined here. Specifically, the article contends that acculturation needs to be understood in terms of the unique qualities of the person, and also the circumstances abounding the time and place.

[35]In a thoughtful summary, Boulanger (2015: 290) emphasizes that many immigrants develop a hypersensitivity to difference, and the need to "straddle" the distance between the two worlds of their origin and destination.

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

only different, it is overwhelming, and the individuals are aware of the role the previous social context played in this. The extreme institutionalization and transition to a new (and relatively free) institutional context does spur some shift in self-awareness, if only to the extent that individuals begin to notice how the conditioning of their previous social context is affecting their ability to navigate their present environment.

Taken together, these studies provide some support to the argument that intertemporal differences in institutional experience do have the potential to generate shifts in self-awareness, particularly when the divergences between the two are significant enough to interrupt and change the dialectic the individual is engaged in. While differences in cultural experience can certainly have this impact, differences in experience that are more stark and significantly subvert agency, such as exit from extreme discrimination or incarceration, might have the potential to generate changes in self-awareness that are more distinct. Even though these factors may reveal a tendency for such experiences to shift self-awareness, this should be not generalized to a proposition that any such change would work precisely the same way for each individual. The way it will impact individuality can only be understood in the context of the individual's own history. It is noteworthy that individuals who have experienced such changes don't simply discard their former self, but instead remain aware of the differences between their behavior in the different social contexts. In fact, their previous individual experiences remain highly relevant to how they experience the new environment.

Finally, it would be a mistake to discount the ongoing role of habits. On this point, the general theme of Archer's discussion might be contested. While a new institutional context means that precise replication of extant habits is difficult to sustain, there remains the possibility that some individuals have still not developed a reflexivity that is without the influence of non-conscious factors and habitual beliefs. As Hodgson has argued, habits are sophisticated agential properties that evolve with the complexity of human society. Habits do not appear as exact replications of those previously existing and could be mutations that are evolving with individuality itself.[36] A new institutional experience might be a force that increases self-awareness, but habitual thought processes can still emerge in the context of the new environment. How new habits emerge is likely to be linked to the personal history of each individual, as Hodgson and Lawlor have emphasized.

4. Conclusion

This paper has attempted to develop a sophisticated account of individuality in the context of institutional economics. Scientific and psychological research is used to emphasize the important and ongoing impact of the social environment on the development of individuality. Habits are emphasized as further establishing the link between the social environment and the enduring properties of individuals, while a unique and subjective self-concept is elaborated that establishes agency and reflexivity for individuals as they engage in a dialectic with the objective social context they operate within. The coordinative properties of habits, particularly those that are similar or shared across individuals, are emphasized as tempering the effect of individual differences. Various implications of this perspective include the fact that differences are always one of degree, and that the shared habits that contribute to social stability will shoulder more of the coordinative responsibility in the context of agent-sensitive institutions. Finally, the potential for institutions to impact upon individual self-awareness is also explored, as new institutional experiences interact with personal life history.

There remains an array of topics that can be addressed in attending to the potential of different social structures to sustain individuality (Davis, 2011: 235). In particular, the framework outlined here (drawing upon Archer, Davis, and Hodgson), with its appreciation of agency and reflexivity in the context of broader institutional structures, has the conceptual tools to clarify some of the social interactions and relationships that impact the development of individuals. For example, the process

[36]Fuller makes the argument that habits can still play an important role within increasingly complex environments (2013: 118).

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

by which individual differences combine to force an alteration of agent-sensitive institutions is an implication that could be considered in future works. In such an investigation, individuality might be an important source of variation in the economic evolutionary process.[37] On the other hand, the limitations of markets in supporting aspects of individuality could also be studied. Indeed, while Smith's celebration of the division of labor is often cited, his unease as to the prolonged exposure to a singular mode of activity is frequently overlooked (1776: 429). As this paper has attempted to demonstrate, the development of individuality cannot be divorced from the institutions in which it is embedded.

Acknowledgments. This paper has had a long gestation period and benefited from the generosity of many individuals. I would like to thank participants at the 2013 Conference of Heterodox Economics at the University of New South Wales, and the helpful feedback of Gigi Foster, Geoff Harcourt, Tim Thornton, and Ron Ratti. I am particularly grateful for the extended comments provided by John Davis and Deirdre McCloskey. Finally, I remain indebted to four anonymous referees who offered detailed analysis, criticism, and counsel. The shortcomings that remain are my responsibility.

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[37]Individuality might have more to offer in terms of how differences generate or accommodate institutional change. Indeed, the upward causation outlined by Dopfer and Potts (2004, 2008), in terms of layers of rules, may be driven by degrees of difference as they emerge in production and consumption behaviors. The role of individuality in generating variation can be considered in the context of a generalized Darwinian approach to economics (Hodgson and Knudsen, 2010), or a "bottom up" approach to evolutionary economics (see Levit *et al.*, 2011).

https://doi.org/10.1017/S1744137419000171 Published online by Cambridge University Press

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Cite this article: Spong H (2019). Individuality and habits in institutional economics. *Journal of Institutional Economics* **15**, 791–809. https://doi.org/10.1017/S1744137419000171