

MORAL OUTRAGE**Elias L. Khalil*****ABSTRACT**

In March 2005, riots erupted in South Korea against Japan for claiming sovereignty over two small uninhabitable rocky islets (0.23 km²) which are equidistant from South Korea and Japan. In February 2005, riots did not erupt in South Korea against North Korea for announcing it has nuclear weapons. How can we explain moral outrage in one case, where expected net benefit is miniscule, and the lack thereof in the other, where net expected benefit is huge? The paper constructs a forward-looking “fight-or-flight” model. The model, though, fails to explain moral outrage: There is no morality in the model to start with. As an alternative, the paper constructs two models: “quarrel-or-reconcile” and “resist-or-submit.” Both models incorporate the role of national identity. The models succeed to explain moral outrage and the lack thereof depending on the context.

Key words Identity; nationalism; fight-or-flight model; quarrel-or-reconcile model; resist-or-submit model

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MORAL OUTRAGE

Riots erupted in South Korea on the 18th of March 2005. Some rioters sliced off their fingers, while others set themselves on fire and one even committed suicide by jumping off a bridge. The rioters vented their moral outrage at Japan, which had just claimed sovereignty over a cluster of disputed islets—“Dokdo” (Solitary) in Korean, “Takeshima” (Bamboo) in Japanese, and known also as “Liancourt” rocks. The islets are actually two large rocks and 33 small ones. The total area is about 0.23 km²—i.e., less than one eighth of the size of Monaco. They are located 215 km from mainland South Korea and about the same distance from mainland Japan. The islets had been under the control of South Korea since 1953. But the issue of sovereignty was not settled, as the case with other islands, in the 1952 San Francisco Peace Treaty between Japan and former allied powers.¹ They are uninhabitable, lacking adequate soil, and have no fresh water. The protesters, and the Korean press in general, were enraged by what they regarded as Japan’s infringement of their sovereignty—as if Japan is about to re-colonize Korea.²

How should one explain such enormous emotional/moral outburst, which can lead to war, given the meager expected benefit such conflict? There are, broadly speaking, three alternative theories:

1. Normative (backward-looking) Theory
2. Standard Rationality (forward-looking) Theory
3. Dualist Theory

1. THREE THEORIES

1.1 Normative (backward-looking) Theory

The normative or backward-looking explanation can be dismissed easily and, hence, it is neglected in this paper. It would argue that South Korea reacted with huge emotional outburst because of built-in or historical norm in its psyche as a result of anger. The Japanese colonization of Korea prior to World War II was brutal by any measure [e.g., Kang, 2001]. The colonization has simply left a deep scar and engendered enormous anti-Japanese resentment among the people of South Korea.

¹ See “The Territorial Dispute over Dokdo” at <http://www.geocities.com/mlvmo/page4.html>

² Some Korean academics have even written book-length popular accounts of the island dispute, directed at Japanese audiences [e.g., Koo, 2005].

However, the pain of the Japanese occupation, as brutal as it was, cuts in both directions. South Korea should be careful and not provoke Japan who can, again, attack and colonize South Korea in self-defense. The past can sharpen South Korea's desire to appease Japan to avoid a similar experience—as symmetrically as it can sharpen South Korea's desire to threaten Japan. One cannot determine how the past influences the future unless forward-looking calculations are already clear. In fact, much of the past can be reconstructed in almost equally valid ways. As the worn out cliché states, the victor writes the history of the war. History, as far as the forward-looking agent is concerned, is usually reconstructed to suit the agent's forward-looking calculation, interest. If so, at the most abstract level of theorizing, the appeal to the past is ultimately tautological.

1.2 Standard Rationality (forward-looking) Theory

It is easy to note that South Korea expressed moral outrage because such emotion is not costly: There is very small risk that the outrage would provoke Japan into invading South Korea. Japan simply lacks the political will to attack South Korea as it did at the turn of the 20th Century. Japan is dominated by a pacifist constitution and non-militarist political culture. It is also restrained by the US. Further, the forward-looking explanation notes that the current claims and counter-claims of sovereignty were revived recently because of natural gas discoveries in the area and the rising value of local fisheries.

These two reasons actually are in synch with the second approach, viz., standard rationality theory. This theory proposes that agents express emotional/moral outburst as a threat when they calculate that expected benefit exceeds expected cost. In such a view, the outburst is a public statement that acts, to follow Jack Hirshleifer's [1987] and Robert Frank's [1988] analyses of the emotions, as precommitment or hostage offering. Precommitment, as defined by Jon Elster [2000], or hostage offering, as defined by Thomas Schelling [1960] and Oliver Williamson [1983], involves the actual reduction of one's budget today so that one is restricted tomorrow in undertaking only one course of action. When a precommitment is undertaken, the agent is not allowing any room for weakness of will to dissuade him from taking tomorrow an action that differs from the optimal one to which the agent has declared publicly to be his obligatory commitment [Khalil, 2006c]. In this light, the actor who makes an "outrageous threat" cannot blink at a later stage of the game in order to save his skin: The cost in terms of reputation loss would be greater than the cost of the war itself.

Thus, in this view of the emotions, moral outrage is rational in the sense that it is forward-looking. The expected benefit from war exceeds any benefit gained from weakened will that recommends appeasement, which usually takes the form "peace." Accordingly, one can advance the following hypothesis:

Hypothesis: South Korea's threat of Japan is based on the calculation that South Korea would still gain more in case of conflict than it would if it appeased Japan.

But can this hypothesis explain the moral outrage of South Korea? Another event, which took place only five weeks earlier, provides a natural experiment of the hypothesis. On the 10th of February 2005, North Korea announced that it had built nuclear weapons [Chang, 2006]. What was the reaction of South Korea? The above hypothesis predicts that South Korea should express *much greater* outburst of rage than it did express towards Japan. In contrast to a war with Japan, the benefit of victory over North Korea is much greater. Also, in contrast to a war with Japan, the probability of victory against North Korea is certain given the alliance with the US. So, one would expect greater moral outrage, i.e., an aggressive threat posture, against North Korea.

To the contrary, however, there were no riots in South Korea against North Korea. There was certainly no slicing of fingers and no jumping off bridges in the streets of Seoul.

One should not, however, rush and dismiss the forward-looking, standard rationality hypothesis. The hypothesis, apparently, has overlooked the double-edged nature of threats even in a forward-looking model. A threat may provoke rather than intimidate the opponent. So, South Korea maybe did not want to provoke North Korea, given the cost of such conflict. That is, the agent cannot bluff and make non-credible threats. The agent must be prepared for the full consequences.

To clear the issue of the double-edged dynamic of threats, we need a model. Section 2 constructs such a model, called "fight-or-flight." Section 3 shows that, still, the model fails to solve the puzzle of moral outrage: The fight-or-flight model still predicts that South Korea should have expressed moral outrage at North Korea while it should have appeased Japan.

1.3 Dualist Theory

To solve the puzzle, Section 4 discusses the third approach, viz., dualist theory. While it embraces forward-looking theory, it also embraces the "identity hypothesis." The hypothesis advances the thesis that national identity or nationalism is not a redundant variable. One cannot fully explain nationalism in terms of forward-looking welfare calculation. It is as if the agent is motivated by a dual self: incentives (welfare utility) and identity (symbolic utility) [Etzioni, 1986; see Khalil, 1997b, 2000].

Section 5 shows how nationalism, which bonds North Korea and South Korea, offers different options for South Korea—as summed up in what is named below the "quarrel-or-reconcile" model. If we see the two as factions that belong to the same identity, i.e., Korean

nationalism, South Korea is not interested in totally defeating North Korea. South Korea is tainted by its alliance with a foreign power, the US, and needs reconciliation with North Korea in order to redeem its nationalist credentials.

In contrast, Section 6 highlights that South Korea and Japan do not belong to the same identity. So, we need a different model, called “resist-or-submit,” that captures the options of South Korea towards Japan. The potential suppression of Korean identity may prompt South Korea to resist, rather than capitulate, to what seems to be the aggressive designs of Japan.

2. FIGHT-OR-FLIGHT MODEL

In many situations, it is better to flee than fight, as ethologists have shown in their study of fight-or-flight behavior.³ The decision of whether to fight or to flee may arise from dynamics described by catastrophe theory [e.g., Zeeman, 1992]. The expected loss of welfare as a result of war, instigated by threat, is a double-edged sword: It can enhance one’s resolution to fight if the flight entails even greater loss.

The double-edged nature of threats is captured below in a forward-looking, fight-or-flight model. The proposed model holds the following assumptions:

- a) Information about the benefit, cost, and probability of winning the war is perfect and common knowledge.⁴
- b) Information about the determination of the agent under focus to carry out the commitment is private to the agent.
- c) The expression of the emotions of threat is costless.
- d) The incentives facing the members of each warring agent—if the agent is multi-person—are compatible, i.e., there is no free-riding problem.
- e) There is no extra utility derived from participation in collective action.
- f) There is no difference between the official posture of the state and the informal posture of the public in the form of emotions.

³ The fight-or-flight decision, first described in 1929 by Walter Cannon [1970], has been extensively studied by biologists and ethologists [e.g., Gray, 1994]. Their focus, though, is on the physiological and emotional systems that accompany stress and response to stress.

⁴ Economists have studied the issue of imperfect information and lack of common knowledge as the main cause of war. Otherwise, the parties would settle a dispute peacefully. However, in this model, war and war mongering can take place even in states of perfect information and common knowledge.

- g) The body politic is homogenous in each camp. That is, there are no militant- and conservative-leaning factions in each camp. Such factions would have different beliefs or convictions about the ability of the camp as a whole in carrying out a successful war.⁵

Given the assumptions, a single representative agent is sufficient. The agent's optimum emotional eruption or threat (T),

$$T = f \{ \{E(B)\}, \{C \mid E(B) \geq E(B)^{lc}\}, \{d(E(B))\} \}$$

whereas $E(B)$ expected benefit of war, $E(B)^{lc}$ low critical value of $E(B)$, C cost of war irrespective of who is the winner, and d is determination to act. The cost is assumed, for simplicity, to be constant. It includes the explicit cost of replacing all destroyed resources in the event of a war. It also includes the opportunity cost of man-hour in fighting the war. Meanwhile,

$$E(B) = P_v B_v + (1 - P_v) B_d$$

where P_v is the probability of victory, whereas B_v and B_d the benefits of victory and benefit of defeat, respectively. The benefit of defeat, for simplicity, is assumed to be zero.

As structured, the $f(\cdot)$ function defines the levels of T that are optimum given $E(B)$, C , d , and $E(B)^{lc}$. Given that d (determination) is private information, the agent needs to express threat to reveal determination. The threat acts as a precommitment that locks the agent on a path of no-return [Khalil, 2006c]. The precommitment abridges the gap that exists between the optimum decision and the action. As a result of weakness of will, the agent may not act according to the optimum decision. To ensure that he will, threat removes any uncertainty about the resolve or determination of the will. If there is no weakness of will, there would be no need to confirm one's optimal choice and, hence, there would be no need for threat. Without weakness of will, there would be no need to prove the determination of will through the threat posture.

The fact that d is private information, it opens the window for "bluffing"—where one agent may threaten opponent more than what can be sustained by the determination of will. One example is Iraq's showdown with the US consequent to its invasion of Kuwait in 1990. Iraq took a hard public line, when its determination was much weaker.

T is positive in d , d is positive in $E(B)$. We can ignore C since it is constant. In this light, as the expected benefit increases, the agent develops greater determination to pursue his benefit, which prompts him to show precommitment in the form of threat.

⁵ The divergence of belief concerning ability, viz., stamina and tenacity in carrying out a war entails different assessments of the likelihood of winning the war. Probably, this divergence is at the root of war—rather than differences of information regarding the absolute costs and benefits of war.

Furthermore, T is positive in $E(B)$, it would be positive in C only if expected benefit is not below a low critical value $E(B)^{lc}$. Otherwise, T would be negative in C —which entails the shift of the optimal threat curve given the assumption that C is a constant. This critical feature of the model, as discussed below, affords the almost sudden switch of frame of mind from the fight posture to the flight posture.

The model assumes that the second derivative of T with respect to $E(B)$ is positive when $E(B) > E(B)^{lc}$ and is negative otherwise. This assumption allows us to define the maximum threat (T^{max}), i.e., attack, and the minimum threat (T^{min}), i.e., surrender:

$$E(B) \rightarrow \infty \implies T \rightarrow T^{max}$$

$$E(B) \rightarrow -\infty \implies T \rightarrow T^{min}$$

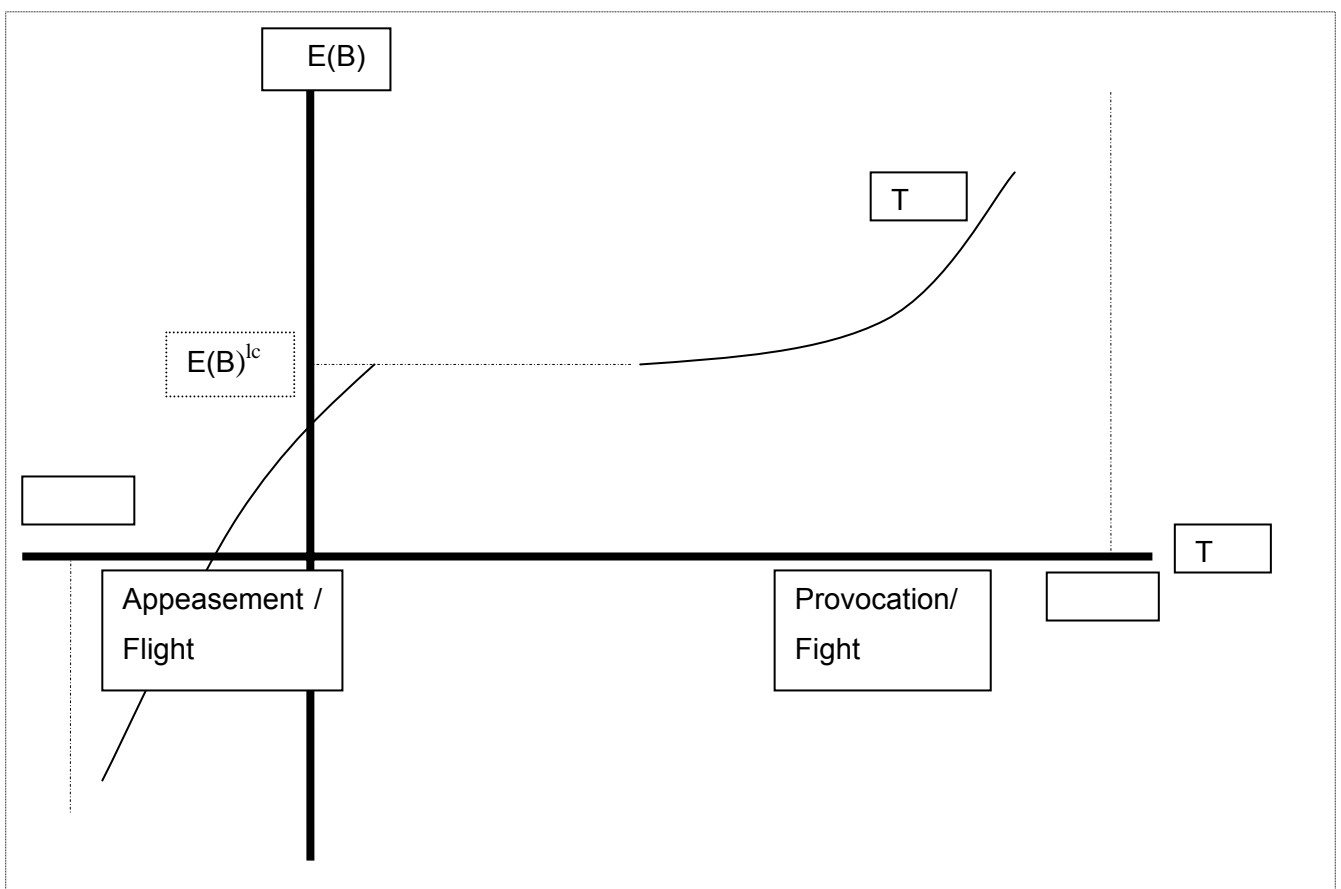


Figure 1: Threat in Fight-or-Flight Model

Figure 1 demonstrates the assumptions of the model. The x-axis denotes the endogenous variable, threat, while the y-axis denotes the independent variable, expected benefit. According to the optimum threat curve (T), the agent takes the following actions,

Provocation/Fight when $T > 0$

Appeasement/Flight when $T < 0$

As $E(B)$ declines, provocation (fight) correspondingly declines until $E(B)$ reaches the critical value $E(B)^{lc}$. At $E(B)^{lc}$, cost (C) switches from a positive to a negative value, which means we have a discontinuous optimum threat curve. For some range of $E(B) < E(B)^{lc}$, the optimum threat curve continues to be positive, although at a much lower level. This range involves the transition period of adjustment from one frame of thinking to another. But with the further decline of $E(B)$, the optimum threat curve becomes clearly negative, prompting appeasement (flight).

In this fight-or-flight model, if expected benefit is greater than critical value, the cost of war would be positive, i.e., would bolster the fight posture. In this case, given that expected benefit is known to both parties, outrage would shake down the opponent into submission and force him to flee without war. In this manner, the fighting posture offers the benefits of victory without any losses. But if expected benefit is below the critical level, the cost of war would be negative, i.e., would dampen the threat posture. It amounts to stating that the saber-rattler must be sure of victory, i.e., expected benefits must be high enough, before provoking the opponent.

3. THE LIMITS OF THE FIGHT-OR-FLIGHT MODEL

Is the fight-or-flight model adequate to explain moral outrage? Is it adequate, at least, in the case of South Korea's provocation of Japan, but appeasement of North Korea?

To examine this question, it is very tempting to delve into major and minor episodes of the modern history of the Korean peninsula [see, Kim *et al.*, 1997; Jung, 1998; Hamm, 1999; Bleiker, 2005]. However, to keep the examination disciplined and tractable, the facts should be selected in relation to the two incidences in early 2005. These incidences reflect the moral outrage puzzle—which has confronted non-Korean journalists (as discussed below). Given the fight-or-flight model, which elucidates the puzzle, the case below is stylized to facilitate the validation of the model.

3.1 Threat against North Korea

In case of victory against North Korea, South Korea would reap a huge benefit (B_v). It would get rid of the long-time threat from the North to take over the south—a threat dating to the Korean War. This entails, among many other things, the permanent lowering of its expenditures on defense. Under the assumptions of the fight-or-flight model, South Korea need not cover the cost of rebuilding North Korea, in the case of a South Korean victory. At least, South Korea does not have to spend more resources than it already does, in the form of food and economic aid, on North Korea.

What about the probability of winning the war? The probability of victory (P_V) is almost 100% because the US would side with South Korea, while North Korea cannot rely on Russia or China as the case was during the Korean War or Cold War.

Given the absolute benefits and probability of winning the war, the expected benefit of war against North Korea is very high, i.e., above the critical expected benefit ($E(B) > E(B)^c$).

What about the cost of such war? It could be staggering given that North Korea and South Korea, via its alliance with the US, may use nuclear weapons. But such a huge cost should, according the model, bolster, rather than dampen, the fighting posture of South Korea given that expected benefit far exceeds the critical level. Even in the more likely event of non-use of nuclear weapons, the cost of the war can be still be staggering. This is the case because conventional warfare can go on much longer than the case would be if nuclear weapons are used. So, in either case, North Korea's announcement should bolster the fighting posture of South Korea.

But one may argue that North Korea knows that it will lose the war. Thus, its announcement of possession of nuclear weapons falls on empty ears. The announcement is a non-credible threat and, hence, drew no protests from South Korea. To wit, North Korea is widely seen as unpredictable with an erratic leadership [Kihl & Kim, 2006]. So, North Korea undertakes "crazy" acts of posturing, viz., building nuclear weapons and announcing them—which pose no threat to South Korea. It is expected, then, for South Korea to pay little attention to North Korea's posturing.

However, the idea that North Korea is a bit "crazy" cuts both ways. As Thomas Schelling argues, there is rationality in an irrational strategy. If your opponent makes a threat, and you know that he knows that you know that the threat is without teeth, your opponent wants to convince you otherwise. One way is to act a bit crazy. That is, even if it does not pay for the opponent to carry out the threat, the opponent nonetheless would carry it out. So, South Korea should be apprehensive. To be a bit crazy is similar to the precommitment of entrusting the nuclear arsenal to a doomsday machine, where humans cannot reassess the situation *ex post*—the machine would trigger a war even if it is not worth it economically. In such fashion, the one who makes threats precommits himself in order to convince the other that the threat would be carried out even if it makes no sense to do so *ex post*.

So, the fight-or-flight model predicts, given expected benefit and cost, that South Korea should express positive threat (provocation/fight) vis-à-vis the announcement of North Korea that it has nuclear weapons. This is contrary to actual events.

3.2 Threat against Japan

In a war against Japan, South Korea's benefit (B_V) would be meager. South Korea would secure some rocky islets with rights to probable natural gas reserves and fisheries. One might also speculate that South Korea is interested in staving off Japan's ambitions that extend beyond the rocky islets to claim other islands. But even if we include the other islands in the equation, still the benefit of victory is meager.

In fact, the territorial claims of Japan are miniscule in comparison to the territorial claims of North Korea. North Korea wants to annex the whole territory of South Korea, which it considers to be occupied by foreign troops. So, in comparison to North Korea's ambitions, victory over Japan would not deliver most likely more than some rocky islets.

What about the probability of winning the war? At first look, it looks very probable that South Korea would prevail for two reasons. First, China is also interested in curtailing the territorial claims of Japan. Thus, China would ally itself with South Korea—probably in the process invoking the common colonial past of brutal Japanese occupation as the excuse. Second, the US would restrain Japan. Japan will not venture and colonize South Korea as it did at the turn of the Twentieth Century.

However, these two reasons cut in the opposite direction as well. Concerning the first reason, the US would encourage Japan to become more militant about what Japan sees as its rights—given the concern of the US about the rising power of China. Second, Japan is a strong ally of the US. In fact, for the strategic interests of the US, Japan is more important than South Korea. Given these two considerations, the US may even help Japan against South Korea—fully knowing that such help may speed the unification of North Korea and South Korea in an anti-US alliance.

At best of circumstances, the US will stay neutral rather than assist South Korea in restraining Japan. Given this prospect, the probability of victory (P_V) of South Korea without the help of the US is very uncertain. Also, once we include the variable that Japan is richer and stronger than South Korea, it is more likely that Japan would win a military confrontation.

Given the meager benefits and low probability of winning the war, the expected benefit of war with Japan is very low. It is safe to regard the expected benefit to be below the critical expected benefit ($E(B) < E(B)^c$).

What about the cost of such war? The cost definitely dampens, rather than bolsters, the fighting posture of South Korea given that the expected benefit trails far behind the critical level. In addition, a war against Japan would cost a great amount of resources given that Japan is more

prosperous than South Korea. In fact, the cost of such conflict would be greater than a conflict with North Korea.

So, the fight-or-flight model predicts, given expected benefit and cost, that South Korea should express negative threat (appeasement/flight) vis-à-vis the announcement of Japan that it claims the rocky islets. This is contrary to actual events.

3.3 Lesson Ahead

So, given the fight-or-flight model, the moral outrage (and the lack thereof) of South Korea is a puzzle. This should be expected: The fight-or-flight model has no morality to start with. Then, how could one be outraged about its violation?

This does not mean that the fight-or-flight model has no uses in human affairs. It can provide insight only where there are no institutions of property rights. When the institutions of property rights are absent, the issues of morality and outrage (the violation of morality) are totally irrelevant. If the parties are involved in a dynamics that is prior to civil society, i.e., there is no yet discussion of property rights, there would be no obligatory commitments.⁶ Thus, there is no reason for one party to be outraged, or even insulted, when attacked. Thus, the attack cannot incense the identity of the aggrieved party. So, the fight-or-flight model suits situations of predator-prey dynamics. Such dynamics have characterized much of human history until the rise of some semblance of inter-tribal and, later, inter-national civil society constrained by institutions of property rights [Khalil, 2006b].

So, when we have property rights, as in the South Korean case, we cannot use the cost/benefit, forward-looking analysis that informs the fight-or-flight model. We need a model that includes property rights and demonstrates how the violation of such rights leads to incensed emotional outbursts, i.e., moral outrage.

4. THE IDENTITY HYPOTHESIS

It was the non-Korean journalists who noticed the moral outrage puzzle—as if they were using a fight-or-flight model similar to the one presented above. These journalists asked pointed questions to the protestors: Why are you slicing your fingers off for some small specks of islets in a far-away

⁶ I use the term “obligatory commitment” to denote property rights, as opposed to the term “non-obligatory commitment” used to denote career goals and plans. The latter include plans to become a singer, which obviously is not a recognition of the right of any self [Khalil, 1999].

sea, while you did not even move a finger in protest against nuclear weapons pointed from a territory adjacent to yours?

The protestors, if we take their pronouncements *prima facie*, did not find their behavior anomalous. There was no shortage of answers of what seemed obvious to the South Koreans. None of the answers gave any cost-benefit analysis or any evolutionary fitness argument of any kind. Of course, this is expected. When people protest, they usually marshal lofty principles in order to cover up pure interest calculation. And this is exactly the point. The pure interest calculation of the fight-or-flight model predicts that rioters should be venting anger at North Korea, not at Japan.

The protestors explained what seemed strange to non-Koreans in the following way: “the nuclear threat can be handled among Koreans”; “we are all Koreans”; “Japan’s sovereignty claim over a Korean territory is a threat to our identity as Koreans, while North Korea’s announcement is not a threat to our identity”; “Japan will colonize us as Koreans.” As put by a journalist, Park song-wu:

For many Koreans, Japan's attempts to carry out an “ocean survey” near waters off Dokdo, a group of South Korea's easternmost islets, is a reminder of imperial Japan that colonized the Korean Peninsula from 1910 to 1945.

It is the reason why Dokdo is not just a group of rocky islets for many Koreans. Rather, Dokdo is considered a “holy” entity that instills in them a sense of duty to protect Korea's territorial sovereignty from Japan's attempts to trespass [Song-wu, 2006].

These comments suggest that Japan’s announcement desecrated what Koreans consider to be “holy.” In contrast, North Korea’s announcement threatens, at most, the welfare of the individuals in South Korea: It does not threaten the national identity of these individuals. So, there is something deficient in the fight-or-flight model when it discusses moral outrage: It neglects the *raison d’être* of moral outrage: the moral duty to defend what is holy.

Maybe the identity hypothesis can explain the puzzle of moral outrage against Japan, and the lack of it against North Korea. The fact that people need identity is not surprising at all for non-economists in general. It is actually the bread and butter of theories in sociology, psychology, political science, and anthropology. In these disciplines, identity is referred to as “self-esteem,” “ego,” “sacred,” “duty,” “self-integrity,” “moral commitment,” and so on. In contrast, economists have generally neglected identity. This should not be surprising. It would be redundant to include identity in the objective or constrain function. If identity affords utility, it is a product like any other and should have been included in our calculation of expected benefit. If identity is a resource, it is an input like any other input and should have been included in our calculation of cost.

To press the social science (other than economics) case for the recognition of identity presents a dilemma. This dilemma, to clarify, is unrelated to the problem mentioned at the outset with all theories that stress backward-looking (i.e., “irrational”) calculations. Namely, such theories are ultimately tautological because the past is usually constructed to suit the present.

Rather, the dilemma posed by the identity hypothesis arises from the fact that the social science case advances a notion of identity that is non-reducible to the usual benefit function and cost function, such as the ones which inform the fight-or-flight model. The social science case shows that identity, such as tribalism and nationalism, involves a motivation that differs from the usual welfare calculation—and such a motivation is needed to explain moral outrage. As such, identity is not simply a metric of interest [Khalil, 2000]. While economic theory regards the defense of identity as a defense of reputation, which in turn is explained in terms of the protection of interest in repeated games, the social science case regards identity as an end in itself. This is the reason for calling this approach “dualist.”

In fact, the dualist approach is criticized in the conclusion because, at the most abstract level of theorizing, it takes identity as something written in stone. But since the analysis here is concrete, it is useful to do so.

A few economists, to wit, found it also useful to regard identity as a variable that cannot be reduced to forward-looking calculation. These few economists, who started to pay attention to the social science case, include George Akerlof [e.g., Akerlof & Kranton, 2005], Robert Sugden [2004], and Amartya Sen [1979, 1993]. Let us reconstruct the identity hypothesis in the Akerlof/Sugden model. Agent A tries to maximize the following objective function,

$$\begin{aligned}
 U^A &= U^A(O, L, I_c) \\
 \text{s.t. } O &= q(t-L) \\
 q &= q(E(R), \hat{a}) \\
 t, \hat{a}, E(R) &> 0 \dots \text{given data; } I_c \text{ is given}
 \end{aligned}$$

U^A is utility function of agent A; O and L output and leisure, respectively; I_c categorical identity, i.e., binary value (either A is of particular gender or nation); q productivity; t total time available; E(R) expected resources which can fluctuate; \hat{a} ability. The model assumes that functions are well-behaved and definable. In particular, U^A is positive in O, L, and I_c . So, when I_c is suppressed or denied, U^A declines.

The Akerlof/Sugden model is informed by the identity hypothesis. It is expected that national identity would have different ramifications, depending on the identities of the antagonists. If the antagonists are bonded by the same identity, we have the options of quarrel-or-reconcile—as shown in Section 4. If the antagonists belong to opposing identities, we have the options of resist-or-submit. Neither of these options can be captured in the fight-or-flight model.

5. QUARREL-OR-RECONCILE MODEL

This model involves two assumptions. First, identity matters. Second, identity is common between the warring factions. Consequently, the options facing the faction under focus are either quarrel, which may lead to civil war, or reconciliation [see Bleiker, 2005].

5.1 Clarifying the Terminology

The terms “quarrel” and “civil war” are used interchangeably. In civil war or quarrel, the faction under focus aggressively tries to gain the upper hand in the body politic. It wants to impose its ideology/elite on the other faction. As such, the two competing factions still recognize their common identity as expressed in the authority of the king, constitution, or high priest. In this sense, the quarrel, as defined here, still involves the common identity that binds the factions.

Such a definition of civil war excludes sectarian conflict, where friendly relation between two identities is disrupted as the case with Iraq in post-US invasion in 2003. In sectarian conflict, there is no common identity which each side tries to claim. Similar to sectarian conflict, arguments or fall outs between two nations, business partners, or married couple need a different model where there is no common identity [Khalil, 2006d]. And if there is a common identity—such as Islam or Arabs between the two warring sects in Iraq—it is incidental. In contrast, the common identity under focus here plays a role in the dynamics of threat in the quarrel-or-reconcile model.

Further, as used here, the term “quarrel” or “civil war” differs from the term “revolution.” In revolution, the revolting agents are challenging the identity itself as expressed in the higher authority and, hence, needs a different model [Khalil, 2006e]. In civil war, the two quarreling factions usually recognize the identity of the body politic, but try to fashion it in their image and interest.

However, concrete cases are never clear on the difference between revolution and civil war. A revolution against the authority of the king, to replace it with another authority, may lead to factional quarrel, i.e., civil war, between the factions which used to be allies. This is the case with the civil wars or quarrels which followed the modern French, Russian, Chinese and Iranian revolutions. We

do not need to digress into such concrete cases. It suffices to state that the focus here is on the dispute between factions that belong to same identity, rather than the attempt to replace one identity by another one through revolution.

And still, rebellion, which is discussed below under the “resist-or-submit model,” differs from revolution. Rebellion, similar to resistance discussed in the third model below, involves the demand for independence from the hegemony of another body politic. In this sense, the so-called “American revolution” against British colonial rule is rather a rebellion.

5.2 The Issue

If the faction under focus switches from the quarrel frame of mind to the reconciliation frame of mind, the faction tries instead to reach out to the other faction and come to an understanding. The type of reconciliation depends, as shown in the model below, on the relative strength of the faction. If the expected benefit is above a critical level, the reconciliation may cede some face-saving measure to the almost vanquished faction. If expected benefit is low, the reconciliation may involve genuine power sharing that dilutes the dominance of a single elite with its puritan ideology.

The term “ideology” has a long history and has been used to denote different things [Hawkes, 2003; Schwarzmantel, 1998]. As defined here, ideology could include nationalism and tribalism, but is not limited to group identity. Every ideology usually involves two components: the “scientific” and the “visionary.” The “scientific” component consists of a theory of the proper constitution that allocates duties and rights to the different powers in the body politics. Such a theory or perspective affords a particular narration of historical events in a sequence that lends strong justification to the elite that leads the faction. On the other hand, the “visionary” component consists of a prediction of how the future will develop, which lends strong justification of the policies advocated by the elite of the faction.

As used here, ideology within a body politic is propagated by one faction against the other to sustain and amass greater support and allegiance to its vision and plan of action. Ideology, as such, is no substitute for national identity. It cannot be based on ethnic, linguistic, religious, or geographical boundary. Otherwise, it would jeopardize the common identity.

As shown next, the quarrel-or-reconcile model is partially informed by a common identity—which differentiates it from the fight-or-flight model

5.3 A Simple Model

The same assumptions listed in the fight-or-flight model still hold here. So, a single representative agent expresses emotional eruption or threat (T),

$$T = f \{ \{E(B)\}, \{E(C) \mid E(B) \geq E(B)^{uc}\}, \{I_{cc}E(B) \mid E(B) \geq E(B)^{uc}\}, \{d(E(B))\} \},$$

$$E(C) = P_v (C_w + C_v) + (1 - P_v) C_w$$

whereas C_w cost of civil war (constant), C_v cost of victory (constant), and I_{cc} common categorical identity is positive in $E(B)$, and $E(B)^{uc}$ is upper critical value of expected benefit. T is positive in $E(B)$, but negative, under some conditions, in $E(C)$ and I_{cc} as detailed shortly. As in the earlier model, the $f(\cdot)$ function defines the levels of T that are optimum given $E(B)$, $E(C)$, and $E(B)^c$.

What differentiate this model from the fight-or-flight model are two central features: expected cost function and common categorical identity.

Concerning the expected cost function, the victor has to pay not only for his cost of the war (C_w), but also has to pay for the cost of victory C_v . The cost of victory consists of two accounts: the vanquished faction's cost of war as well as the other faction's difference in welfare so that it is equals to the victor's. This is the case because, in civil war, the two factions belong to the same body politic and, hence, the welfare of the vanquished faction is equalized with the victor in order to avoid another civil war. So, in the case of losing the civil war, $(1 - P_v)$, the faction under focus actually does not have to pay for its cost of war (C_w). Thus, if the faction's expected benefit of civil war is low, it does not have to worry about the cost of war altogether. So, for simplicity, $E(C) = 0$ when $E(B) \leq E(B)^{uc}$ and, hence, the optimum threat curve (T) is not discontinuous in this range of $E(B)$ as in the fight-or-flight model. But when $E(B) \geq E(B)^{uc}$, $E(C) = P_v (C_w + C_v)$, i.e., $E(C)$ is positive.

When $E(C)$ is positive, T is negative in $E(C)$ —which discontinuously shifts the T curve to the left given that $E(C)$ is a constant. The dynamic here is that the faction that wins has to worry about winning. It cannot simply collect the benefit of the civil war and walk away as in the case of war in the fight-or-flight model. That is, the cost of war for the agent who has expected benefit greater than the critical value cannot act to bolster his threat posture. A greater threat posture would mean that the victor would have to pay off the other faction. In addition, the cost of victory also acts to dampen the threat posture. A case in point is the German unification of 1990. The West Germans are still reeling from the huge cost of unification. So, as the cost of victory rises, it would dampen the zeal of pursuing threats (civil war) when the faction under focus seems more likely reap the benefit of victory.

Concerning the common categorical identity, the second feature of the model is that I_{cc} does not play a role, i.e., it is zero, when $E(B) \leq E(B)^{uc}$. Basically the faction under focus, in its effort to increase its chance of winning the civil war, highlights how despicable the other faction is, downplaying the common identity. However, when the faction under focus senses victory within its grasp, i.e., $E(B) \geq E(B)^{uc}$, I_{cc} takes a positive value. Given that T is negative in I_{cc} , the T curve will shift discontinuously further to the left. In addition, the T curve will change direction with the rise of $E(B)$ because I_{cc} is positive in $E(B)$: As the prospects of victory increases, the common identity plays a greater role, which further attenuates the threat posture.

Put differently, when the faction poised to win the conflict is about to win it, the faction would win greater dominance of the body politic by the acquiescence, rather than annihilation, of the opposing faction. The need of reconciliation is a more impending demand if the losing faction happens to possess, for one reason or another, greater claim of national identity than the winning faction. That is, the winning faction would want reach reconciliation with the losing faction if the losing faction is the true bearer of national identity. So, as a result of common identity, the seemingly victorious faction would want to reach out to the other faction with a “brotherly” gesture of reconciliation, rather than totally defeating the much weaker faction.

As in the previous model, the second derivative of T with respect to $E(B)$ is positive for higher values of $E(B)$ and negative for lower values. This assumption allows us to define the maximum threat (T^{max}), i.e., civil war, and the minimum threat (T^{min}), i.e., reconciliation:

$$E(B) \rightarrow \infty \implies T \rightarrow T^{max}$$

$$E(B) \rightarrow -\infty \implies T \rightarrow T^{min}$$

Figure 2 demonstrates the assumptions of the model. Again, the x-axis denotes the endogenous variable, threat, while the y-axis denotes the independent variable. According to the optimum threat curve (T), the agent takes these actions,

Quarrel when $T > 0$

Reconcile when $T < 0$

As $E(B)$ rises, the threat posture rises correspondingly until $E(B)$ reaches the critical value $E(B)^{uc}$. At $E(B)^{uc}$, expected cost ($E(C)$) and common identity (I_{cc}) take positive values. Both positive values discontinuously lower the level of T —i.e., push the T curve to the left. The T curve switches direction as well, i.e., T declines with the rise of (EB) , given the assumption that common identity, as a positive function of $E(B)$, has a greater effect on T than $E(B)$ does on T .

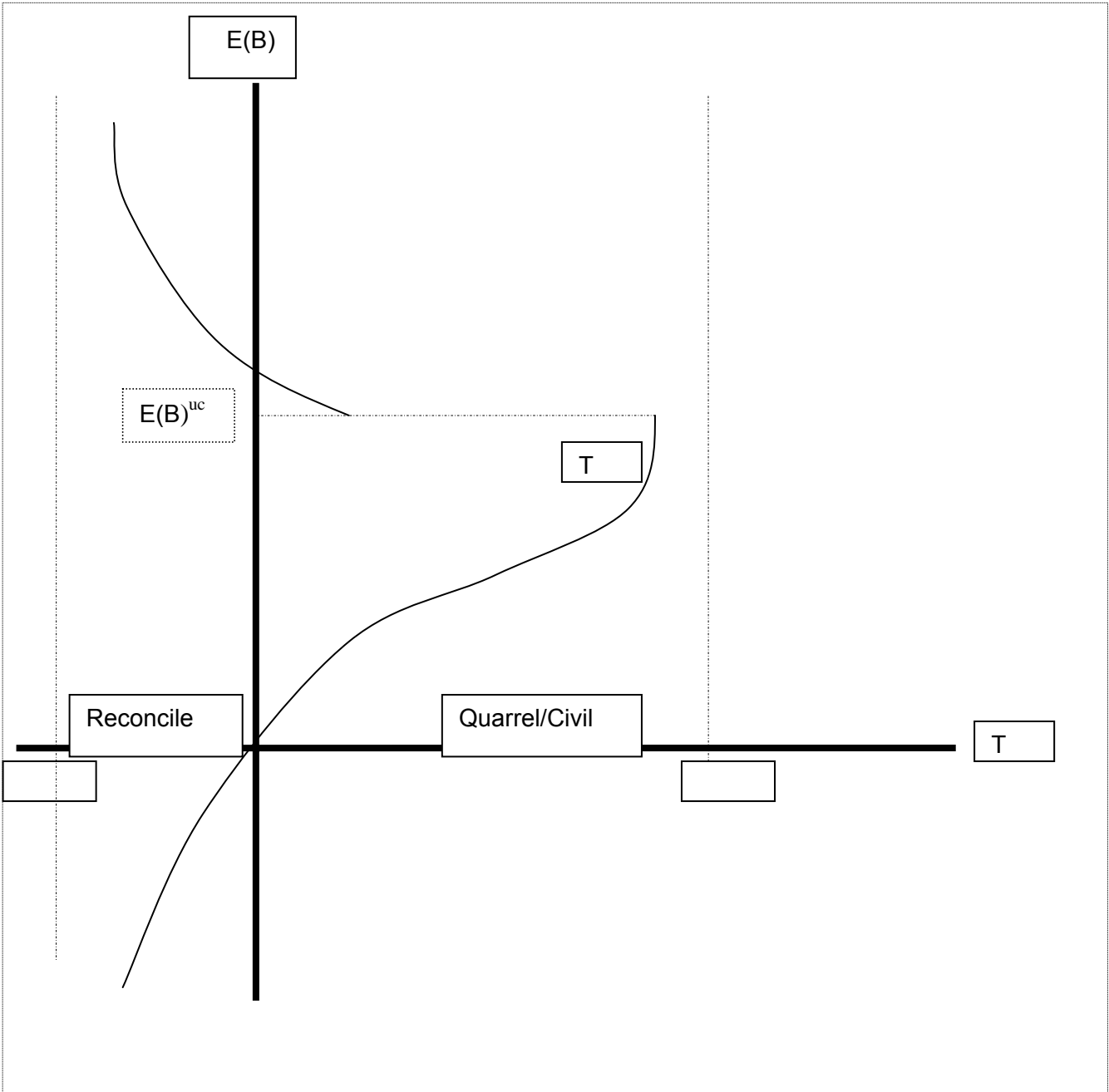


Figure 2: Threat in Quarrel-or-Reconcile Model

That is, when the faction under focus is about to reap high expected benefit from winning the civil war, it starts to worry about all-out victory. First, the faction starts to worry about subsidizing the vanquished faction. Second, the faction starts to worry about its legitimacy without the support of the vanquished faction. For some range of $E(B) > E(B)^{uc}$, the optimum threat curve may continue to be positive, but at much attenuated level. As $E(B)$ rises, the optimum threat curve becomes negative, which prompts the enormously more powerful faction to make reconciliatory gestures towards the almost vanquished faction.

5.4 Solving the Puzzle

Does the proposed quarrel-or-reconcile model explain the lack of moral outrage of South Korea vis-à-vis North Korea?

The announcement of North Korea that it has nuclear weapons must not have been a threat to the identity of South Korea. It is probable that at least some South Koreans felt that the weapons were actually directed at the US's identity—and not a threat to their own. In fact, North Korea has used its potential possession of these weapons, which it tends to exaggerate, to extract economic aid from the US, Japan, and South Korea [Chang, 2006]. Further, we should not be surprised that some South Koreans, tacitly or overtly, even felt proud that North Korea, as misguided as it is in its puritan ideology, was able to flex muscles and display national identity vis-à-vis an entity (US/Japan) which does not share same identity.

At best, North Korea's announcement, as explained earlier, would mean a prolonged conventional civil war. This would increase the cost of war and cost of victory for South Korea. Given, as argued earlier, that South Korea would be the victor of the civil war, the prospect of such costs would dampen its threat posture. And such costs, especially the cost of victory, would be staggering. The difference between the standard of living of North Korea and South Korea is huge. And South Korea has witnessed the enormous cost incurred by West Germany in absorbing East Germany, where income differentials were substantially less than in the case of the two Koreas. So, South Korea do not want to take the thrat/provocative posture towards North Korea because, despite the benefits of war, it involves a huge cost. Thus, for South Korea, reconciliation, in the form of subsidies and appeasement, is better than war and the absorption of North Korea.

Further, if South Korea wins the battle through war, it would lose the chance of acquiring the acquiescence of the vanquished. Given the imminent victory of South Korea, the issue of common identity attenuates the zeal of waging greater threats. South Korea would gain more if North Korea accepted reconciliation. This is especially so given that a foreign power, i.e., the US/Japan, is on the side of the winning faction. This victory, if won by force, would be tainted. After all, a true

bearer of national identity would not want to be tainted by winning the conflict with the assistance of foreign powers. It is clearly understood that foreign powers are always and ultimately driven by their own national interests and constituency. This, in fact, also explains why the Iraqi forces, allied with the US, have tried on many occasions to reach out to the Sunni minority. These Iraqi forces have announced on so many occasions clemency to the resistance fighters. It is obvious that the ruling coalition in Iraq can crush the resistance. But it wants to win the hearts-and-minds of the opposing faction—especially when the opposing faction is the true bearer of national identity defined by opposing vigorously the presence of foreign troops on national soil. Likewise, South Korea would want, with the increase of expected benefit of civil war, to reach reconciliation with North Korea, who seems to be the true bearer of national identity.

As shown in Figure 2, South Korea would act according to the threat function in the negative second quadrant: Higher likelihood of winning entails greater incentive to reconcile. Such reconciliation would not mean genuine power sharing. Rather, as noted earlier, it involves offering the losing faction a face-saving measure touted usually as peace making. South Korea is not interested in totally alienating a faction whose legitimacy it needs, on one hand, and whose welfare it wants to minimize in its calculation, on the other. So, the incident in early 2005, where South Korea was reconciliatory upon learning of North Korea's announcement of possession of nuclear weapons, is predicted by the proposed quarrel-or-reconcile model.

6. RESIST-OR-SUBMIT MODEL

This model also involves two assumptions. First, identity matters. This sets this model apart from the fight-or-flight model. Second, identity is not shared by the opposing camps—which sets it apart from the quarrel-or-reconcile model. Consequently, the options facing the camp under focus are either resist or submit.

To clarify, the term “resist” is used in the sense of “rebel”—with maybe one very minor difference. The term “rebel” is usually used when the agent under focus is fully under the control of the hegemonic power—as in the case of the American rebellion against colonial Britain. In contrast, the term “resist” is usually employed when the agent under focus is being threatened by such a power.

Similar to the fight-or-flight model, the resist-or-submit model involves the warring of two enemies—but with one major difference. The enemies in the fight-or-flight model are involved in pure predator-prey dynamics of who-eats-who: There is no obligatory commitment or property right in place. In contrast, the enemies in the resist-or-submit model are implicitly or explicitly bound by property rights, i.e., the reciprocal recognition of the right of the other. That is, the

enemies have already reached an obligatory commitment concerning rights in order to avoid the suboptimal prisoners' dilemma outcome.⁷

The obligatory commitment is at the origin of identity. If one camp is attacked by the other, the injured camp does not only suffer from a lower welfare. It also suffers from an “insult,” i.e., the negation of its identity. The agreement it reached with the enemy camp has been violated, which amounts to ridicule. The feeling of ridicule instigates, under particular conditions, moral outrage, as shown below, to defend one's identity. The defense of identity amounts to buttressing symbolic dimensions of utility [Khalil, 2000].

6.1 A Simple Model

The same assumptions listed in the fight-or-flight model still hold here—except for assumption g. Now, we can assume that the body politic of the agent under focus is heterogeneous, i.e., it can consist simultaneously of two frames of mind. But let us first examine how it is made up of a single frame of mind, as expressed when a single representative agent offers threat (T),

$$T = f [\{E(B)\}, \{C \mid E(B) \geq E(B)^c\}, \{I_{oc}(E(B)) \mid E(B) \leq E(B)^c\}, \{d(E(B))\}],$$

whereas I_{oc} is opposite categorical identity and is negative in $E(B)$, contrary to $I_{cc}E(B)$ in the earlier quarrel-or-reconcile model. T is positive in I_{oc} , contrary again to $T(I_{cc})$ in the earlier model. Also, as in the earlier two models, the $f(.)$ function defines the levels of T that are optimum given $E(B)$, C , $I_{oc}(E(B))$, and $E(B)^c$.

What differentiates this model from the earlier two is the dynamics arising from the countervailing forces of cost (C) and opposing categorical identity (I_{oc}).

Concerning cost (C), similar to the fight-or-flight model, T is positive in C if $E(B) \geq E(B)^c$. That is, the prospect of greater cost would bolster one's resistance to attack if it is clear that the expected benefit is high enough. Otherwise, T is negative in C —which would shift the curve discontinuously to the left, given that C is a constant. That is, given the same cost, but falling prospects of winning below the critical level, the agent would feel fatigue, and may start wanting to submit.

⁷ Actually, the prisoners' dilemma story already includes the property rights agreement (buttressed by the institution of trust) between the two prisoners. So, the story is about temptation or weakness of will: Should one actor betray his friend and violate the agreement? This begs the question about the origin of property rights or obligatory commitment: A better story of the origin of property rights is the Red Queen in *Alice's Adventures in Wonderland* [Khalil, 1997a].

The tendency to submit in the resist-or-submit model is analytically similar to the option of “flight” in the flight-or-flight model. But there is a difference. In the resist-or-submit model, the sense of fatigue, which may urge the agent to submit, involves both the lowering of welfare and bitterness that may turn into self-anger. This is not evident in the fight-or-flight model which only involves the lowering of welfare. The bitterness concerns the negation, for what seems to the losing camp an unfair reason, of categorical identity. The bitterness is accompanied by ridicule, i.e., the lowering of self-integrity or symbolic utility [Khalil, 2000]. If the agent gives up out of fatigue, he must submit and become a colony or a client state of the hegemonic enemy, while harboring still what Timur Kuran [1995] calls “preference falsification.” That is, the agent behaves submissively in public, but continues to uphold resistance preferences in private. The phenomenon of “preference falsification” is afforded by the sense of unfairness. This sense is possible only if there is a prior recognition of rights—which sets apart the resist-or-submit model from the fight-or-flight model.

Concerning opposing categorical identity (I_{oc}), If $E(B) \geq E(B)^c$, I_{oc} would be very low and, for simplicity, is assumed to be zero. First, the agent who is about to reap the huge benefit does not need to expend more resources in arousing nationalist feelings. Second, and more importantly, the agent who is about to win does not want to raise the issue of identity, which may antagonize and galvanize the losing opponent by depriving him of the fig leaf to cover the submission.

For instance, US president George Bush [1989-1993] expressed repeated restraints from celebrating the fall of the Berlin Wall in Autumn 1989 and German unification in Autumn 1990. Bush wanted, as he told reporters in 1999, to provide his opponent, Mikhail Gorbachev an easy exit from Eastern Europe, i.e., avoid galvanizing a backlash from Russian communists and nationalists [Williams, 1999]. However, there are other incidences when nationalism was used by aggressors about to win conflicts—such as Nazi Germany and militarist Japan in the 1930s. However, it is not clear if these aspiring powers considered themselves victors in the sense of the resist-or-submit model, given the strong alliance posed against them.

On the other hand, as already insinuated, I_{oc} would be positive when $E(B) \leq E(B)^c$. In fact, once $E(B) \leq E(B)^c$, I_{oc} rises with the decline of $E(B)$. The further decline of $E(B)$ acts as an incentive to agitate one’s identity, to prompt one to gain focus and determination, and to resist more fiercely what seems an unjust and unfair attack by the enemy. Further, the identity effect is assumed to be greater than the welfare effect which urges the agent to submit.

For many outsiders who do not share the same identity, and for all economists informed exclusively by the forward-looking welfare calculation of the fight-or-flight model, such fierce resistance is a sign of irrationality, cult following, intense hatred, or emotions run amok. However,

for the social science case, where identity is non-reducible to welfare, unfair attack can instigate stronger group determination to resist. This dynamic has acted as Achilles' heel in many military campaigns of definitely superior powers vis-à-vis inferior forces.

Given that T is positive in I_{oc} , and that I_{oc} gains force with the decline of $E(B)$ below the critical level, the losing camp becomes galvanized by nationalism opposed to the winning camp. That is, as the agent finds the prospect of expected benefit is ebbing, and is engulfed with fatigue and ready to quit, he is also becomes overwhelmed by the raging madness of how unjust is his situation. Such rage definitely prompts a countervailing force of surrender/submission.

In this low range of $E(B)$, the agent operates with two frames of minds. And if it is a multi-person organization, the agent splits into two factions: The "moderate faction" would like to submit and, hence, might be able to salvage some of their possessions. The "militant faction" would like to continue and resist. These two factions characterize much of the politics of the Hebrews in the 8th and 6th centuries BC in their dealings with the hegemonic power of Assyria [Boardman, John, *et al.*, 1991]. It also characterizes much of the politics of the Arabs in the 20th Century, of which Palestinian politics is the microcosm, in their dealings with the hegemonic power of the UK-France alliance after Word War I, succeeded by the US and its allies after World War II [Dawisha, 2003; Yaqub, 2004].

As in the previous models, the second derivative of T with respect to $E(B)$ is positive for higher values of $E(B)$ as well as, when identity matters, lower values of $E(B)$ —while negative for lower values when cost matters. This assumption allows us to define the maximum threat (T^{max}), i.e., resistance, and the minimum threat (T^{min}), i.e., submission:

$$E(B) \rightarrow \infty \implies T \rightarrow T^{max}$$

$$E(B) \rightarrow -\infty \implies T \rightarrow T^{min}$$

Figure 3 demonstrates the assumptions of the model. The x-axis denotes the endogenous variable, threat, while the y-axis denotes the independent variable. According to the optimum threat curve (T), the agent takes these actions,

Resist when $T > 0$
 Submit when $T < 0$

As $E(B)$ falls, threat posture correspondingly falls until $E(B)$ reaches the critical value $E(B)^{lc}$. At $E(B)^{lc}$, the agent becomes in two frames of mind: The moderate frame expresses the dominance of the welfare/fatigue effect over the identity effect—shown in the third quadrant. The

militant frame expresses the dominance of the identity effect over the welfare/fatigue effect— shown in the first quadrant when the T curve becomes concave.

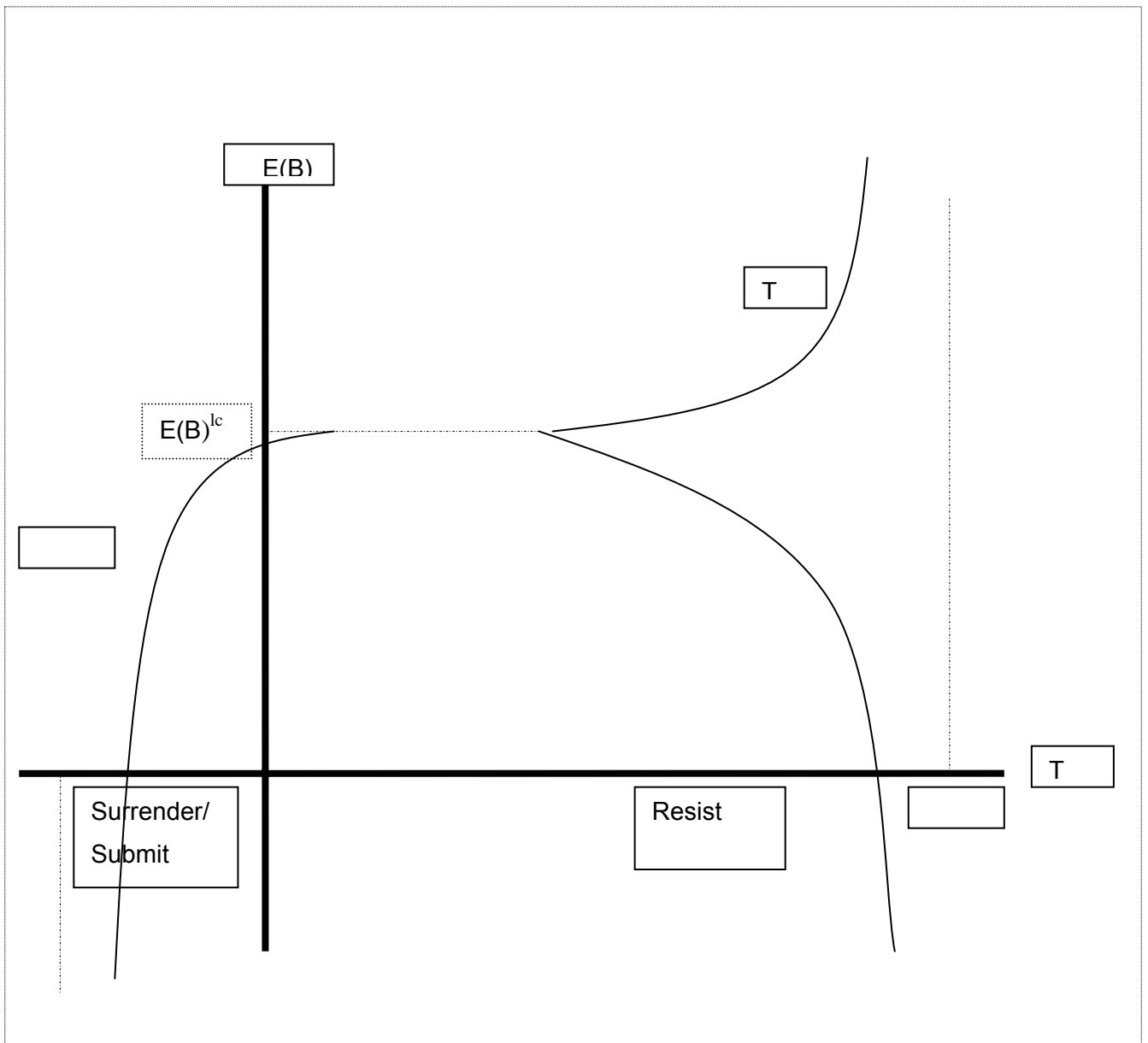


Figure 3: Threat in Resist-or-Submit Model

6.2 Solving the Puzzle

Does the proposed resist-or-submit model solve the moral outrage puzzle, i.e., the eruption of emotion of South Korea vis-à-vis Japan?

In case of war, South Korea would not be the clear winner against Japan because the US would, most likely, choose neutrality. As such, $E(B)$ is below the critical level and, hence, identity is positive. The announcement by Japan in early 2005 of sovereignty over the rocky islets must have galvanized the identity of South Korea into resistance. For South Korea, the announcement is a violation of property rights [see Koo, 2005].

On the other hand, the model predicts that South Korea would have another frame of mind, viz., the submission to Japan's demands. So far, events have not supported this prediction. However, this is a small event in a long sequence of events, which continue to develop. If Japan presses its claims, and backs it with show of military might, the model predicts that South Korea would be split into factions, the moderate faction calling for submission to Japan and the militant faction calling for resistance to Japan.

7. CONCLUSION: LIMITS OF IDENTITY HYPOTHESIS

Is the social science case, the identity hypothesis promoted by Akerlof/Sugden, a “just-so” story? Is the identity notion *deus ex machina*—i.e., introduced in an *ad hoc manner* in the utility function in order to account for special phenomena? George Stigler and Gary Becker [1977] criticized the *ad hoc* strategy of many social scientists, including economists, who arbitrarily change the utility function in order to account for some observed change in action. According to the Stigler/Becker warning, this would amount to a “just-so” story or lack of “analytical equality”: One should use the same utility function in order to explain action. So, does the introduction of “identity” violate the criterion of “analytical equality”?

This is not the case. The same explanatory variable, identity, was used to explain both the moral outrage leveled at Japan and the lack of such outrage, to wit, reconciliation, leveled at North Korea.

So, the social science case of identity is not a “just-so” story. Nonetheless, it is problematic in another respect. The social science case views identity as a given datum, as a deep norm that instructs and forms action in a way that is almost oblivious to incentives, i.e., cost/benefit calculation [Khalil, 2003]. The dualist view amounts to stating that the agent is made up of two selves: one is interested in welfare utility and the other in moral or symbolic utility [see Etzioni,

1986]. If this conception of the self is promoted at the most abstract level of theorizing, it begs a question: How one can explain the origin of identity? If one conceives identity to be derived from a source totally unrelated to interest (i.e., the dualist view), one would have only one option: Namely, one would have to argue that identity is derived from norms posited by history. That is, one would have to resort to the backward-looking approach—as if agents are programmed to behave that way irrespective of incentives [Khalil, 2003].

However, in the greater stretch of history, identities are created and destroyed. For instance, the warring nations of Europe are trying to forge a new identity with the emergence of the European Union. Also, centuries earlier, the warring tribes of the Arabian Peninsula forged a new identity with the emergence of Islam. Identity is not written in stone as suggested by the social science case. The idea that identity evolves presents limits to the proposed quarrel-or-reconcile model as well as to the resist-or-submit model.

The challenge is to examine the origin of identity. This is not an easy question [Khalil, 2006a]. To endogenize identity, one needs to take a closer look at how identities are formed in relation to interest. A good starting point is to examine how symbolic products—such as admiration (prestige), respect, and self-integrity [see Khalil, 1996, 2000]—are related to interest. Symbolic products are not quite reducible to interest. Nonetheless, they are organically connected to interest—otherwise, how can we endogenize identity. But to show this, one needs another forum.

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