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Exit and Voice

Hirschman refers to two major concepts, exit and voice, and how they influence at response to change in a society. The argument being made is that management in different organizations and institutions, whether political or economic, formal or informal, only recognize the public reaction in the form of an exit or voice.

Exit is the idea of public simply leaving, which means that the public could go to another service provider instead of the current unsatisfactory one that is unsuccessfully meeting the needs of the consumer. Voice is the action of the consumer filing some sort of complaint, and communicating to the service provider what problems exist. In this situation, the consumer as an individual is seeking a change because some attachment/relationship is still valued between the producer and consumer. In both cases, the management of the institution usually will not recognize, simply, one individual complaint unless it is something that may have already been planned. It would give the appearance that the entity adapted to the individual needs of the person, but instead was already part of the plan.

Usually, and what happens more often than not, the structure of a business or government will not change unless a group of individuals come together either formally or informally and decide to take either an action of voice or exit. It is possible in the vast number of scenarios, that a (homogeneous) group of people will communicate and seek change together, but this is not always the case. Each individual can be working based

upon their individual goals, and all of the individual goals happen to coincide, therefore giving the appearance to the institution that they are a homogeneous (organized) group.

To simplify this point, any organization will recognize individual or collective decisions with a specified amount of importance to the organization, and will then change or not change based upon the level of incentive decided by that importance.

Many examples exist. The example that was most clear when I read Hirschman's theory was the institution of education. Hirschman continuously brought up how educational organizations exist in multiple forms, and therefore allowed different consumers the choice between different schools in a private school setting, and did not allow much of a choice, if any, in a public setting. In a public school setting, if someone was unhappy with the education being provided by a school, they had essentially two options. They could move to a different school district, which is a form of exiting. What tended to happen more often was the communication of problems and desired outcomes, which is a form of a voice. In a private school, the person had the same options as mentioned in a public setting, in addition to the choice to move to another private school that may have been closer than another school district; another example of exit. Private schools do not exist within school districts and two different private schools may be in close proximity with each other.

Hirschman suggests that economists prefer the exit strategy because of their focus on a free economy/market that relies on choice, and political scientists often choose the voice strategy based upon their beliefs about government. He argues that exit and voice are not necessarily mutually exclusive. Sometimes both can occur simultaneously, but usually this does not occur because an interdisciplinary mindset is not widely accepted.