

**HIRSCHMAN, ALBERT O.: *Exit, Voice, and Loyalty. Responses to Decline in Firms, Organizations, and States.* Cambridge: Harvard University Press, 1970. 162 pp. ISBN: 0-674-27660-4**

Hirschman (\*1915) presents his theory about exit, voice and loyalty as a synthesis of economical and political theory. While the consumer decision to exit from a deteriorating business firm and to choose an alternative commodity is a commonly accepted behavior among economists, the option of voice has so far been discussed only as an inferior alternative that is chosen when the exit-option is not available. In this case, the consumer decides to stay with the firm (or an organisation in general) and tries to initiate improvements by raising his/her voice.

Hirschman now argues for the importance of both mechanisms as recuperation methods in case of organizational slack; he argues for a likewise recognition and mutual acknowledgement of both concepts. He denies a general superiority of exit over voice that would account for the former one to be the most focussed option as a recuperation method. Instead, the possibility of exit frequently leads to an oppression of the voice-option, which requires greater efforts on the part of the consumers. But especially within a high-quality-range of commodities, voice might play a more important role than exit. This is so not only because the availability of alternative products with the same quality decreases the closer one gets to the top, but also because quality-conscious costumers are those who potentially would make some effort to maintain the quality of the product.

Having dealt with the question, which consumers tend to choose which behavior option from an economic perspective, Hirschman shifts to the political sphere in the second half of the book. Taking a two-party-system as an example, he argues against the traditional notion of the 'powerful consumer' as the one who can easily switch to another product or – in this case – another political party. On the contrary, he holds those consumers most powerful who have **no** alternative product, like those voters who are situated at a political extreme. With the exit-option not available, their only chance is to fight for a party-political movement to the edge instead of the middle.

Hirschman's key effort is the presentation of his *Theory of Loyalty*. Loyalty, as "a key concept in the battle between exit and voice" (82) makes the preference of voice over exit

more probable, while at the same time increasing the power of the exit-option since the concept of loyalty implicitly contains the option of dis-loyalty. Even though this “theory” seems more like a sampling of interesting but rather disconnected aspects of the abstract notion of “loyalty”, it provides fruitful aspects for a sociology of membership. All organizations – especially those that are surrounded by a range of similar organizations – depend on member loyalty and may try to enhance it by imposing high entry-costs and/or penalties for exit. While both of these mechanisms may even succeed in evoking unconscious loyalist behavior and thus, repressing both voice and exit, the former one simultaneously bears the risk of leading to voice, since the consumer who has already paid a high price for his/her membership wants to be satisfied with it for a long time.

A second point of interest for a sociology of membership can be found in the book, especially regarding the question which forces contribute to the initiation and success of liberation movements of disadvantaged groups. While the “opting out of society” has been the traditional approach to upward social movement in the US, the black power movement took a new approach to improvement for a group whose members are stigmatized only on behalf of their physical appearance: Not the exit from the stigmatized group into the existing hierarchical structures was chosen as a strategy – this would have meant an improvement of the situation for just a few privileged individuals – but the raising of voice in order to change the existing power structure and to initiate better chances for the masses. Even though Hirschman himself never mentions this word, the concept of *solidarity* could be introduced at this point to discuss the decision of these privileged members to stay within their group, abandoning the opportunity for immediate social upwards movement.

It is Hirschman’s merit to qualify voice as a serious alternative to exit and to introduce the role loyalty might play in the interplay of both options. Unfortunately, his arguments stay on a very general level too often. While quite convincingly stating the argument that it is the quality-conscious customer who tends to prefer the voice-option over the exit-option, he simultaneously claims that “under certain conditions the most influential members might be the first to exit” (99) so that both voice and exit become more probable the higher one gets in the quality-scale. This lack of specificity culminates in the general conclusion of the book, that – since a permanent equilibrium between exit and voice can hardly be reached – “those organisations that rely primarily on one of the two reaction mechanisms need an occasional injection of the other” (126). Regarding the range of entrance questions that were to deal with “the comparative analysis of these two options and to their interplay” (5), this can be seen as a rather tenuous conclusion for a line of innovative ideas and initially very promising arguments.