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From Weddings to Football, the Value of Communal Activities

By VIRGINIA POSTREL

WHAT do weddings, the Super Bowl, presidential inaugurations, graduation ceremonies and political rallies like those that took place in Washington last week have in common?

They're all communal activities, with lots of emotional and symbolic content. But they can also serve a rational purpose, argues Michael Suk-Young Chwe, an economist in the political science department at the University of California at Los Angeles.

These activities help solve "coordination problems," in which taking action requires knowing that other people know what you know and that you know that they know that you know.

When a president is inaugurated, for instance, the content of the ceremony itself is important, but not as important as the fact that everyone present or watching on television knows everyone else is seeing the same inauguration. Everyone knows who the president is, and knows that everyone else also knows. That common knowledge is essential to the legitimacy of the office.

"I am more likely to support an authority or social system, either existing or insurgent, the more others support it," Professor Chwe writes in "Rational Ritual" (Princeton University Press, 2001). "Public rituals, rallies and ceremonies generate the necessary common knowledge. A public ritual is not just about the transmission of meaning from a central source to each member of an audience; it is also about letting audience members know what other audience members know."

Many forms of social status depend on common knowledge. Marriage, for instance, isn't just about the relationship of two people. Other people have to recognize the couple as a couple.

"What it means to be married is that other people treat you like you're married," Professor Chwe says, noting that two people who never see each other may still be regarded by others as married. (Conversely, two people who consider themselves a couple may be denied recognition by others.)

Associated Press
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The need for common knowledge means a wedding is more than the exchange of vows by two individuals. "When you go to a wedding, it's not just about you seeing the two people getting married. It's also very important that you know that other people know," Professor Chwe says. That's why the vows themselves matter less than the ceremony.

"You might have a New Age reading or you can have a very traditional Catholic wedding. But having everyone being together in a wedding is extremely important, regardless of what is said," Professor Chwe notes. "You'd never have a wedding by just sending a fax to everybody."

The importance of common knowledge can explain some otherwise puzzling cultural activities. This year's Super Bowl featured tributes to the heroes and victims of Sept. 11, for instance, not because those events had anything to do with football but because the Super Bowl is a huge national ritual.

"The Super Bowl is the best ritual we have in the United States," Professor Chwe says. "It's the one thing that everyone watches, and everyone knows everyone else is watching. It's a forum. It's a common-knowledge generator."

Although companies advertise on the Super Bowl for all sorts of reasons, he argues that Super Bowl ads are particularly valuable for products that need to generate some kind of common knowledge.

Some are goods whose value increases as more people adopt them (or, in the case of computers, as more people adopt the same operating system). That's one reason the famous Super Bowl ad for Macintosh in 1984 was so important.

It's also why the Discover card was introduced with six ads during the 1986 Super Bowl. A credit card is good only if enough retailers accept it, which will happen only if enough consumers use it, which in turn depends on how many retailers accept it Ñ a "network externality" that depends on common knowledge.

Other products, like cars, sneakers or soft drinks, use ads to create brand associations, adding symbolic characteristics to their products. Those characteristics may be valuable if only the buyer knows about them, but they're worth more if they're widely understood.

Ads on the Super Bowl or another show with a large audience help generate the necessary common knowledge. For goods that are consumed privately Ñ Professor Chwe points to Duracell and Energizer batteries Ñ there's no reason to pay a premium for common knowledge. Ad dollars are better spent in more concentrated ways.

Conversely, advertising to large markets where audience members are unaware of each other isn't as valuable. The lack of common knowledge may explain, for instance, why a high-traffic Web site like Yahoo still has trouble getting the sort of ad dollars a TV show with the same audience would draw. Because Yahoo users are unaware of each other and may in fact be looking at different parts of the site, Yahoo doesn't generate common knowledge.

Professor Chwe's work, like his own academic career, bridges several social sciences. Traditionally, scholars have tended to think of rationality and culture as separate worlds, he says. "People who are interested in rationality should be interested in markets," he adds. "People who are interested in culture should look at rituals. I don't think there really are these different worlds."

Neither a world of "atomistic individuals" nor a world of purely social groupings exists. Effective social institutions, including cultural rituals and economic practices, allow individuals to cooperate for mutual benefit.

"Even narrowly rational Homo economicus, when solving coordination problems, must form common knowledge," Professor Chwe writes. And, whatever their other benefits, that function alone is enough to make many rituals valuable.

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